

Maine's Cannabis Exclusion Woes: Residents Struggle with Insurance Coverage

If you're a homeowner or renter in Maine who uses cannabis, you might want to take a closer look at your insurance policy. The CBS13 I-Team recently uncovered concerning clauses that could leave you without coverage in certain scenarios where marijuana is involved.

Viewer Raises Concerns

At a recent "Ask the I-Team" event in Bath, a concerned viewer approached us with her renters insurance policy, issued by a national carrier. She was puzzled by what she discovered within the fine print – a marijuana exclusion clause.

The clause, she explained, not only denied coverage for lost or damaged marijuana but also refused coverage for damages or injuries resulting from marijuana use.

Insight from Maine's Insurance Authority

To shed light on this issue, we consulted Bob Carey, Maine's insurance head, who clarified that while such exclusions may come as a surprise to policyholders, they are permissible under state law.

Carey explained that insurers must obtain approval from the Maine Bureau of Insurance before selling policies in the state. Therefore, while the exclusion may seem unexpected, it is legally sanctioned.

Understanding the Implications

To grasp the implications of these exclusions, it's essential to understand what renters insurance typically covers – property replacement costs and liability.

Under the marijuana exclusion, insurers may refuse coverage if marijuana is deemed to be involved in a claim, such as property damage or personal injury.

Industry Insights and Criticism

Paul McCarrier, from the Maine Cannabis Union, expressed shock at these exclusions, particularly in a state where recreational marijuana has been legal since 2016. He views such exclusions as perpetuating stigma against cannabis users.

However, Carey maintains that these exclusions are standard practice, citing the illegality of marijuana at the federal level.

Policy Variations and Future Outlook

While some policies explicitly target marijuana, others use broader language to exclude substances illegal under federal or state law. The recent recommendation by the Biden administration to reclassify marijuana

federally could potentially impact these policies in the future.

Navigating Coverage Concerns

While these exclusions may raise concerns, Carey suggests that liquor liability coverage could serve as a precedent for future marijuana liability coverage. For now, however, the marijuana exclusion remains in force.

Seeking Clarity and Advice

If you're uncertain about your coverage or have questions regarding these exclusions, consulting your insurance agent is the first step toward understanding your policy's terms and implications.

Despite the presence of marijuana exclusion clauses in insurance policies, legal experts consulted by the I-Team suggest that insurance companies would face challenges proving denial of claims in court.

While these exclusions may remain a point of contention, understanding your policy and seeking clarity from your insurance provider are crucial steps toward ensuring adequate coverage in unforeseen circumstances.

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