

**STATE OF MICHIGAN
101ST LEGISLATURE
REGULAR SESSION OF 2021**

Introduced by Senators VanderWall and Wojno

ENROLLED SENATE BILL No. 461

AN ACT to amend 2016 PA 281, entitled “An act to license and regulate medical marihuana growers, processors, provisioning centers, secure transporters, and safety compliance facilities; to allow certain licensees to process, test, or sell industrial hemp; to provide for the powers and duties of certain state and local governmental officers and entities; to create a medical marihuana licensing board; to provide for interaction with the statewide monitoring system for commercial marihuana transactions; to create an advisory panel; to provide immunity from prosecution for marihuana-related offenses for persons engaging in certain activities in compliance with this act; to prescribe civil fines and sanctions and provide remedies; to provide for forfeiture of contraband; to provide for taxes, fees, and assessments; and to require the promulgation of rules,” by amending section 408 (MCL 333.27408).

The People of the State of Michigan enact:

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.

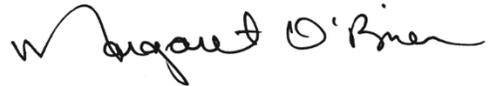
(b) "Bodily injury" does not include expected or intended effect or long-term adverse effect of smoking, ingestion, or consumption of marihuana or marihuana-infused product.

(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).

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 462 of the 101st Legislature is enacted into law.



Secretary of the Senate



Clerk of the House of Representatives

Approved _____

Governor