

Quick Facts about Insurance Rates if Marijuana is Legalized

Now May Not be the Time to Legalize Marijuana in Virginia

All legislators could consider the evidence-based data, risks, issues, costs and possible unintended consequences of legalized marijuana even as some legislators write bills to legalize it. An often-forgotten cost is the effect of legalization on insurance rates. Given the toll the pandemic is taking, Virginians deserve more assurances of safety, mitigation of risks and thorough decision making regarding economic ripple effects. Virginians should not be forced into the illusion of income from the sale of a taxable drug. Virginians should not be forced into the false choice between either a war on drugs or legalization since any possible gains would be offset by immediate and long-term costs. The legalization of alcohol and tobacco has been a global public health disaster – why would we go down the same road by legalizing another addictive drug? Virginia could reject false dichotomies, realistically consider all consequences and embrace a smarter approach.

Does marijuana legalization impact insurance rates? Yes. The average increase in Colorado's auto insurance premiums since legalization was \$200. The year marijuana was legalized in Colorado there was a 10% increase followed by an average increase of 16% the next year. [1]

What variables are concerning to insurance companies when considering marijuana legalization? Prevalence rates of marijuana use, lack of risk mitigation procedures and technology, potential for human harm and loss, cross country data, and industry wide revenue depletion. A shocking 60% of regular marijuana users, in legalized states, report they drive whether they feel impaired after using marijuana or not, thus increasing the chances of a drug related crash. AAA Foundation for Traffic Safety reported that approximately 14.8 million drivers nationwide got behind the wheel within an hour after using marijuana in the past 30 days. Colorado, Oregon and Washington states had a combined increase of 5.2% in crashes per million vehicles registered, compared with neighboring states without marijuana legalization. The National Highway Traffic Safety Administration's National Roadside Survey found that the percentage of weekend nighttime drivers that tested positive for marijuana rose from 8.6% in 2007 to 12.6% in 2014, a 48% increase. [2] Marijuana is the most common illicit drug detected among drivers. [3] In addition, poly-use of marijuana with other substances, particularly alcohol, contributes to increased levels of impaired driving. [4] Several studies have found that the effects of marijuana and alcohol on driving ability are compounding and for drivers involved in both fatal and non-fatal crashes, the combination of marijuana and alcohol is the most commonly detected poly-substance pairing. [5]



No convenient, cost effective, accurate or timely roadside/field drug tests for marijuana impairment are available to law enforcement. More tools, personnel, training and funding are required to detect impaired driving resulting from marijuana use.

Could community push back benefit insurance companies? Yes. Insurance companies may benefit when local jurisdictions ban medical and recreational marijuana businesses, as was the case throughout 65% of Colorado. [6] After Proposition 64 passed in California, 80% of jurisdictions enacted local control to prohibit recreational marijuana sales.

After Washington State legalized marijuana, its jurisdictions permanently banned marijuana retail sales to mitigate availability, use, risks and unintended costs in 125 of its 142 cities and 30 of its 39 counties! [7]

What's the bottom line? For every \$1 invested in prevention efforts (by legislators, DBHDS, insurance companies, schools, community coalitions, public health, hospitals, etc.), \$10 will be saved in substance abuse treatment costs. [8]

References

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- [2] National Highway Traffic Safety Administration (n.d.). Drug-Impaired Driving. Retrieved from <https://www.nhtsa.gov/risky-driving/drugimpaired-driving>
- [3] Seigny, 2018
- [4] <https://www.chicagotribune.com/suburbs/naperville-sun/ct-nvs-pot-effect-insurance-rates-st-0623-20190621-qmlmik5b4vdfk3jmsr3zmcnoa-story.html>
- [5] Hartman et al., 2015; Li, Chihuri, & Brady, 2017
- [6] Rocky Mountain HIDTA Strategic Intelligence Unit (2018). The Legalization of Marijuana in Colorado: The Impact, Volume 5 (UPDATE September 2018). Retrieved from <https://rmhidta.org/files/D2DF/FINAL-%20Volume%205%20UPDATE%202018.pdf>
- [7] Dilley et al., 2017
- [8] <https://www.chicagotribune.com/suburbs/naperville-sun/ct-nvs-pot-effect-insurance-rates-st-0623-20190621-qmlmik5b4vdfk3jmsr3zmcnoa-story.html>

This flyer is the fourth in a series of six from the Community Coalitions of Virginia (CCoVA; <https://communitycoalitionsofva.com/>). The previous flyer covered marijuana in the workplace. Please direct questions and comments to Dr. Mary Crozier, Immediate Past Chair of CCoVA and member of CCoVA's Legislation Committee; mkcrozier@gmail.com

