



April 27, 2023

Dear Senators Menendez, Paul, Tester, Daines, and Merkley and Representatives Velázquez and Davidson:

We, the undersigned U.S. trade associations, write to express support for the Clarifying Law Around Insurance of Marijuana (CLAIM) Act. Collectively, we represent a majority of the companies, agents, and brokers offering property-casualty, life, title, and reinsurance in the U.S. (collectively, “insurers”).

The insurance industry is potentially exposed to liability arising from the differences of the legal treatment of cannabis and cannabis products under federal and state law. The CLAIM Act recognizes this problem and resolves it by providing a comprehensive federal safe harbor for insurers. The bill’s safe harbor provisions would prevent federal criminal prosecution of insurers that transact with consumers, and it would prevent civil liability for agents, brokers, and insurers, their officers, directors or employees. By resolving the legal uncertainty presented by the dueling state and federal treatment of marijuana, the insurance industry can serve both cannabis-related legitimate businesses (CRLBs) and other commercial lines consumers, as well as personal lines consumers who may have a direct or indirect relationship to state-legalized cannabis, and still be in compliance with the law.

Further, the CLAIM Act will enable those engaged in the business of insurance to be able to comply with a variety of state statutory and regulatory requirements. Importantly, this legislation would help consumers, with direct or indirect contact with state-legalized cannabis, access insurance products and services and the protections they provide.

The CLAIM Act is a comprehensive solution to provide legal certainty for our market while also preserving the states’ traditional role in regulating the business of insurance. Under the bill, insurers must still satisfy all applicable state statutory or regulatory requirements, such as those pertaining to consumer protections and claims payments. We appreciate your interest and effort to ensure our industry is not caught between conflicting obligations under federal and state law when serving our customers.

Thank you for your leadership on the CLAIM Act. We look forward to working with you, your colleagues, and the Administration so that the bill is enacted.

Sincerely,

American Land Title Association (ALTA)
American Council of Life Insurers (ACLI)
American Property Casualty Insurance Association (APCIA)
The Council of Insurance Agents & Brokers (CIAB)
Independent Insurance Agents & Brokers of America (IIABA)
National Association of Mutual Insurance Companies (NAMIC)
National Association of Professional Insurance Agents (PIA)
Reinsurance Association of America (RAA)
Wholesale & Specialty Insurance Association (WSIA)