

# Finding a Bank and Insurance Company for a Cannabis Business

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With apologies to [Ben Franklin and others](#), nothing is more certain if you operate a cannabis company than your need for access to banking services and insurance (FWIW, the death and taxes part is probably also the case). This is true (1) as a practical matter and (2) often a legal requirement.

## The Problem

Practically, cannabis operators need a place to deposit and keep money and need to insure the business. After all, the cannabis industry remains a largely cash business, and anyone operating a business needs to have various levels of insurance to protect against the worst case scenario.

And as a legal matter, many states require insurance as a requirement for cannabis operators. For example, Alabama's new medical cannabis law requires "[a] letter of commitment or other acknowledgement...of the applicant's ability to secure a performance bond issued by a surety insurance company approved by the commission in the amount of two million dollars" (Ala. Code § 20-2A-67(d)).

But in one of the many cruel twists of fate in the cannabis industry, operators are often unable to easily access the two things they are required to have. Most of the largest and well-known banks and insurance providers will not provide services to cannabis-related businesses, particularly those businesses trading in marijuana. As we recently [wrote](#), the reasons vary from money-laundering concerns to reputational issues to institutional inertia.

## The Solution

Would-be cannabis operators needn't despair. There are banks and insurance providers that will offer services to cannabis businesses. To be sure, most banks and insurance companies are not yet providing services to the cannabis sector. But there are a growing number of such providers. Bradley's cannabis lawyers regularly make introductions to banking and insurance providers on behalf of our clients.

Would-be cannabis operators should give great consideration to the need for banking services and

insurance, both for practical and (often) legal reasons. And it's almost never too soon to begin to search for those services, as the process invariably takes longer than it would for a non-cannabis business. So perhaps the final message is to be diligent but not worried – and to contact us.

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National Law Review, Volume XII, Number 195

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