

MEDICAL MARIHUANA FACILITIES LICENSING ACT (EXCERPT)
Act 281 of 2016

333.27408 Proof of financial responsibility; liability insurance policy requirements; failure to maintain proof; suspension.

Sec. 408. (1) Before the marijuana regulatory agency grants or renews any license under this act, the licensee or applicant shall file with the marijuana regulatory agency proof of financial responsibility for liability for bodily injury to lawful users resulting from the manufacture, distribution, transportation, or sale of adulterated marihuana or adulterated marihuana-infused product in an amount not less than \$100,000.00 for each license. The proof of financial responsibility must be a liability insurance policy that meets all of the following requirements:

- (a) Is issued by a licensed insurance company or licensed captive insurance company in this state.
- (b) Does not include a condition, provision, stipulation, or limitation contained in the policy, or any other endorsement, that relieves the insurer from liability for the payment of any claim for which the insured may be held liable under this act.
- (c) Covers bodily injuries to a qualifying patient including injuries that are caused by the intentional conduct of the licensee or its employee or agent. However, the proof of financial responsibility is not required to cover bodily injuries to qualifying patients caused by the licensee or its employee or agent if the licensee or its employee or agent acted with the intent to harm.
- (2) A licensee or applicant must include with its filing under subsection (1) an attestation of compliance with this section on a form approved by the marijuana regulatory agency. An officer of the licensed insurance company or licensed captive insurance company that issues the policy described in subsection (1) must sign the attestation of compliance that the licensee or applicant is required to file under this subsection.
- (3) A licensee or applicant may furnish proof of financial responsibility that exceeds the requirements of this section.
- (4) If at any time a licensee fails to maintain proof of financial responsibility as required under this section, the marijuana regulatory agency shall immediately suspend the licensee's license until the licensee provides to the marijuana regulatory agency proof of financial responsibility as required under this section.
- (5) As used in this section:
 - (a) "Adulterated marihuana" means a product sold as marihuana that contains any unintended substance or chemical or biological matter other than marihuana that causes adverse reaction after ingestion or consumption.
 - (b) "Bodily injury" does not include expected or intended effect or long-term adverse effect of smoking, ingestion, or consumption of marihuana or marihuana-infused product.
- (6) An insured licensee shall not cancel liability insurance required under this section unless the licensee does both of the following:
 - (a) Gives 30 days' prior written notice to the marijuana regulatory agency.
 - (b) Procures new proof of financial responsibility required under this section and delivers that proof to the marijuana regulatory agency within 30 days after giving the marijuana regulatory agency the notice under subdivision (a).

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2021, Act 160, Eff. Mar. 30, 2022.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

For transfer of powers and duties of the medical marihuana licensing board, marihuana advisory panel, and department of licensing and regulatory affairs, including its bureau of marijuana regulation, to the marijuana regulatory agency, and abolishment of the medical marihuana licensing board, marihuana advisory panel, and bureau of marijuana regulation, see ERO No. 2019-2, compiled at MCL 333.27001.

For the renaming of the marijuana regulatory agency to the cannabis regulatory agency, see E.R.O. No. 2022-1, compiled at MCL 333.27002.