

Aon is the Answer for Cannabis Bonds Requirements

As more states continue to legalize the use of marijuana for medical and recreational purposes, surety bonds are increasingly required for cannabis companies looking to launch their businesses in this sector. These regulatory financial assurance bonds are often critical toward obtaining a license and operating a cannabis business.

The Legalization Landscape, and State Requirements

Many states with legalized marijuana require surety bonds for a wide range of activities including: operation of dispensaries, cultivation facilities, processing facilities, testing laboratories, pharmacies and transportation for cannabis products. These bonds serve to financially prequalify licensed companies to operate their businesses in accordance with state and municipal regulations.

Aon can assist its clients as they navigate the various bond requirements and help secure capacity from those insurance markets willing to write bonds ranging from \$5,000 to \$5,000,000 for licensing, tax, and construction completion obligations. We can also assist in the placement of standard bonds, such as court bonds required for litigation, subdivision bonds for construction improvements, utility guarantees, and water payment bonds.

Surety Bond Fundamentals

Unlike insurance products, a surety bond is considered a credit instrument. Surety bond capacity and pricing are determined, among other things, by an in-depth financial and operational review of the company requiring the bond. Aon is uniquely situated to assist with the credit approval process. Aon has industry leading knowledge and experience to help navigate the strong federal banking restrictions in the U.S. as well as disparities between state & federal legislation that make it difficult for Cannabis companies to operate within the space.

Brokerage Reach

Aon has unique access to surety underwriters that have studied the robust federal banking regulations in the U.S. and the intersection between state and federal legislation and have a strong appetite to support these obligations.

As your risk advisor, we will work with you to supplement an existing surety program or help you understand the surety requirements to establish a competitive program with industry leading terms.

Global Capabilities

As your firm grows both domestically and internationally, within the evolving regulatory environment, Aon is well positioned to serve as your holistic risk advisor for all risk management needs including Directors & Officers liability, Property & Casualty Insurance, Transactional liability, and Cyber liability.

We're here to empower results

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*Please visit our surety platform provided below to determine state by state requirements

www.aonsuretyhub.com

About Aon

Aon plc (NYSE:AON) is the leading global provider of risk management, insurance and reinsurance brokerage, and human resources solutions and outsourcing services. Through its more than 66,000 colleagues worldwide, Aon unites to empower results for clients in over 120 countries via innovative and effective risk and people solutions and through industry-leading global resources and technical expertise. Aon has been named repeatedly as the world's best broker, best insurance intermediary, best reinsurance intermediary, best captives manager, and best employee benefits consulting firm by multiple industry sources. Visit aon.com for more information on Aon.

