



2026 SPRING NATIONAL MEETING
SAN DIEGO, CA



Draft date: 3/16/26

2026 Spring National Meeting
San Diego, California

CANNABIS INSURANCE (C) WORKING GROUP

Wednesday, March 25, 2026

9:30 – 10:30 a.m.

Manchester Grand Hyatt—Grand Hall C—Level 1

ROLL CALL

Katey Piciuccio/Ricardo Lara, Chair	California	Gennady Stolyarov	Nevada
TK Keen, Vice Chair	Oregon	Melissa Robertson/ Ursula Almada	New Mexico
Erick Wright	Alabama	Brian Downs/ Glen Mulready	Oklahoma
Jimmy Harris	Arkansas	Michael Humphreys/ Sebastian Conforto	Pennsylvania
Jennifer Welch	Delaware	Carlos Vallés	Puerto Rico
Angela King	District of Columbia	Karla Nuisl	Vermont
C.J. Metcalf	Illinois		
Ryan Blakeney	Mississippi		
James E. Brown/Ted Bidon	Montana		

NAIC Committee Support: Anne Obersteadt/Aaron Brandenburg

AGENDA

1. Consider Adoption of its Oct. 20, 2025, Minutes—*Katey Piciuccio (CA)* Attachment A
2. Hear a Presentation on Recent Federal Actions Related to Cannabis and Hemp, Including the Potential Impact of Reclassifying Cannabis from Schedule I to Schedule III on the Insurance Industry. Attachment B
—*Eric Berlin (Denton Law Firm)*
3. Hear a Presentation on Golden Bear Insurance’s Journey, Keys to Success, and Insights on the Recent Federal Actions Attachment C
—*Michael Brown (Golden Bear)*
4. Discuss Any Other Matters Brought Before the Working Group
— *Katey Piciuccio (CA)*
5. Adjournment

OUR MEETING WILL BEGIN SHORTLY

Cannabis Insurance (C) Working Group

March 25, 2026

Virtual Attendees

- Audio will be muted upon entry.
- To request to speak, use the "Raise Hand" feature. The chair will be alerted.
- Video optional.
- Use the "Chat" feature for questions, comments, or assistance.
- If joining by phone, press *6 to mute/unmute.

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Cannabis Insurance (C) Working Group

March 25, 2026

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MARCH 22-25

NAIC®

2026 SPRING NATIONAL MEETING
SAN DIEGO, CA

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS



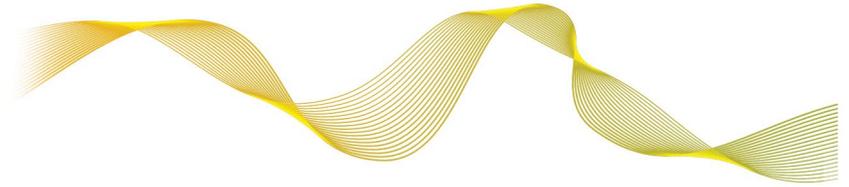
Welcome and Roll Call

Katey Piciucco/Ricardo Lara, Chair	California
TK Keen, Vice Chair	Oregon
Erick Wright	Alabama
Jimmy Harris	Arkansas
Jennifer Welch	Delaware
Angela King	District of Columbia
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#1 Consider Adoption of its Oct. 20, 2025, Minutes

Attachment A

Katey Piciucco (CA)

Draft: 10/23/25

Cannabis Insurance (C) Working Group
Virtual Meeting
October 20, 2025

The Cannabis Insurance (C) Working Group of the Property and Casualty Insurance (C) Committee met Oct. 20, 2025. The following Working Group members participated: Katey Piciucco, Chair (CA); TK Keen, Vice Chair, and Raven Collins (OR); Austin Childs (AK); Angela King (DC); Jennifer Welch (DE); C.J. Metcalf (IL); Ryan Blakeney (MS); Gennady Stolyarov (NV); Randall Currier (NJ); Elouisa Macias (NM); and Michael Walker (WA). Also participating were: Bobbie Baca; and Debra Judy (CO).

1. Adopted its April 23 Minutes

The Working Group met April 23 and took the following action: 1) adopted its Nov. 18, 2024, minutes; 2) heard a presentation on what to expect in 2025 with the new administration; and 3) heard a presentation on the state regulatory landscape surrounding hemp-derived intoxicants.

Currier made a motion, seconded by Stolyarov, to adopt the Working Group's April 23 minutes (*see NAIC Proceedings – Summer 2025, Property and Casualty Insurance (C) Committee, Attachment Two*). The motion passed unanimously.

2. Heard an Update on Findings from the 2025 CANNRA External Stakeholder Meeting

Collins represented Oregon as vice chair at the Cannabis Regulators Association (CANNRA) meeting. Discussion on federal policy noted increasing bipartisan support for several federal cannabis bills, including the States Act, Prepare Act, and Safe Banking Act. These initiatives aim to clarify state versus federal roles, expand banking options, and prepare for possible federal legalization of cannabis. Nonetheless, conflicts between state and federal policies continue to create uncertainty.

Medical oversight remains inconsistent, and state regulations vary widely, leaving many patients without proper guidance. Risks from drug interactions are often overlooked. CANNRA advocates standardizing terminology, encouraging more research, and providing improved clinical guidelines.

Data from Colorado and Massachusetts reveal that young people are viewing cannabis as less risky. Most accidental exposures happen to children, especially through edibles. Current sobriety tests are unreliable, and trace amounts of THC in CBD products can result in positive drug tests. Recommendations include adopting standardized measurement units and terminology, as well as data-driven methods to reduce confusion.

Lawsuits related to business practices, consumer rights, and employment within the cannabis industry are on the rise. CANNRA suggests consistent enforcement and clearer rules to help decrease litigation. Federal regulations for the cannabis trade are still years away. States are encouraged to harmonize hemp and THC laws and focus on unified policies that prioritize public safety and consumer interests. Some labs artificially increase THC readings under economic pressures. Michigan and Oklahoma use reference labs and secret shopper programs to verify accuracy, emphasizing random testing and accreditation to improve reliability.

Attendees discussed finding the right balance between over- and under-regulating the market. Colorado has simplified its regulations for efficiency. Utah requires pharmacists at dispensaries. Ohio is missing key rules. Illinois

taxes high-THC products at higher rates, and Michigan and Oklahoma utilize reference labs to ensure accurate testing. Collaboration among agencies, public education, risk assessment based on data, and transparent, balanced regulations are essential. CANNRA urges alignment of state and federal policies, uniform regulation of hemp and cannabis, expanded data collection, and an emphasis on health and equity as markets evolve.

3. Heard a Presentation from Risk Strategies on the Current State of the Cannabis and Hemp Insurance Market

Jeremy Ortiz (Risk Strategies) provided a comprehensive analysis of the current cannabis and hemp insurance market. He noted that Risk Strategies is the third-largest insurance brokerage in the United States, affording them direct access to a broad range of insurance markets. Ortiz clarified that while cannabis and hemp are frequently grouped together for insurance purposes, they remain distinct industries with differing risk profiles: hemp typically engages in interstate commerce, whereas cannabis is generally confined to intrastate activities. Additionally, he identified that hemp-derived beverages carry heightened risks due to national distribution.

Ortiz outlined the insurance marketplace's tiered structure. Leading carriers, such as QuadScore, Cannasure, SafeHerb, and CannGen, serve as tier-one providers within the cannabis sector, offering policies with fewer exclusions. In contrast, tier-two carriers address more unconventional risks—including bicycle delivery—but their offerings tend to include more restrictive terms and additional exclusions.

He emphasized that core insurance needs—such as general liability, property, and product liability coverage—are consistent across both medical and recreational cannabis operations, though specific licensing requirements may vary by jurisdiction. Employment practices liability is becoming increasingly significant, with Ortiz observing a rise in wrongful termination lawsuits. He recounted a case where adequate coverage could have mitigated substantial legal costs for a cannabis operator, underscoring the importance of conducting proactive insurance audits. Furthermore, Ortiz highlighted how Risk Strategies utilizes real-life claims examples to inform operators about potential risks and coverage gaps in states where cannabis is legal.

Addressing party buses and consumption lounges, Ortiz reported that insurance coverage is available for stationary party buses at events—such as Connecticut's Emerald Lounge—provided the venues are named as additional insureds. However, no insurer currently permits consumption in moving vehicles due to safety concerns, particularly risks posed to drivers in smoke-filled environments.

Finally, Ortiz discussed the complexities of interstate commerce for hemp-derived products. He cautioned operators against presuming that transportation or manufacturer policies automatically cover their inventory during storage or transit. He referenced a specific incident in which an operator's ingredients stored in an out-of-state facility were inadequately insured, illustrating the necessity of stock throughput policies for inventory held under third-party custody. Ortiz concluded by stressing the critical role of thorough policy audits in identifying coverage gaps and ensuring operators have appropriate protection.

Baca asked how many states, other than Colorado, allow for consumption buses and if it is challenging to get commercial insurance coverage. Ortiz said that obtaining commercial insurance coverage for cannabis-related operations—particularly for consumption buses—is highly challenging. While small brokerage shops may have years of experience selling insurance, they often lack specialized industry knowledge and awareness of carriers active in the cannabis sector. For those outside the cannabis industry, securing coverage can be difficult; however, firms with extensive carrier relationships, like Risk Strategies, can collaborate with partner brokers to find solutions, sometimes through creative conversations with carriers. Innovative coverage options have been developed for unique risks, though these are not always straightforward solutions. Additionally, very few consumption buses are operating, and those that do are likely uninsured. Most carriers categorically refuse to

insure moving buses that permit cannabis consumption due to significant safety concerns, resulting in a lack of available coverage for these operations.

Judy asked if buses that are not moving are able to find insurance and, if so, if the costs for coverage are expensive and if there are exclusions. Ortiz said that no coverage is available for moving vehicles. For stationary vehicles located at designated sites, insurers require information on the specific address and the duration that on-site consumption will be permitted. Additionally, insurance providers mandate the presence of a "cool-down" or recovery area, where no consumption is allowed, to ensure that patrons have an opportunity to gather themselves before driving. This period typically lasts at least one hour and should provide access to water and food. These safety protocols are standard requirements for both vehicles and consumption lounges. Comprehensive standard operating procedures (SOPs) for safe consumption are integral to obtaining approval for coverage. These SOPs must include measures to prevent impaired individuals from driving and plans for assisting guests who overindulge, such as contacting appropriate help. While some states are implementing these practices effectively, the majority of current consumption lounges are located on tribal lands, which operate under their own regulatory frameworks. Demonstrating robust safety measures and adherence to SOPs is essential for insurance approval, as carriers require clear evidence that operators are taking all necessary precautions to allow safe consumption.

Currier asked about the part of the Risk Strategies audit that inquires about the extent of liability exposure audits. Ortiz explained that Risk Strategies audits cannabis insurance policies by reviewing coverage limits and required safeguard warranties. Claims can be denied if operators lack necessary protections, like detectors in every room. Brokers often fail to clarify these obligations, leading to issues. Risk Strategies provides tailored checklists to help clients comply. Because cannabis insurance is sold on the secondary market, upfront payment or financed installments are required, unlike traditional insurance. Many clients seek their help after problems caused by non-specialist brokers and missed requirements, which audits help uncover and resolve.

Piciucco asked what the primary reasons are for declining coverage and if these were more likely in specific locations or lines of business. Ortiz said that insurance coverage for cannabis businesses is often declined due to poor claims history, requests for commercial auto coverage with risky driving or credit backgrounds, and operating from a home office, which triggers a residential exclusion. Exceptions are made if the cannabis operation is at least 50 feet from a residence, such as a detached garage.

Collins asked about premium rates and coverage limits in high-risk areas. She also asked if the market is expanding, contracting, or stabilizing. Ortiz said that rates depend mainly on a cannabis operator's claims history. Clean records allow for negotiation and stable rates, but multiple or large claims lead to increased rates and fewer carriers offering coverage. In such cases, he and his team conduct site walkthroughs to recommend preventative measures, such as unblocked exits, proper airflow, and documented safety protocols for lighting, including bulb changes to prevent fires. Ortiz also noted that more insurance carriers are entering the cannabis market as it grows, with legalization in 40 states and many operators still developing. He emphasized high earnings potential due to required coverage but cautioned against new carriers offering low rates, warning that a major claim could put these companies out of business and leave claims unpaid. Special consideration is needed before working with new entrants, as they may exit the market quickly when challenged.

Piciucco asked how insurers are responding to the THC-infused beverage space. Ortiz said the challenge for THC-infused beverage manufacturers is that insurance carriers categorically decline coverage for any caffeinated products, including energy drinks. Carriers also avoid products exceeding the 10% THC threshold per serving, though some manufacturers circumvent this by adjusting serving sizes. Certain ingredients remain uninsurable regardless of formulation. Whereas only one carrier offered coverage two years ago, there are now approximately seven, with four having longstanding experience in the cannabis sector. Even with this expansion, beverage

manufacturers are excluded from cargo insurance and must use care, custody, and control policies to protect inventory in transit or with third parties, particularly in states like Texas, where local production is prohibited.

Beau Whitney (Whitney Economics) stated he has published a comprehensive U.S. cannabis and hemp beverage report detailing the growth of the THC beverage industry. The report was released in early September 2025 and is available for free download.

4. Heard an Update on Cannabis-Related Federal Activities

Alex Swindle (NAIC) said that the MORE Act (H.R. 5068), which seeks to decriminalize and deschedule cannabis, has attracted 53 cosponsors, but none are Republicans, making its progress unlikely. The financial year 2026 Commerce, Justice, Science (CJS), and Related Agencies appropriations bill advanced by a 34-28 vote. It includes language that would prohibit the Department of Justice (DOJ) from using federal funds to remove cannabis from Schedule I of the Controlled Substances Act, where it remains listed alongside heroin, LSD, and ecstasy. This provision follows an Aug. 28 letter from nine Republican members of Congress to the President and Attorney General Bondi, urging them to reject cannabis rescheduling.

Additionally, the DOJ rescinded several Biden-era draft rules on cannabis research and hemp testing last month, adding to regulatory uncertainty. One withdrawn draft rule would have streamlined licensing and access for researchers, while another would have allowed hemp-testing labs under the 2018 Farm Bill to operate without full Drug Enforcement Agency (DEA) registration. As a result, researchers face delays in starting new studies, hemp labs are subject to higher costs, and insurers lack federally approved data on cannabis risks. Overall, federal cannabis policy remains stalled, with Congress restricting DOJ rescheduling efforts, continued Republican opposition, and the rollback of rules that would have supported research and testing.

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

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#2 Hear a Presentation on Recent Federal Actions Related to Cannabis and Hemp, Including the Potential Impact of Reclassifying Cannabis from Schedule I to Schedule III on the Insurance Industry.

Attachment B

Eric Berlin (Denton Law Firm)

DENTONS

U.S. Cannabis & Hemp and Insurance

**National Association of Insurance
Commissioners**

March 25, 2026





Eric Berlin

Leader of US & Global
Cannabis Sector Group

eric.berlin@dentons.com

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Agenda

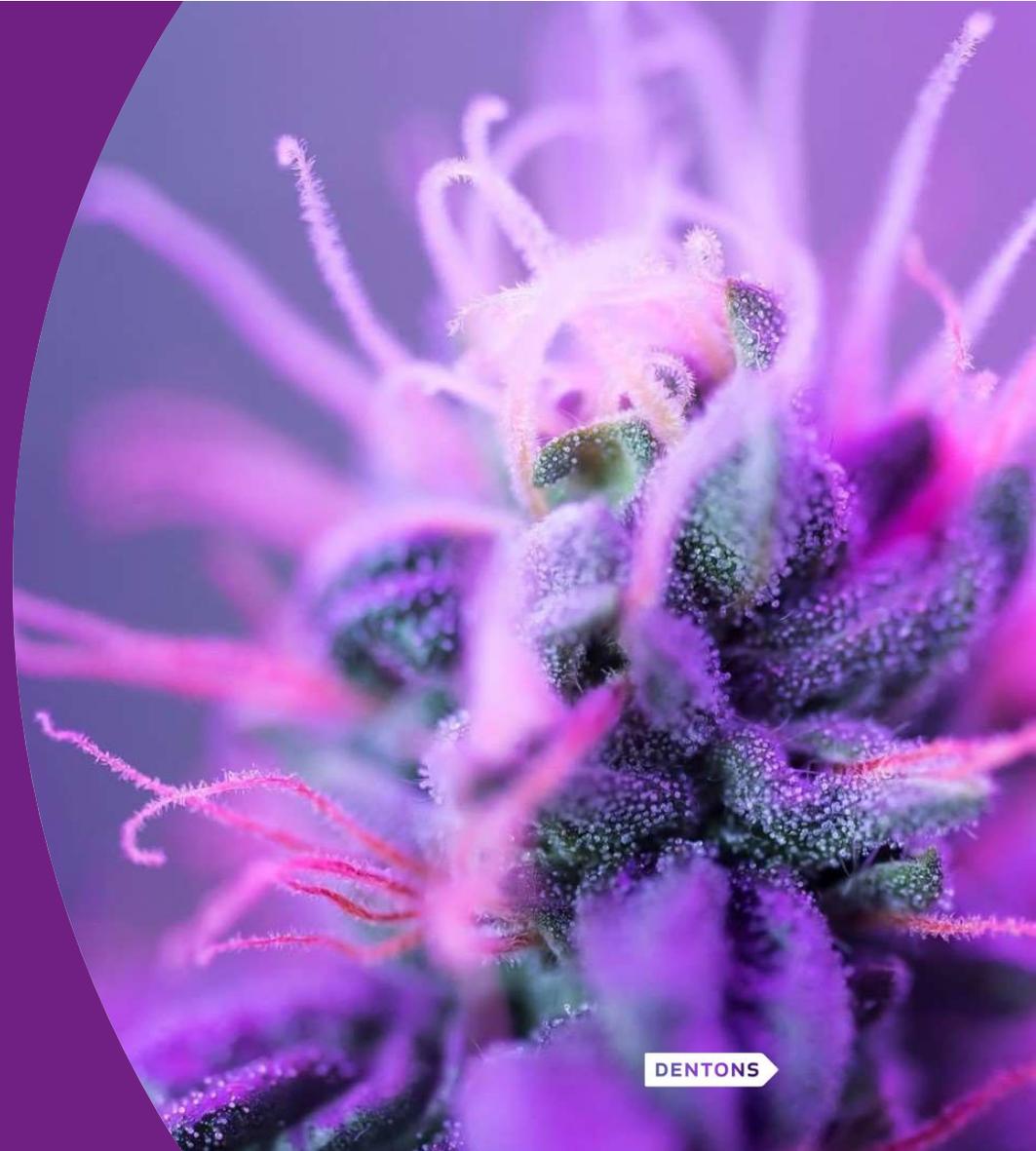
- **Cannabis:** What Is It, Federal Law, State Legalization
- **Hemp Exception:** Law, State Landscape, Evolving Definition
- **Executive Order on Rescheduling and CBD**
- **Insurance Implications**
- **Michael Brown, Golden Bear**
- **Q&A and Discussion**

Cannabis: The Plant

The plant *Cannabis sativa* L.

Glands on buds and leaves contain **cannabinoids** (THC, CBD, etc.), terpenes, and flavonoids

Products: flower, prerolls, vapes, concentrates, edibles, drinks, lotions



Federal Prohibition

Under federal law, all an **illegal Schedule I controlled substance**

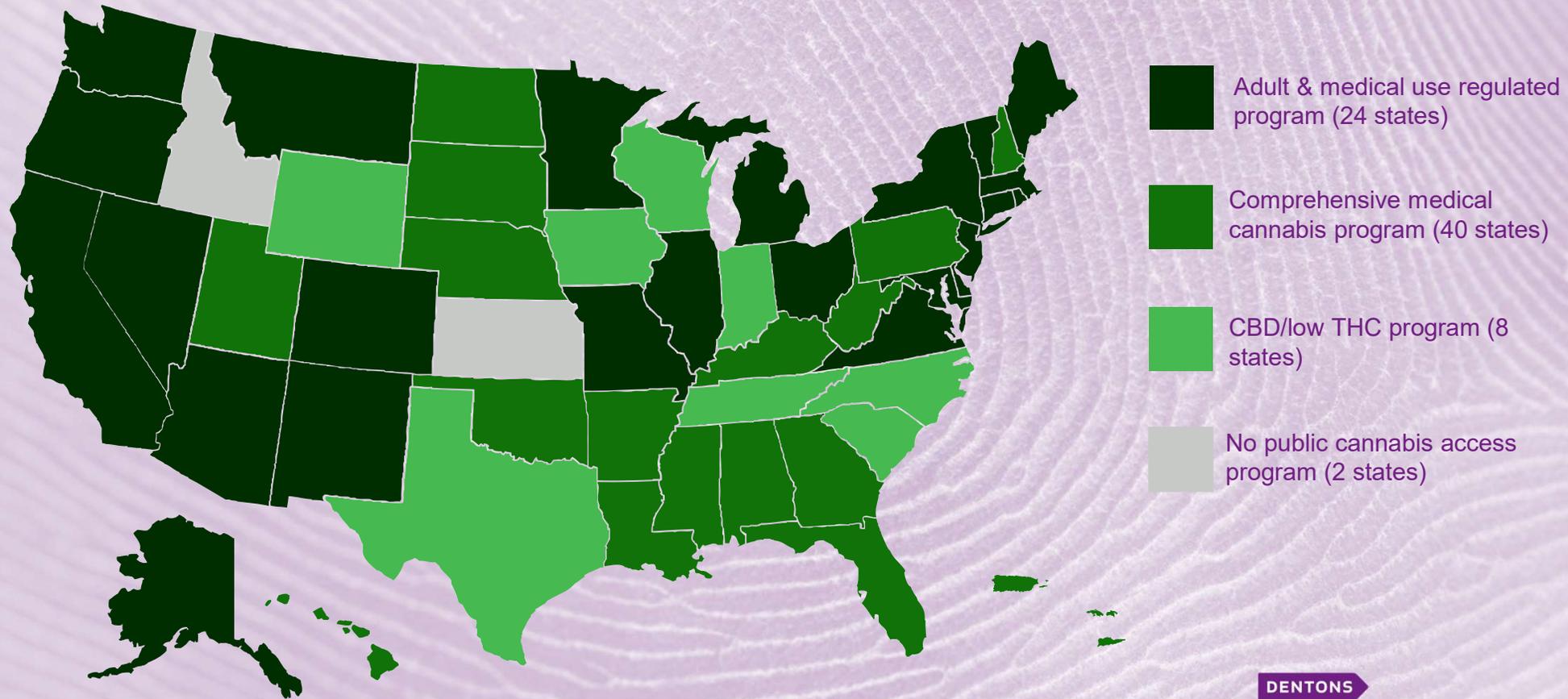
- Meaning no medicinal value & among most dangerous drugs
- **Illegal to** grow, sell, possess, own real estate on which that occurs, and engage in other related activities

Exceptions:

- Limited DEA registrations
- “Hemp”
- Epidiolex

Landscape of State-Regulated CANNABIS

State laws vary



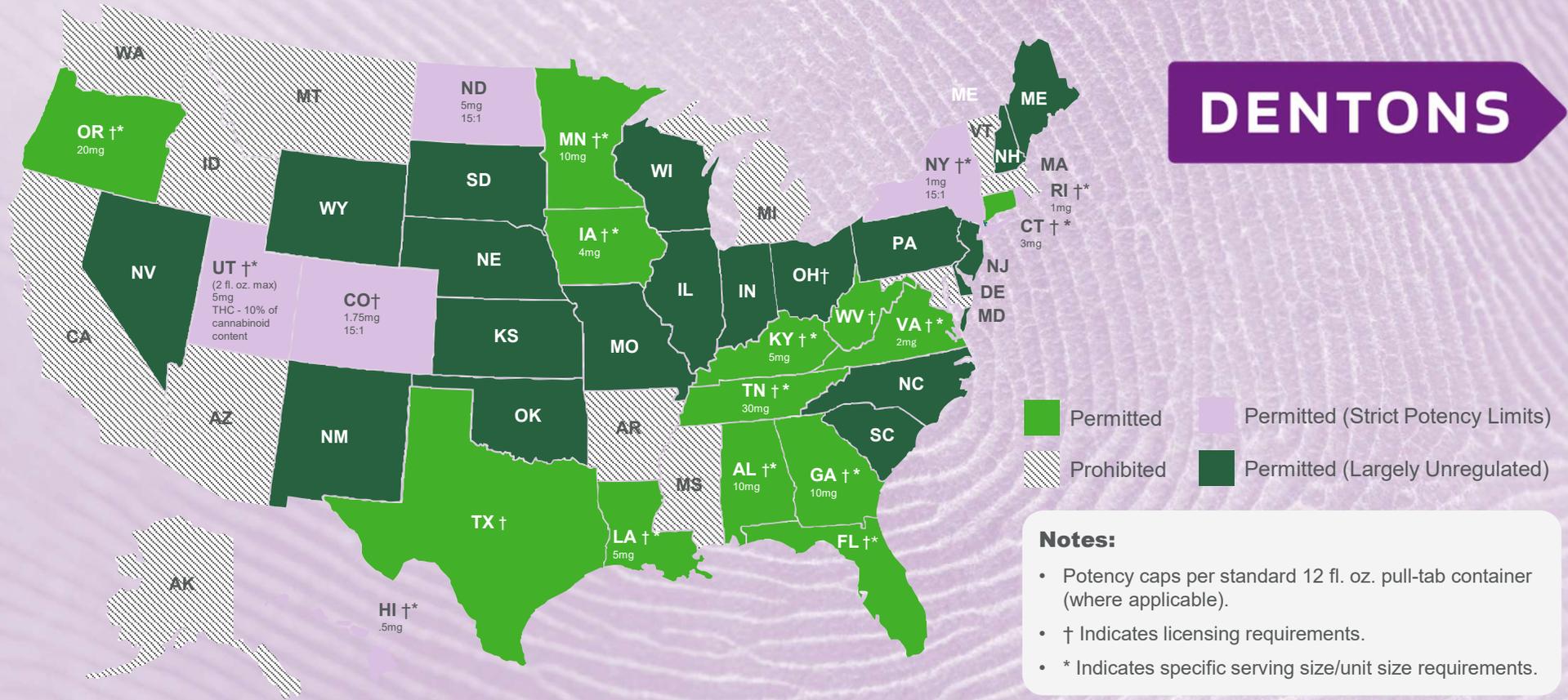
HEMP – 2018 Farm Bill “Loophole”

2018 Farm Bill “legalized” hemp with the following definition:

“Hemp is defined as the plant Cannabis sativa L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 THC concentration of not more than 0.3 percent on a dry weight basis.”

- Hemp products can have **high levels of THC or concentrations of other intoxicating isomers** while still having < 0.3% THC on a dry weight basis
- From the “loophole,” a **large market** has emerged for products with hemp “intoxomers” competing with state-legal cannabis

Hemp THC Beverages – U.S. State Laws



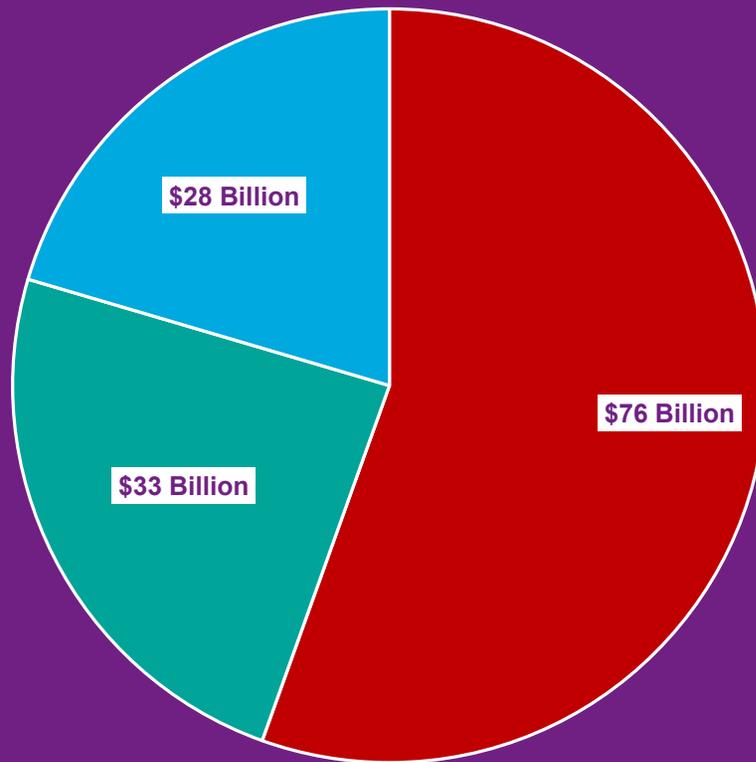
- Notes:**
- Potency caps per standard 12 fl. oz. pull-tab container (where applicable).
 - † Indicates licensing requirements.
 - * Indicates specific serving size/unit size requirements.

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U.S. Markets

Multiple competing and interconnected markets

1. Illicit/Legacy Cannabis
2. Federally Illegal, State-Legal Cannabis
3. Federally Legal, State-Legal Intoxicating Hemp Products



Change to Hemp Definition

- 2025 Approps, Effective Nov. 2026

- Drastically **narrows definition of hemp**, recriminalizing most of the current hemp industry
- 0.3% standard to include “**Total THC**” covering not only delta-9 THC but now also THCA, delta-8 THC, and others with similar effects
- Caps Total THC/product at 0.4 mg, making nearly all current hemp consumables unlawful
- Bans **synthetic or converted** cannabinoids, including those created through CBD isomerization
- Not likely to change prior to Nov. 2026 (except for Trump’s CMMI CBD program)

Trump Executive Order

- Directs AG to reschedule cannabis from Schedule I to Schedule III, recognizing medical value, reducing research barriers, and removing punitive 280E tax treatment
 - State cannabis licensing frameworks remain unchanged and federally illegal
- Instructs administration to work with Congress to update the statutory definition of hemp-derived cannabinoid products to ensure access to **full-spectrum CBD products**
 - Directs HHS to develop research methods and real-world evidence models to improve access to hemp-derived CBD therapies
 - Signals potential Medicare/CMS-CMMI pathway for certain hemp-derived cannabinoid therapies

Insurance Implications

- **Is legal & can be done!**
 - State laws regulates insurance, and state laws have legalized cannabis/hemp
- **But extra care** is needed:
 - Track evolving laws and industry
 - Some unique factors for diligence, insurability and underwriting
- **Limited historical loss data** make it difficult to price risks for property, liability, crop, product contamination, cyber incidents or employee injury
- **Corollaries** to compensate for lack of actuarial data
- FDA data supporting how cannabis is safer than alcohol

Some Additional Insurance Issue

- **New merging risks**, including climatic threats (wildfire, storms), plant pathogens (e.g., Hop Latent Viroid), supply chain disruptions, employee allergic reactions, “Cannabinoid Hyperemesis Syndrome”
- **Product liability** exposure due to, for example, inconsistent testing standards, shifting potency requirements and contamination risks
- **Implications in the workforce**
- Increased need for coverage for **D&O** and premises for **social use**
- Increased use of captives, risk retention groups, and joint underwriting associations
- **States’** insurance **requirements** for licensees vary vs. **ancillary** companies
- Shifting legal, political, and cultural landscape

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Thank you



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What is Cannabis?

Botanical vs. Regulatory Definitions

Marijuana (Schedule I)

- Seeds
- Resin
- Every compound, derivative, extract
- Cannabinoids, e.g., THC, CBD

Not Marijuana (Industrial Hemp)

- Mature Stalk (except resin)
- Fiber
- Sterilized seed
- Oil

>0.3% THC

←

21 U.S.C. § 802(16)(a)
21 CFR § 1308.11(d)



Genus: *C. Sativa L.*
Family: Cannabaceae (Hemp)
(Cannabis, Hemp)

<0.3% THC

→

7 U.S.C. § 1639o
7 CFR § 990
21 CFR § 170.203

Hemp

- Seeds
- Entire Plant
- All derivatives
- Cannabinoids

Hemp Seed Derived GRAS Food Ingredients

- Hulled Hemp Seed
- Hemp Seed Protein Powder
- Hemp Seed Oil

Federal/State Tension = Legal issues and Operational Challenges

- Banking
- Real estate
- Employment
- Taxation
- Business formation
- Commercial litigation
- License applications
- Intellectual property
- Product labeling
- Laboratory testing
- FDA/FTC/USDA and cannabis
- Legal implications for other businesses

Federal Hemp Regulation

FDA

- Various enforcement actions for health claims (mostly warning letters)
- Promised, but failed to deliver, legal pathway for **CBD products**
- Objected to CW's NDI application
- Now stated it cannot create a pathway absent legislation

FTC

- Warning letters (in tandem with FDA) and selective enforcement

DEA

- Hemp (including seeds) and hemp-derived cannabinoids (e.g. CBD) not controlled substances and not under DEA jurisdiction

USDA

- Regulates hemp farming
- Silent on cannabinoids (including CBD), but testing rules for THC

States

- All 50 states authorize hemp farming
- State variation on hemp legality:
 - Formats
 - Potency Restrictions
 - Age Restrictions
 - Cannabinoids (“Naturally-Occurring” vs. “Synthetic”)

Legal Hemp

Variety of Cannabinoids and Products

- **Hemp “Intoxomers”**: Intoxicating isomers extracted from or chemically created from hemp oil
- **Examples**: Δ -8 THC, Δ -9 THC, Δ -10 THC, THCA, THC-O, THC-P, HHC, THC-JD
- **Products**: Flower, vapes, gummies, drinks, and other products similar to those in the state regulated cannabis markets



State Market Example – Hemp in Minnesota

High Potency Limits for Hemp Edibles / Beverages

Hemp Intoxomers

- Age 21+
- Potency limit:
 - Edibles – 5 mg hemp THC / serving ; 50 mg / package
 - Beverages – 10 mg / container.
- Sold in grocery stores, liquor stores, supplement stores
- As of July 1, 2024 also being sold in Tap Rooms



Legal Advantages of Hemp vs. Cannabis

	Legal Cannabis	Hemp Intoxomers
Not an illegal controlled substance	X	✓
Standard tax deductions (no § 280E)	X	✓
Highly regulated & high compliance costs (security, licensing, SOPs)	X	✓
Some interstate sales & DTC permitted	X	✓
Appealing to cannabis hesitant consumers	X	✓

State Hemp Laws – Regulations So Far

- **Age limits** – many states require 21+
- **Product restrictions** – vary by state with some prohibiting inhalables, but not edibles/beverages
- **Potency restrictions** – vary by state, with a trend of setting caps (mg per serving)
- **Testing requirements** – vary by state
- **Labeling requirements** – vary by state

Major Issues To Consider for Regulation

Issue	Potential Answers	Why It Matters
Legalization or Decriminalization?	Either or something in between	Legalization solves more than decriminalization
Who will be the regulators?	FDA, TTB, USDA, ATF, New Agency?	Different agencies have different capabilities, priorities, and reputations
Will it preempt state laws?	Yes, No, or only for limited matters	Impacts interstate commerce +
Will interstate commerce be permitted?	Yes, No, or only for certain types of businesses	Impacts businesses, state programs and taxes, social equity business +
Will there be federal licenses, or permits? Limited or not?	All permutations	Permits suggest lower regulatory burden; treaty implications
What formats and uses will be permitted?	AU or Medical only? Inhalable, Ingestible, and Topicals?	Competition with legacy market
What will the taxes be (amount and type)?	0-100%; ad valorem, excise tax	Competition with legacy market
Include Hemp?	Yes or No, or only intoxicating	Will determine market strategy

#3 Hear a Presentation on Golden Bear Insurance's Journey, Keys to Success, and Insights on Recent Federal Actions

Attachment C

Michael Brown (Golden Bear)

Golden Bear Insurance Company

- Entered the Cannabis insurance space in 2018
- First admitted program in the country
- First rate filing prepared by analogy



Golden Bear Insurance Company



- Admitted in CA & AZ;
- Non-admitted in all states with legalized cannabis
- Keys to our success:
 - CA DOI cooperation
 - Evolution of the program
 - 280e changes for operators
 - Expanded studies of long-term use implications

Golden Bear Insurance Company

- Protective safeguards
- Health Hazard Exclusion
- Special Events
- On-site Consumption
- Assault & Battery
- Vape Pens / e-Cigarettes



#4 Discuss Any Other Matters Brought Before the Working Group

Katey Piciucco (CA)

#5 Adjournment

MARCH 22-25

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2026 SPRING NATIONAL MEETING
SAN DIEGO, CA

