

LEGALIZED AND COMMERCIALIZED MARIJUANA IS INCREASING OUT-OF-POCKET COSTS TO EVERYONE WHO BUYS INSURANCE.

FROM WORKPLACE ACCIDENTS TO STONED-DRIVING FATALITIES, HAVING TO INSURE THE COSTS OF MARIJUANA MEANS WE ALL PAY MORE, EVEN IF YOU CHOOSE NOT TO GET HIGH.

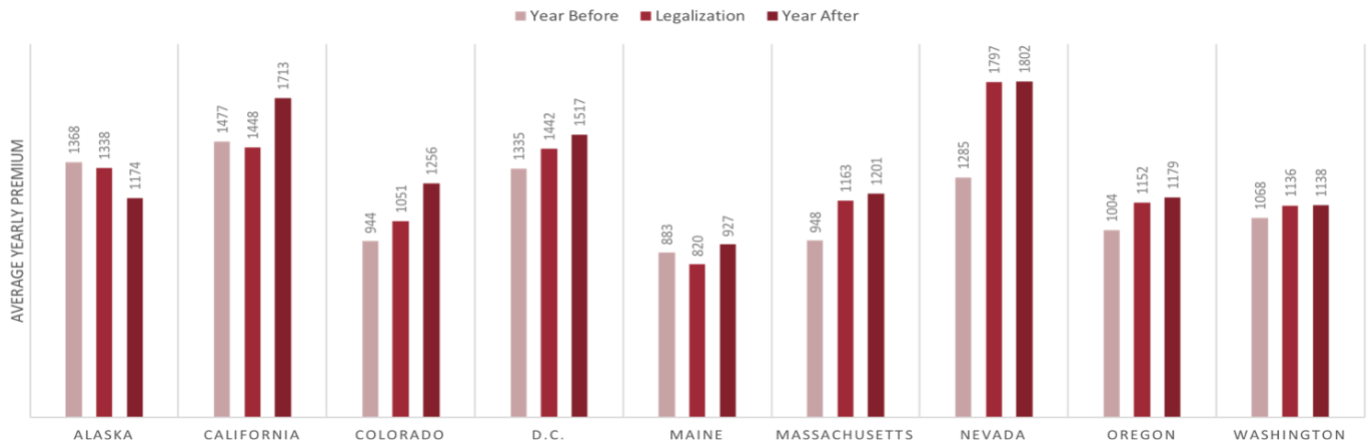
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THE AVERAGE INCREASE COLORADO RESIDENTS SAW IN THEIR YEARLY AUTO PREMIUMS THE YEAR AFTER THEY LEGALIZED RECREATIONAL MARIJUANA.

ON AVERAGE, STATES SAW A 10% INCREASE IN AUTO PREMIUMS THE YEAR THEY LEGALIZED & A 16% INCREASE THE FOLLOWING YEAR.

LEGALIZING MARIJUANA PRESENTS ISSUES FOR:

- AUTO INSURANCE
- HOME INSURANCE
- RENTER'S INSURANCE
- LIFE INSURANCE
- HEALTH INSURANCE
- WORKERS COMPENSATION
- RETAIL BUSINESS INSURANCE
- GENERAL LIABILITY INSURANCE
- CROP INSURANCE
- STOCK INSURANCE



Data was provided from The Zebra's "State of Auto Insurance 2018" report. Analysis used reported yearly premiums specific to the years each state passed recreational marijuana.²

HIGH PROFILE CASES TO DATE:

TRACY V. USAA, 2012

The policyholder claimed breach of contract/bad faith action against USAA after it denied their theft claim for twelve marijuana plants. The insurer denied the claim because the plants could not be lawfully replaced under federal law. Plaintiff countered that she acquired the plants lawfully under Hawaii law, which permits individuals to grow and possess marijuana for medicinal purposes. The district court found that the policy, as written, provided coverage for the theft of the plants since they were purchased legally under Hawaii law.³

NATIONWIDE V. KASEY McDERMOTT, 2013

Nationwide Insurance sought to recover a \$160,000 claim to a Michigan homeowner policyholder whose house burned down once they found out that the fire was caused by her live-in boyfriend who operated a butane "honey oil" lab in the basement to create high-potency marijuana concentrates. The fire was caused when he lit a sample for himself. The court sided with Nationwide because the loss was not the result of an accident and the homeowner was aware of the increased risk.⁴

MARIJUANA FARMER GET \$1 MILLION PAYOUT

An insurance payout in excess of \$1 million was paid to a California marijuana farmer after ashes from the Thomas Fire destroyed thousands of his plants. Months before the fire broke out, an insurance company based in London, England had written the crop insurance policy for the grower which included precise language — "change in atmospheric conditions" — that triggered the \$1 million payout. It is reported that due to massive cost, the carrier has decided to no longer cover marijuana farmers.⁵

REFERENCES

¹ National Association of Insurance Commissioners. (2018, February 16). Cannabis and Insurance. Retrieved August 22, 2018, from https://www.naic.org/cjpr_topics/topic_cannabis_and_insurance.htm
² The Zebra. (2018). The State of Auto Insurance 2018 | The Zebra. Retrieved August 22, 2018, from <https://www.thezebra.com/state-of-insurance/auto/2018/>
³ Lucey, N. (2018, January 30). Insurance Issues in Marijuana-Related Litigation. Retrieved August 22, 2018, from http://www.ericksenarbutnot.com/ericksen/assets/dynapsis/Insurance_marijuana_litigation.pdf
⁴ Simpson, A. G. (2017, April 28). Making a Federal Case Out of Legal Marijuana Insurance Claims. Retrieved August 22, 2018, from <https://www.insurancejournal.com/news/national/2017/04/11/447446.htm>
⁵ Brugger, K. (2018, March 19). Cannabis Farmer Gets Over \$1 Million Insurance Payout. Retrieved August 22, 2018, from <https://www.independent.com/news/2018/mar/19/cannabis-farmer-gets-over-1-million-insurance-pay/>