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NCOIL APPLAUDS HOUSE PASSAGE OF SAFE BANKING ACT OF 2019, URGES SWIFT SENATE PASSAGE

*Provides Certainty for Banking and Insurance Market and
Preserves State-Based System of Insurance Regulation*

Manasquan, NJ – NCOIL CEO Commissioner Tom Considine applauds the House passage of H.R. 1595, the Secure and Fair Enforcement (SAFE) Banking Act of 2019. The bill now heads to the Senate for consideration.

The SAFE Banking Act establishes a “safe harbor” to credit unions and other depository institutions providing payment services to an individual or business engaged in cannabis-related commerce operating under the color of state law. The bill applied only to banks until recently. The addition of key provisions from the Clarifying Law Around Insurance Marijuana (CLAIM) Act prevents federal criminal prosecution of and civil liability for agents, brokers, and insurers, and their officers, directors, and employees engaging in the business of insurance in states that have legalized cannabis in some form.

“NCOIL supports the SAFE Banking Act and will continue to support legislation that preserves the proven state-based system of insurance regulation. This legislation is a comprehensive solution to provide certainty for the banking and insurance market while also preserving the states’ traditional role in regulating the business of insurance. We at NCOIL urge the Senate to pass this legislation,” said NCOIL President Sen. Dan “Blade” Morrish, LA.

During the fourth annual DC Educational Fly-in, one week prior to the House passage of H.R.1595, NCOIL legislators participated in over 60 meetings with Members of Congress and their staff. One of the key topics discussed was the CLAIM Act, H.R. 4074/S.2201. NCOIL does not take a position regarding the legalization of medicinal and/or recreational marijuana. Rather, NCOIL notes this legislation simply protects insurers that are engaging in the business of insurance with cannabis-related businesses operating under color of state law.



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“NCOIL believes that without this bipartisan legislation, insurers will understandably continue to be hesitant to insure businesses operating in the lawful cannabis sector because of the differences of the legal treatment of cannabis and cannabis products under federal and state law,” stated NCOIL CEO Tom Considine. “It is important to ensure these businesses can fully operate just as any other legal business would. Confirming that the insurance industry is not caught between conflicting obligations under federal and state law when serving consumers would essentially provide these small businesses with more insurance options,” concluded Considine.

Full information about H.R. 1595 can be viewed here:

<https://www.congress.gov/bill/116th-congress/house-bill/1595/text>

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NCOIL is a legislative organization comprised principally of legislators serving on state insurance and financial institutions committees around the nation. NCOIL writes Model Laws in insurance and financial services, works to both preserve the state jurisdiction over insurance as established by the McCarran-Ferguson Act seventy years ago and to serve as an educational forum for public policy makers and interested parties. Founded in 1969, NCOIL works to assert the prerogative of legislators in making state policy when it comes to insurance and educate state legislators on current and perennial insurance issues.