Senator Winfield, Representative Staßstrom, and members of the Judiciary Committee. Thank you for the opportunity to submit testimony in support of the Governor’s bill:

**S.B. 16: AN ACT CONCERNING THE ADULT USE OF CANNABIS**

The core mission of the Connecticut Insurance Department is consumer protection. The Department carries out its mission by enforcing State insurance laws to ensure that policyholders and claimants are treated fairly, and by closely monitoring the financial condition of insurance carriers to make certain that they are solvent, appropriately manage risk, and are able to pay policy claims as they arise.

The Insurance Department fully supports S.B. 16, AN ACT CONCERNING THE ADULT USE OF CANNABIS. This proposal offers a comprehensive framework for the cultivation, manufacture, sale, possession, use, and taxation of cannabis. The cannabis industry is a fast growing and emerging industry. In 2018, the cannabis industry was worth $10.4 billion and that figure is set to double by 2021.1 Insurance is necessary to protect against financial loss for those businesses in the cannabis supply chain. The types of insurance that would be needed for Connecticut cannabis-related businesses presents opportunities for economic growth and expansion within the insurance industry. Connecticut cannabis product manufacturers, producers, cannabis retailers and dispensary facilities may need some or all of the following insurance protection including:

- Commercial Liability Insurance
- Workers’ Compensation Insurance
- Property Insurance
- Employment-Related Insurance

The Department supports researching insurance availability and limitations impacting access to insurance for Connecticut cannabis-related businesses as outlined in this proposal.

The Department is also monitoring the work being done on this topic at the national level by the National Association of Insurance Commissioners (NAIC). The NAIC formed—and the Department participates in—the Cannabis Insurance Working Group within the Property and Casualty Insurance Committee in 2018 to better understand coverage gaps and regulatory issues impacting the cannabis industry. The working group will release a report by the end of 2021 with their findings as they relate to coverage gaps and insurance availability for cannabis businesses.

The Insurance Department is ready and able to produce a report regarding access to insurance as required in Section 38 of this bill.