

Date: 10/09/25

Virtual Meeting

CANNABIS INSURANCE (C) WORKING GROUP

Monday, October 20, 2025

2:00 – 3:30 p.m. CT

ROLL CALL

Katey Piciucco, Chair	California	Melissa Robertson/	New Mexico
TK Keen, Vice Chair	Oregon	Ursula Almada	
Nathan Hall	Alaska	Glen Mulready/	Oklahoma
Jimmy Harris	Arkansas	Brian Downs	
Jennifer Welch	Delaware	Michael Humphreys/	Pennsylvania
Angela King	District of Columbia	Sebastian Conforto	
C.J. Metcalf	Illinois	Carlos Vallés	Puerto Rico
Ryan Blakeney	Mississippi	Karla Nuissl	Vermont
Gennady Stolyarov	Nevada	Michael Walker/	Washington
Justin Zimmerman	New Jersey	Tyler Langford	

NAIC Support Staff: Anne Obersteadt/Aaron Brandenburg

AGENDA

1. Consider Adoption of its April 23, 2025, Minutes—*Katey Piciucco (CA)* Attachment A
2. Hear an Update on Findings from the 2025 CANNRA External Stakeholder Meeting— *Raven Collins (WA)*
3. Hear a Presentation on the Cannabis and Hemp Insurance Market, Addressing Coverage Issues, Capacity and Rate Trends, and Insurer Responses to New Risks like THC Beverages, Consumption Lounges and Buses, and Intoxicating hemp—*Alex Buschmann and Jeremy Ortiz (Risk Strategies)* Attachment B
4. Hear an Update on Cannabis-Related Federal Activities— *Alex Swindle (NAIC)*
5. Discuss Any Other Matters Brought Before the Working Group — *Katey Piciucco (CA)*

Draft: 4/25/25

Cannabis Insurance (C) Working Group
Virtual Meeting
April 23, 2025

The Cannabis Insurance (C) Working Group of the Property and Casualty Insurance (C) Committee met virtually April 23, 2025. The following Working Group members participated: Katey Piciucco, Chair (CA); TK Keen, Vice Chair (OR); Nathan Hall (AK); Jimmy Harris (AR); Angela King (DC); Jennifer Welch (DE); C.J. Metcalf (IL); Ryan Blakeney (MS); Gennady Stolyarov (NV); Randall Currier (NJ); Elouisa Macias (NM); Brian Downs (OK); Karla Nuisl and Mary Richter (VT); and Tyler Langford (WA).

1. Adopted its Nov. 18 Minutes

The Working Group met Nov. 18 and took the following action: 1) adopted its May 8, 2024, minutes; 2) heard an update on cannabis-related legislative activities; 3) heard a presentation on activities at the Colorado Marijuana Enforcement Division (MED) and Cannabis Regulators Association (CANNRA); 4) heard a presentation from the American Property Casualty Insurance Association (APCIA) on impediments for otherwise admitted carriers to write coverage for cannabis.

Keen made a motion, seconded by Downs, to adopt the Working Group's Nov. 18 minutes (*see NAIC Proceedings – Fall 2024, Property and Casualty Insurance (C) Committee*). The motion passed unanimously.

2. Heard a Presentation on What to Expect in 2025 Related to Cannabis and Hemp with the New Administration

Morgan Fox (NORML) provided a detailed overview of the cannabis policy landscape in 2024, emphasizing the growing disconnect between strong public support for reform and the slow, often resistant, response from lawmakers—particularly at the state level. He said that while no major setbacks have occurred, forward progress has been limited, and opposition has become more organized.

Momentum behind adult-use legalization has slowed significantly in 2024. Many of the more politically feasible wins have already been achieved, leaving behind states that are generally more conservative and lack ballot initiative options—tools that have historically driven reform. Although public support remains high, legislative bodies in many of these states continue to stall. Over a dozen states introduced adult-use bills this year, but none have made meaningful advances. Fox stated that, for example, Pennsylvania continues to debate whether to implement a privately operated cannabis retail system or a state-run model. Legal issues related to federal preemption—particularly if state employees engage in cannabis sales—are of concern. Multiple bills are expected in the current session, and there is mounting pressure to reach a policy solution.

Fox said medical cannabis legislation has been introduced in states such as Indiana, Tennessee, and the Carolinas, often with limited scope. Additional proposals aimed at expanding patient rights—such as allowing home cultivation and enabling insurance coverage—have yet to gain significant traction. Along the decriminalization front, states including Kentucky, Texas, and West Virginia introduced bills to remove criminal penalties for cannabis possession. While minor progress occurred in places like North Dakota and New Hampshire, most efforts ultimately stalled or were tabled.

This year has seen an uptick in legislation designed to roll back existing cannabis reforms. Key areas of concern include recriminalizing previously decriminalized behavior, prohibiting high-potency products, and increasing

taxes on cannabis consumers and businesses. Tactics include blocking ballot initiatives, challenging the legitimacy of voter-approved laws, and rewriting the rules to restrict future ballot access. For example, in Idaho, lawmakers are considering shifting all authority over cannabis laws to the legislature—eliminating the public's ability to vote on the issue directly. Montana proposed a cannabis registry that was seen as potentially infringing on Second Amendment rights and deterring participation in the legal market. In Ohio, efforts are underway to undo elements of voter-approved marijuana legalization, including re-criminalizing adult sharing, restricting home grow, and altering tax revenue allocation.

At the federal level, the U.S. Supreme Court has largely declined to engage with cannabis cases, including challenges to its Schedule I status. However, there has been growing legal activity around cannabis users' gun rights. Several lower courts have ruled in favor of those users, setting the stage for a potential Supreme Court review. Additionally, cannabis reform continues to take a backseat in a politically divided Congress. However, several bipartisan and targeted bills have been introduced. HR 966, the Veterans Cannabis Use for Safe Healing Act, would allow Veterans Affairs doctors to recommend medical cannabis to their patients. HR 2935, known as the PREPARE Act, proposes the creation of a federal commission to study cannabis regulation, likely using the alcohol industry as a model. HR 2334, or the STATES 2.0 Act, aims to exempt states with legal cannabis programs from federal enforcement, permit interstate cannabis commerce, and preserve state-level control. Congress is also using appropriations bills to advance limited reforms, such as preventing federal interference in compliant state programs, safeguarding cannabis users in federally subsidized housing or employment, and expanding access for veterans and addressing firearm restrictions.

Efforts to reclassify cannabis from Schedule I to Schedule III have encountered delays. The U.S. Drug and Enforcement Agency (DEA) indefinitely postponed a key hearing due to concerns over the agency's communications with anti-legalization groups. The interim DEA director has shown little initiative, and the nominee for permanent director is considered unsympathetic to reform. While rescheduling would reduce tax burdens (e.g., eliminating 280E restrictions for cannabis businesses), it would not legalize cannabis federally.

A wave of symbolic legislation is expected around April 20 (4/20), as lawmakers seek to demonstrate support for reform. However, long-term progress will depend on sustained public pressure, strategic industry engagement, and leadership from the White House—particularly under a Republican-controlled Congress. Increased advocacy from industries such as insurance and finance could play a pivotal role in pushing federal reform across the finish line.

Stolyarov asked if there was a reason behind the discrepancy between the public's and lawmakers' attitudes toward cannabis legalization or decriminalization. Fox stated lawmakers often hesitate to tackle hemp-derived intoxicants because they fear being seen as "soft on crime," especially in states with strong anti-drug sentiments. Also, many do not view it as a priority issue for their constituents. Even among those fully supportive of legalization, it typically does not rank high among their top concerns. This lack of urgency from voters means policymakers have little incentive to spend political capital addressing the issue.

Lauren Pachman (National Association of Professional Insurance Agents) asked for any insight into the prospects for either the Secure and Fair Enforcement (SAFE) Act or the Secure and Fair Enforcement Regulation (SAFER) Banking Act in the current Congress. Fox said the bill has not been reintroduced in either chamber yet, and there is less discussion around it compared to previous years at this time. While it is expected to be reintroduced soon, it has become less of a priority. Many Democrats who were hesitant to support SAFE Banking without accompanying criminal justice reforms may now be less inclined to fully back it, especially after the administration's actions regarding Community Development Financial Institutions (CDFIs). The inclusion of CDFIs in the law weakens a key point that was once more compelling for some, which could dampen Democratic

support. However, it is still unclear how this will play out, and there is no concrete timeline for reintroduction at this point.

Beau Whitney (private citizen) asked if the cannabis caucus has any influence. Fox said members of the Congressional Cannabis Caucus continue to show interest, though the caucus itself has seen less activity since Oregon Representative Earl Blumenauer's retirement and the departure of his legislative director, who had managed much of the caucus's operations. However, with the new co-chairs now in place, there is renewed energy. The current co-chairs, Congressmen Dave Joyce (OH-14) and Brian Mast (FL-21), remain involved, and on the Democratic side, the new co-chairs are U.S. Reps. Dina Titus (NV-1) and Ilhan Omar (MN-5). There is significant interest in strengthening the caucus's influence in Congress, along with efforts to recruit additional members.

3. Heard a Presentation on State-Based Regulation of Intoxicating Hemp Cannabinoids

Chris Lindsey (American Trade Association of Cannabis and Hemp—ATACH) provided overview of the regulatory landscape surrounding hemp-derived intoxicants. He said regulatory models for hemp-derived intoxicants are evolving rapidly, with states adopting a range of approaches. There are four main models:

1. **Prohibited:** Some states have fully banned the manufacture, sale, or possession of intoxicating hemp products. Examples include New York, Colorado, and Nevada, each with its own specific restrictions, such as prohibiting certain types of cannabinoids or limiting sales to licensed marijuana retailers.
2. **Unregulated:** In these states, there is little to no state oversight, and hemp products are widely available. States like Florida, Texas, and Missouri fall into this category, where general consumer protection laws might apply but there are no specific hemp-related regulations.
3. **Stand-Alone Hemp Regulation:** Some states, such as Tennessee and Kentucky, have adopted regulations for hemp products outside of marijuana laws. These rules often include age restrictions, labeling requirements, and testing protocols, typically overseen by health or agriculture departments.
4. **Cannabis Law Integration:** In states with established cannabis programs like California and Oregon, hemp-derived intoxicants are regulated under the same laws that govern marijuana. This often means products are sold only through licensed dispensaries.

These regulatory models are often transitional, with many states in the unregulated category moving toward more structured regulations. States like Florida and Indiana are actively debating legislation that blends regulatory language with de facto legalization, which reflects a broader trend across the country.

Legislative trends are emerging around key issues like youth access, with almost universal shifts toward a 21+ age restriction, and increasing focus on proximity bans around schools and daycare centers. States are also addressing potency controls, moving away from percentage-based THC limits to milligram-based caps per serving or package, to better regulate the strength of these products. Additionally, certain hemp-derived products, such as THCa flower or synthesized cannabinoids, are frequent targets for prohibition.

On the tax front, states are experimenting with excise taxes on THC content, similar to cannabis programs, and imposing surcharges on hemp products to fund public health or enforcement efforts. These models also include licensing systems to support testing and inspection programs, especially in states with more robust regulatory frameworks.

Regulatory authority often differs by state, with southern and conservative states assigning responsibility to agriculture departments or tobacco control boards. Coordination with law enforcement and health agencies is on the rise, though few states are yet addressing import/export controls for hemp-derived products.

Retail access to hemp intoxicants varies widely: some states limit sales to licensed alcohol or tobacco outlets, while others align retail models with dispensaries, particularly in states with established marijuana laws. In some cases, like Minnesota, intoxicating hemp products are restricted to outlets with liquor/tobacco licenses. Enforcement, especially in the grey market or online sales, remains minimal.

Testing regulations are becoming more standardized, with states requiring comprehensive testing for potency, contaminants, and conversion byproducts. There is also an increasing demand for labeling transparency, such as QR codes linking to batch-specific Certificates of Analysis (COAs), to ensure consumer safety and prevent deceptive marketing practices.

Emerging themes show a cross-ideological consensus forming around the importance of public health and market integrity, with most states choosing to regulate hemp intoxicants with low-dose, all-natural products available without the need for dispensary purchases. States are also opting for hybrid regulatory models, involving agencies that oversee alcohol or tobacco, as opposed to outright bans.

Looking ahead, important issues remain, including clarifying THC caps across different product types, defining retail enforcement responsibilities, and aligning policies on synthetic cannabinoids with marijuana and hemp laws. Future legislative focuses may include addressing interstate transport, online sales, and stricter marketing restrictions.

Having no other business, the Cannabis Insurance (C) Working Group adjourned.

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NAIC Cannabis Insurance

Risk Strategies - Part of the Brown & Brown Team

Alex Buschmann – National Cannabis Practice Leader

Jeremy Ortiz – Cannabis Producer/Team Member

Insurance Market Update

- Capacity
- Premiums
- Carriers
- Changes



Cannabis Market As A Whole

- Sink or Swim the Last Year
- Investor's Cracking Down
- Certain States with big votes
 - FL Recreational Market 2026*



Party Bus/Consumption Bus

- Lots of ?'s with this one.
 - Bus Moving with Passengers?
 - Driver separated area?
 - Rental to a destination or rental for a destination?
 - Insurable? Yes – worth the price tag though?



Questions or Other Topics to Discuss

