



Cannabis Use and Insurance

Basic principles

- **Basic insurance principles:** to assess risks, to set a premium that will allow payment by the insurer when a sudden and unexpected event happens (disease, death, etc.).
- The insurance industry is competitive and each insurer decides on the criteria they will apply for the coverage they offer.

Background

- Since 2001 in Canada, marijuana can be prescribed for medical reasons to individuals who, for example, experience severe pain
- Cannabis to be consumed for medical reasons is grown in regulated conditions and its quality is verified.

Smoker or nonsmoker?

- Cannabis consumers are no longer considered to be smokers by insurers.
- The vast majority of insurers do not impose limits on cannabis consumption to their insureds.
- However, consumed cannabis must not contain tobacco.
- According to current knowledge (evidence-based data), some insurers have concluded that the long-term health risks of consuming marijuana are lesser than that of smoking cigarettes.
- Cannabis is currently consumed in different ways and is not necessarily smoked. Some consume marijuana in the form of food. However, the law does not authorize the sale of edible products, yet.

Is medical marijuana covered by insurers?

- **To be clear:** No insurance will cover **recreational cannabis**.
- However, given their clients' interest, some insurers have decided to add prescribed medical marijuana to their list of options under group healthcare benefit coverage.
- When the option is being offered by an insurer, it is then the policyholder's decision (i.e., employer, union or professional association) whether to add it to their plan coverage.
- Medical marijuana may be covered under a **healthcare spending account**. Indeed, many private group insurance plans include such an account that covers products and services deemed eligible for a tax credit by the Canada Revenue Agency. Medical marijuana and medical marijuana seeds are among these products.
- Insurers and employers that cover medical marijuana follow an authorization process linked to:
 - the age of the claimant;
 - obtaining a prescription from an authorized health professional;
 - the purchase of the medical marijuana from a grower that is authorized by Health Canada; and
 - specific health problems and symptoms.

- These eligibility criteria are based on the most solid research insurers have. Group policyholders generally reimburse a yearly maximum (e.g., \$1,500-\$6,000 per covered individual per year).

Statistics

- In Canada, the number of individuals authorized to consume medical marijuana continues to soar.
- Medical authorizations have gone from **14,000 to close to 300,000 in only a few years.**
- We expect the upward trend to continue.
- **For statistical updates:** <https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/licensed-producers/market-data.html>