



Member Focused Advisory Solutions

PRESS RELEASE



AAIS Expands Cannabis Businessowners Policy with Approval in Nevada

CannaBOP, the insurance industry's first cannabis businessowners policy, is now approved in three states, with national expansion plans in 2020.

LISLE, IL., January 6, 2020 - AAIS (the American Association of Insurance Services) has expanded its admitted Cannabis Businessowners Policy (CannaBOP) program in Nevada with approval by the Nevada Division of Insurance on December 24, 2019. The first-of-its-kind program was approved just four days after its submission, a testament to the strength and clarity of the CannaBOP form and AAIS's role as a leader in the cannabis insurance market.

The cannabis industry continues to grow and mature as states legalize and expand medicinal and adult-use programs each year. Sales of cannabis in the U.S. are expected to top \$15 billion in 2020. Nevada alone accounted for around \$700 million in sales in 2019 and is expected to reach \$1 billion by 2022. The need for admitted cannabis insurance is a natural by-product of this growth market.

"Cannabis and hemp are two of the fastest growing markets in North America," notes Commercial Lines Product Manager Joseph Jonas, "making it a critical consideration for insurance carriers and agents." CannaBOP offers a comprehensive solution for Nevada carriers looking to capitalize on a growing demand for quality insurance programs in the Silver State. The CannaBOP program includes a unique package policy containing both property and liability coverage for qualifying cannabis dispensaries, storage facilities, distributors, processors, and manufacturers. It comes fully supported by rules and loss costs developed with actuarial consulting group Merlinos & Associates, Inc.

As the only national not-for-profit insurance advisory organization, AAIS is bringing forward-thinking cannabis programs to all states with established cannabis markets. Since CannaBOP's inception in 2018, the program has been approved in California, Colorado, and now Nevada. AAIS intends to develop similar programs for Alaska, the District of Columbia, Illinois, Maine, Massachusetts, Michigan, New Jersey, New York, Oregon, Vermont, Washington, and others. Program updates, including a multi-state base form for use in surplus lines markets, supplemental coverage and exclusion endorsements and alignment with AAIS's commercial umbrella/excess program, are available.

For more information on program features, visit www.AAISonline.com/CannaBOP or contact cannabis@AAISonline.com.

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AAIS

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ABOUT AAIS

Established in 1936, AAIS serves the Property & Casualty insurance industry as the only national nonprofit advisory organization governed by its Member insurance carriers. AAIS delivers tailored advisory solutions including best-in-class policy forms, rating information and data management capabilities for commercial lines, inland marine, farm & agriculture and personal lines insurers. Its consultative approach, unrivaled customer service and modern technical capabilities underscore a focused commitment to the success of its members. AAIS also serves as the administrator of openIDL, the insurance industry's regulatory blockchain, providing unbiased governance within existing insurance regulatory frameworks. For more information on program features, visit www.AAISonline.com/CannaBOP or contact cannabis@aaionline.com.

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