

## Ohio insurance industry prepares for Marijuana legalization vote

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*By Josh Chetwynd*

Ohio's insurance industry is getting ready for the possibility that medical and recreational marijuana will become legal in the state on Nov. 3.

This week, the advocacy committee at the Professional Independent Agents Association of Ohio will meet to determine whether they will endorse, speak out against or remain silent on a bill that would make the state the sixth to legalize marijuana for both recreational and medical purposes.

Regardless of the outcome of that internal debate, Jeff Smith, the organization's director of governmental affairs and general counsel, says the association will be ready to help agents navigate the new business if the referendum passes.

"We're all going to be equipped from day one on how to help advise clients," Smith said. "Part of that is going to come from looking at similar risks that currently exist elsewhere whether that is alcohol or other things. We are also going to learn from other states. Ohio is in a potential position to be on the cutting edge. A lot of it will be new and we'll look for a lot of advice to serve as risk management professionals advising clients."

No doubt, Ohio agents will lean on states like Colorado, which began the commercial sale of marijuana on January 1, 2014, for direction. John Putnam, an insurance agent in Colorado Springs, CO, says that for most agents in his area of the state the addition of this new industry didn't have a huge impact. Nevertheless, he believes if a broker wants to delve into writing policies in this business they better be very prepared.

"First, decide whether you even want to write in this niche," Putnam said. "If you decide to write, you need to make certain you understand and have available all the

required coverage that the law or regulations will require. This niche requires both insurance and specific industry knowledge to best serve your customers ... you need to understand there are many facets of the marijuana industry, i.e. growing, distribution, retail, edibles, oils, etc... so you need to make certain to customize your coverage to each segment."

In addition, agents will need to be nimble, as Putnam points out that the legal field within a newly minted marijuana state will change quickly. For example, he says, laws on auto driving impairment, property loss and workplace usage all developed after marijuana was initially made legal.

That said, if Ohio does choose to follow states like Colorado and Washington down this path, there will be a lot of new business establishments looking for coverage.

"It's a heightened risk, so maybe there is heightened opportunity to offer advice," Smith said. "The number of [marijuana] retail establishments would be 1,500 so that's five times the number of Starbucks we have in the state."