

# Mandatory Insurance at Vermont Farmers' Markets?

## *What Vendors Need to Know*

### **Some Background:**

- During the past year, some farmers' markets in Vermont have required their vendors to provide certificates of liability insurance coverage. The most public of these has been Burlington, which made \$ 1 million worth of coverage mandatory for all vendors, when the city wrote this stipulation into the market's lease.
- There are several types of liability insurance. The type that vendors are being required to purchase is product liability insurance, which covers a vendor if someone is injured as a result of the products the vendor sells or because of something that happens in the vendor's space.
- There has never been a lawsuit in the state of Vermont against a farmers' market vendor.
- The state of Vermont does not have a policy or law regarding farmers' market vendor liability insurance. Towns do have the ability to make their own policies.



### **Impact on Vendors and Markets**

- Costs for product liability insurance can vary, depending upon the type of goods that are being sold. Estimated costs are anywhere from \$200/year to \$3000/year.
- Insurance companies have indicated that some markets may have issues if they allow products other than agricultural products to be sold (such as crafts or tinctures or wild-harvested products).
- Smaller markets where vendors do not have significant sales could be greatly impacted. They might lose vendors, or even shut down completely.



### **What Insurance Does NOT Do:**

- Having insurance does not necessarily protect vendors/markets from lawsuits. It simply indemnifies the vendors, so that the insurance company pays any damages that are awarded to the person filing the suit. However, if suits are filed and damages are awarded, insurance rates often go up.
- Having insurance does not in any way make food safer. Some would argue that not having insurance puts a higher expectation on the vendor to keep food safe, as the vendor is directly responsible if anything happens to his/her customers.
- Having insurance does not strengthen communities or economies. When people deal directly with each other and build relationships of trust by buying and selling food and other products in a direct face-to-face market, our whole community and economy is stronger. When we fear our food and our farmers, and do not trust each other, our community and our economy suffers.



**Rural Vermont believes that vendors should have a choice about whether or not to have insurance. See the back of this sheet for an invitation to get more information and to stay informed.**



Rural Vermont

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