

Marijuana Industry Insurance Options Grow, But Practical and Moral Issues Remain

The marijuana industry is attracting more attention from business insurance agents and brokers. As I explain in my Leader's Edge article, [Budding Business](#), the burgeoning legal pot industry is calling for more insurance options.

However, insurance companies selling business insurance are not exactly jumping at the chance to offer the full array of coverages enjoyed by other industries. Excess and surplus carriers, which thrive in high-risk insurance markets, are providing coverage to an extent. However, admitted insurers, which are subject to state regulation, are not jumping at the opportunity.

My article digs into the marijuana industry's growing pains, the coverage gaps it is facing and some of the reasons why. Experts point to federal laws and regulations causing difficulty for financial institutions, including insurance companies. However, covering marijuana remains quite risky and unpredictable. The liability considerations alone are enough to discourage insurers. Think Big Tobacco and play it forward.

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Speaking of the effects of tobacco on society, there are also insurance executives who see the moral and ethical implications of supporting a substance with a checkered past that marijuana legalization does not address. And despite the general media's general positive coverage of pot, it remains as harmful as it always was.

Thankfully, you will find balanced reporting in both my Leader's Edge and [Actuarial Review](#) articles about marijuana. Both of which are published by insurance industry associations willing to support thoughtful journalism.

A read of both articles shows that in the property & casualty insurance arena, different types of insurance are at odds with each other. Business insurance, which covers the marijuana industry, collides with personal and commercial auto coverage, which pay for the accidents caused by the drug. Workers' comp insurers face covering injuries from both the production and the use of pot at the workplace.

My hope is that this article will be shared with a wider audience. In my view, marijuana should be treated with respect as any other drug. That means regulating it through the U.S. Food and Drug Administration. This would also ensure greater research and product dosage consistency. While the FDA is imperfect, it is better than treating a drug known to cause impairment as an herbal supplement.

