



March 23, 2021

Dear Senator Merkley and Senator Daines:

We, the undersigned U.S. trade associations, write to express support for the SAFE Banking Act of 2021. Collectively, we represent a majority of the companies, agents, and brokers offering property-casualty, life, title, and reinsurance (collectively, “insurers”) in the U.S. We appreciate your leadership in seeking needed clarity for insurance transactions related to cannabis businesses that are otherwise permissible under state law.

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 and regulation at the state level. However, with the inclusion of key language from the Clarifying Law Around Insurance of Marijuana Act, sponsored by Senators Menendez, Paul, and Merkley and Representatives Velázquez and Stivers, the SAFE Banking Act’s safe harbor provisions would prevent federal criminal prosecution of and civil liability for agents, brokers, and insurers, their officers, directors or employees when engaging in the business of insurance in states that have legalized cannabis in some form.

By resolving the legal uncertainty presented by the dueling state and federal treatment of cannabis, the insurance industry can serve both cannabis-related legitimate businesses (CRLBs) and other commercial and personal lines consumers who may have a direct or indirect relationship to state-legalized cannabis, and still be in compliance with the law. Insurers must also continue to satisfy all applicable state statutory or regulatory requirements, such as those pertaining to consumer protections and claims payments.

We greatly appreciate your leadership, and we look forward to continuing to work with you and Congress to ensure our industry is not caught between conflicting obligations under federal and state law.

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)