

Drug Crisis Impact Increases

The United States is currently experiencing the worst drug crisis in its history, believed by many to have been exacerbated by pandemic lockdowns and increased trafficking at our borders (cfr.org). The crisis impacts individuals, families, and society as a whole. Helping clients understand the prevalence and dangers of drug overdoses is another value-added service of the professional insurance agent.

Drug overdose deaths continue to rise. The Center for Disease Control and Prevention (CDC) advises that over 107,000 people died from drug overdoses and drug poisonings in the 12 months ending in January 2022. Of these, the majority, or 70,600, involved synthetic opioids - primarily fentanyl. In fact, more than one million people have died from drug overdoses since the year 2000. Over 1,500 deaths per week are due to some type of opioid, as calculated by the National Center for Health Statistics.

Fentanyl is a synthetic opioid which can be 50 to 100 times more potent than morphine. As little as two milligrams can be lethal, and many illegal pills contain as much as five milligrams. There is no way for the user to tell what is in illicit pills, powder, or liquid. According to the Drug Enforcement Agency (DEA), fentanyl is involved in more deaths for Americans under the age of 50 than any other cause. United States Customs and Border protection seized over 412,000 pounds of contraband drugs in the first six months of 2023, including 22,000 pounds of fentanyl.

The COVID-19 pandemic contributed to a marked increase in overdose deaths. The isolation of the lockdowns meant less access to mental health care, drug treatment, and prevention resources (nih.org). Anxiety, depression, economic uncertainty, and loneliness led to increased drug use. Supply chain disruptions impacted availability of many prescription drugs. Fentanyl was cheaper and more readily available than heroin. Telehealth use grew, which physicians advise is a barrier to the ability to monitor those at risk of misusing legal and illegal drugs (healthcarefinancenews.com).

The pandemic meant drastic and rapid increases in staff requirements for healthcare providers, sometimes without adequate background checks. Increased use of technology and shifting to more "hands-free" services also contributed to the possibility of improper diversion of storage, as more people had access to drug cabinets and supplies.

The estimated economic impact of illegal drug use is staggering, at \$193 billion (hhs.gov). Ideally, opioids are designed to decrease pain, making it easier for people to work. However, misuse of painkillers can lead to absenteeism, accidents on the job, and reduced availability of workers due to death, disability, or incarceration.

What are the insurance implications of these events? An overdose often involves a visit to the emergency department. Health insurance plans that cover emergency care do respond. Life insurance may pay in the event of an overdose



death. Typical exceptions include death during the early years of the policy; the contestability period. Benefits may be denied if the insured lied about drug use on the application. It may be surprising that intentional overdoses after this period are often covered. There is usually no suicide exception.

For automobile and trucking insurance, driving under the influence of drugs, which is an illegal act, could mean denial of a claim or reduction in the amount paid, in the event of an accident. Coverage could be terminated or nonrenewed, and premiums will likely increase due to the higher risk. From a liability perspective, there might not be coverage for anyone causing damage or injury while under the influence of illegal drugs. For example, a forklift operator runs into a wall damaging it, or a homeowner's son throws rocks through the neighbor's window. Business use of other structures on a homeowner's policy is excluded. If homeowners are operating a meth lab in their detached garage and it causes an explosion, coverage can be denied.

Illegal drug use impacts all of us. Helping clients understand the problem, as well as how to lessen the effect, is another sign of the true insurance professional.

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