

February 3, 2016

New Mexico House Judiciary Committee Members
New Mexico State Capitol
Santa Fe, New Mexico

Via email

RE: Support for HB 195

Members of the House Judiciary Committee:

The National Association of Mutual Insurance Companies (NAMIC) appreciates the efforts of Rep. Crowder in bringing HB 195 to the Legislature's attention. NAMIC supports this bill as filed.

We are the largest property/casualty insurance trade association in the country, serving regional and local mutual insurance companies. The 1,300 NAMIC member companies serve more than 135 million auto, home and business policyholders and write more than \$208 billion in annual premiums, accounting for 48 percent of the automobile/homeowners market and 33 percent of the business insurance market. In New Mexico, 131 member companies do business here, comprising a market share of 43.7%.

HB 195 removes the requirement that medical cannabis be a reimbursable benefit after injury or disablement. Marijuana remains a Schedule 1 substance under the Federal Controlled Substances Act. Requiring an insurer to pay for medical cannabis – even indirectly by reimbursing the worker rather than paying for it directly - creates a friction between state and federal law.

Coupled with the fact that there is no FDA approval for medical marijuana use, the current state of New Mexico law puts insurers and employers in a difficult position. Insurers and employers want to provide meaningful resources to enable the worker to recover, yet under current New Mexico law they are required to pay for a substance of which federal law prohibits the sale or possession.

Workers' compensation carriers rely on evidence-based guidelines to make treatment decisions. Medical cannabis is not currently covered by any recognized treatment guideline

system. This is likely due to the fact that the FDA has not approved cannabis for use for medical applications.

We believe this bill strikes the right balance between the needs of insurers who must comply with federal laws while at the same time continuing the availability of medical marijuana to any patients with permitted use under the Lynn & Erin Compassionate Use Act.

We appreciate Rep. Crowder's leadership on this issue. Please contact me if you have questions or comments about our position.

Sincerely,

A handwritten signature in black ink that reads "Paul Martin". The signature is written in a cursive style with a large, stylized "P" and "M".

Paul Martin
Director – State Affairs
Southwest Region

CC: Rep. Randal Crowder