

BEST PRACTICES: Insurance for Solar Grazing Operations



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Why Insurance Matters

Solar developers generally require solar graziers to carry insurance to become vegetation management contractors for their solar sites. The solar grazing contract will outline the specific insurance requirements for each solar site. These requirements are normally set by the insuring entity for the solar asset owner and apply to all vendors, including the vegetation management contractor. Because solar infrastructure is a high-value asset, these requirements help ensure that potential damages or incidents are financially covered.

Finding insurance coverage can be a challenge for new solar graziers. Having an insurance policy is not only necessary to be hired as a vegetation contractor, but it also plays an important role in risk management and business continuity. Proper coverage protects grazing operations from costly accidents, infrastructure damage, and third-party liability claims. Because solar grazing contracts often include indemnification clauses, insurers often request a copy of the agreement before issuing coverage or providing a quote. Without insurance backing these agreements, graziers may be assuming significant financial risks themselves.

Core Insurance Coverage for Solar Graziers

Solar grazing operations typically involve multiple insurance components that are either required or recommended.

REQUIRED

General Liability: Primary coverage for third-party claims and property damage.

Farm Auto/Commercial Auto: Coverage for vehicles and trailers used in operations.

Workers' Compensation and Employer's Liability: Coverage for employees working for a solar grazing operation.

RECOMMENDED

Umbrella Policy: An extension of the general liability policy for additional limits. Typically, the limits for general liability insurance are \$1 million, and the umbrella policy limits are \$5 million, representing a total combined coverage of \$6 million.

Property/Equipment Coverage: Protection for buildings and equipment, including mowers, animals, and specialized grazing equipment, like handling systems.

Finding Insurance Providers

Because solar developers typically do not coordinate insurance for grazing operations, graziers must work directly with insurance professionals to obtain coverage. As independent businesses, graziers are responsible for securing policies that meet contract and liability requirements. This involves working with agents or brokers to identify appropriate coverage, communicate specifics of their operation, and ensure all contractual obligations are met.

1. **Independent Agents:** These providers work for an insurance agency, rather than a specific insurer. This is the most successful approach because they can access multiple carriers. There are two different types of agencies: those that have either a retained or in-house underwriter, and those that will require the solar grazer to use a separate underwriting firm.
2. **Specialized Underwriters:** Underwriters who understand solar grazing risks and what options are available for insuring workers, their assets, and how to underwrite them.
3. **Commercial Policy Providers:** These companies provide policies that are designed for business owners and offer the required general liability and commercial umbrella policies that are not available from farm insurance providers.
4. **Commercial Landscaping Insurers:** These insurers provide policies specific to covering the risks of landscaping, such as injury, equipment loss, or property damage.

Working with experienced agents and underwriters who understand livestock operations and vegetation management can significantly improve the chances of finding appropriate coverage.



Common Insurance Challenges

Many insurance carriers are unfamiliar with solar grazing and may not have policies designed specifically for this type of operation. As a result, underwriters may struggle to evaluate risk or determine appropriate policy structures.

Solar developers may also require higher liability limits than those carried by small livestock operations. Some graziers report policy cancellations or coverage restrictions after claims are filed or when insurers discontinue coverage for solar grazing activities.

Providing insurance agents with a copy of the solar grazing contract, including required coverage limits, can help insurers understand the risks and structure appropriate policies.



Securing Appropriate Coverage

Experienced solar graziers recommend starting the search for insurance early, often several months before contract execution, to allow time to identify suitable providers.

Obtaining insurance requirements before submitting bids can help determine the needed coverage limits. Graziers should be prepared to explain their operations, including livestock management practices and vegetation maintenance responsibilities.

Graziers should secure the highest coverage limits required by any potential client and ensure certificates of insurance include all required endorsements and contract language.

Operational Considerations

Insurance requirements can influence operational decisions at several key points.

During contract negotiations, graziers should review insurance requirements to ensure they can meet the required coverage. Expanding operations into new geographic areas may require policy adjustments, particularly when adding employees or operating in multiple states.

Workers' compensation requirements vary by state, and four states (North Dakota, Ohio, Washington, and Wyoming) require employers to obtain coverage through state programs. Policies should list all states where employees may work to ensure coverage applies across operating regions.

Operational changes such as adding mowing services, expanding vegetation management responsibilities, or introducing livestock guardian dogs may require policy updates. Coverage should be reviewed regularly during renewal periods.

Benefits of Proper Insurance Coverage

Despite the challenges involved in obtaining appropriate insurance coverage, a properly executed insurance policy provides several important benefits. It allows graziers to meet contractual requirements and remain eligible for solar grazing opportunities while transferring financial risk from the business to the insurer.

Comprehensive coverage demonstrates professionalism to solar developers and provides confidence when working around valuable infrastructure. It also protects business assets, including equipment and livestock, and helps shield personal assets from business-related liability claims.

