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STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

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FIREWORKS INSURANCE REQUIREMENTS

Pursuant to PA 256 of 2011

This notice will serve to ensure that all Michigan consumer grade fireworks retailers are compliant with the insurance requirements in accordance with [Public Act \(PA\) 256 of 2011, the Michigan Fireworks Safety Act](#), and the promulgated [Fireworks Safety General Rules](#).

According to PA 256 of 2011, [MCL 28.455, Section 5\(3\)](#); **Sale of consumer fireworks from retail location; conditions; failure to comply; civil fine; insurance coverage:**

Sec. 5 (3) During periods when consumer fireworks are sold, each retail location selling consumer fireworks either shall be added as an additional insured or public liability and product liability insurance coverage shall be obtained and maintained, in an amount not less than \$10,000,000.00 per occurrence. A person that knows, or should know, that he or she is required to comply with this subsection and who fails or neglects to do so is liable for a civil fine of not more than \$5,000.00.

According to the Fireworks Safety General Rules, [R29.2918](#), Rule 18; **Proof of insurance:**

Rule 18 Proof of insurance as required by section 5(3) of the act shall be in writing, be current, and be available for inspection upon request at each retail location.

NOTICE TO FIREWORKS CERTIFICATE RETAILERS:

- Each retail location **must** have the required insurance pursuant to [MCL 28.455, Section 5\(3\)](#) and [R29.2918](#).
- The required insurance coverage documentation will be checked to verify that each retail location is properly insured. In the past, inspectors found that the proof of insurance did not document the correct location or was issued to an address that did not match the certificate retail location. The insurance must be for the retail sales location.
- The insurance coverage documentation must include **both** public liability and product liability of not less than \$10,000,000 per occurrence and, if applicable, list the retail location as an additional insured.
- The State of Michigan will not accept "Claims Made" policies.
- When purchasing consumer fireworks from a wholesaler and being added as an "additional insured" to their policy, it is likely that the policy will only cover products purchased from that wholesaler. **If the fireworks retail location is selling products from multiple wholesalers, multiple insurance policy coverages are likely necessary.** All products being sold must be insured. The retailer is responsible to make sure adequate coverage is provided for all consumer fireworks being sold.
- Those retail sales locations that are found to be deficient with the statutorily required insurance coverage will be issued a civil fine citation within the provisions of the Michigan Fireworks Safety Act.