

HEAD TO HEAD



What's the key to success in cannabis insurance?

In this constantly changing sector, industry players agree that knowledge and relationships are paramount



Paul Pukis
Owner
Mosaic Insurance Alliance

"Like in many industries, creating and nurturing relationships is critical in the cannabis insurance market. One of the key relationships to nurture is the one with the surplus broker. As a retail agent, the surplus broker is the conduit to a limited number of insurance companies willing to play in the cannabis industry.

Understanding the requirements in each state for each type of operation in the CBD, cannabis or hemp industry helps to make the communication between the retail agent and the surplus broker much smoother. This results in a better experience for the client, which makes you look good."



Daniel Garcia Jr.
Broker/advisor
Vantreo Insurance Brokerage

"We must truly understand our clients' motivation. The spectrum of insurance acumen in the cannabis space is vast. Some clients come from the black market that existed without insurance. Others come from outside business sectors. Our clients have different motivations, though all relate to the need for a comprehensive insurance and risk management program.

It's incumbent upon us to discover what's motivating clients to buy insurance, whether it's new investors, the regulatory process, a landlord or something else. By understanding the motivation, we'll deliver the comprehensive solution that helps ensure the protection they need."



Norman Ives
Broker, cannabis specialist
Worldwide Facilities

"The biggest key to success in the cannabis insurance space is understanding the significant challenges in how these businesses operate from a regulatory and tax standpoint. Cannabis businesses are often taxed and regulated differently state by state and even county by county.

Equally as important is being able to depend on the expertise of a broker who has the knowledge of the current E&S market and coverages and can apply that understanding to the complexity of the insurance coverage needed for cannabis operations. To succeed in this market, it's crucial to understand what you don't know, as well as what you do."

BEHIND THE GREEN DOOR

Marijuana is already a multibillion-dollar business – a report published by Arcview Market Research last summer projected that the industry would reach \$11 billion by the end of 2018 and \$23 billion by 2022. But while more than half of US states have made some form of medical or recreational use legal, the persistent gap between state status and federal laws means few carriers are willing to write policies for cannabis-related firms. "The whole conversation of cannabis crosses the desks of the most senior leaders of the insurance community as they determine whether or not they want to play in this game," Aon's Tom Fitzgerald told Bloomberg last year. "There's not every insurance company in the world anxious to write this stuff, at least not yet."