

# Traditional Healing Catapults into the 21st Century

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**CANNABIS** *The word conjures up images of Smokey rooms and blood shot eyes and the mellow sounds of Bob Marley and reggae music.*

(but for some, and this maybe it a generational thing, it conjures up Woodstock, free love and the hippy generation, age of Aquarius and all that. Way before Bob Marley the epitome of cannabis was Jimmy Hendrix) Yet it is so much more !

**WHY ARE HEMP AND MARIJUANA TREATED IN SUCH DIFFERENT WAYS? IT ALL COMES DOWN TO ONE THING: MARIJUANA CAN GET YOU "HIGH," WHILE HEMP CANNOT.**

Today Cannabis and its side kick Hemp are HOT topics. It has been controversial around the world for many decades, but for a significant part of modern history it has had many uses including medicinal, religious, spiritual and even recreational that dates back over 5000 yrs. . ([The History of Marijuana: Learn About The Origin of Marijuana \(recovery.org\)](#)) But in the 21<sup>st</sup> century we are seeing it propelled into agricultural farming and in so

doing brings the modern farming technology with it. On 18 September 2018 the South African Constitutional Court decriminalized the use and cultivation of cannabis in a private space but even though private use of cannabis has been decriminalized the buying and selling of cannabis, cannabis oil and cannabis seeds remains illegal. Licenced growers/producers may only sell on Off take agreements.

It is this commercial growing of Cannabis for medicinal purposes that has created an interest for us at Blue Anchor Risk Solutions. This sector has been earmarked by the Government to be an expanding industry in South Africa. Many international companies have shown interest in establishing growing facilities due to our favourable climate in large areas of the country.

**This has many of its own challenges:** Obtaining a Medicinal Cannabis grower's licence in South Africa is a lengthy and expensive exercise. Only licenses issued by SA Health Products Regulatory Authority (SAPHRA) are deemed legitimate and have to be accompanied by a permit. The issuing of these licences requires inspections that need to meet strict quality control measures.

This then leads to a very controlled and regulated industry that needs to be met with an equally specialised understanding of the risks and associated pitfalls of Insuring these risks. This the word "Cannabis" and its earlier connotations as per our introduction makes traditional insurance companies very nervous.

Months of research and collaboration has resulted in a specialised wording that protects the client and the Insurance industry supporters, providing us enough confidence to establish a South African solution for this growing industry.

This potentially fruitful and growing industry is trying to emerge at a very trying time, influenced by struggling economies and geopolitics along with some strange risk factors such as Pandemics and Cyber issues that could affect the insurance markets in untold ways. It is imperative to understand the future potential and pitfalls if you want to enter a new industry.

This is also true for the retailer/ distributors that are selling products to the general public. The law is unambiguous about the allowable levels of CBD and tetra- hydrocannabinol (THC). Here some people are falling foul of the law by brazenly selling high-dose CBD products with questionable levels of THC.

In May 27 2019, the SAPHRA , issued an exclusion notice, stating that the health minister had moved CBD from Schedule 7 classification to Schedule 4 (therapeutic

use). This was only for a 12-month period (which was extended by a further 12 months), though, to allow the Health Department and SAPHRA time to consult with stakeholders and decide on scheduling. Schedule 4 medicines and substances are only available on a doctor's prescription, while Schedule 7s are not generally available to the public. The minister also removed low-dose CBD from scheduling, because it was normally well tolerated and had a good safety profile, meaning that products with a maximum daily dose of 20mg of CBD and 0.001% of THC are not currently considered controlled substances.

The SAPHRA notice excluded products with minuscule doses of THC, below 0.001%, and small CBD doses of 20mg for daily use but your local home industry and grower won't be able to determine that. A certificate of analysis to determine levels will be required before distribution can take place, this excludes home growers for personal use.

Anyone distributing uncertified products could be prosecuted. Testing and certification is expensive, so people are taking chances.

It is this point that our industry may be lost in the haze. Many of the retailers/ distributors have more than likely been indemnified on a standard commercial policy which could include an element of Products liability. It is here that the legality of the product will be paramount. Without understanding all the ramifications that pertain to this specialised class of business clients, Insurers and brokers could be found wanting.

If the authorities decide to prosecute, the clients have to fight it out in court. And once a client sells it, it's no longer considered private use. The questions get raised when an Injury or Damage may arise from a client's product that may or may not be deemed "legal". **Drugs and Drug Trafficking Act is still in place therefore Ignorance of the law is not an excuse.**

## 10 INTERESTING FACTS ABOUT CANNABIS

- 1) Females respond differently from males. In fact females have been found to build up a tolerance to the drug (THC)
- 2) Cannabis seeds date back thousands of years in fact evidence has been found as far back as 10 000 BC in China.
- 3) Shakespeare smoked cannabis as shown by residual evidence found in clay pipes his home/garden
- 4) More than 200 slang terms exist for Cannabis
- 5) Cannabis boosts mood using the same mechanism as chocolate
- 6) Cannabis Tourism is a thing in fact many people around the world travel to places like Amsterdam to experience the activities around Cannabis
- 7) There is an international "Weed Day" yes an actual day 4/20 (or as we would know it 20th April)
- 8) Whilst the leaves are the most recognised part of the Cannabis plant it is in fact the flowering part that is used
- 9) Prohibition started in 1911 in Massachusetts USA
- 10) The UN officially banned cannabis in 1961 following the United Nations single convention on narcotics and gave member countries 25 yrs to implement the ban.