

Maintain Small Business Tax Fairness

First and foremost, the Big “I” opposes any attempts to roll back the Tax Cuts and Jobs Act and/or increase taxes on small businesses, especially when many small businesses are struggling as a result of the COVID-19 pandemic. Specifically, the Big “I” would oppose efforts to eliminate or phase-out the 20% pass through deduction, raise individual/corporate rates, boost the capital gains rate, or increase the social security payroll tax cap if harmful to small business and their employees.

In addition, the Big “I” supports S. 480/H.R. 1381, the Main Street Tax Certainty Act, sponsored by Sen. Steve Daines (R-MT) and Reps. Jason Smith (R-MO) and Henry Cuellar (D-TX), which would make the current 20% small business deduction, scheduled to expire at the end of 2025, permanent. This deduction is critical to pass-through businesses of all sizes which employ the majority of private sector workers—66 million workers or 55% of the total private sector workforce according to a report from the Tax Foundation. More than two-thirds of the insurance agencies and brokerages the Big “I” represents are organized as pass-through entities and are currently seeing significant benefits from the deduction. During the pandemic, the deduction helped many agency owners remain open and continue to serve as employers and trusted insurance advisors for their local communities. Once the pandemic is over, this deduction will once again allow many insurance agency and brokerage owners to reinvest and grow their businesses, hire new employees, and better serve their customers.

Oppose Unwarranted Federal Intrusion into State Insurance Regulation

The Big “I” supports a strong and modernized state-based system of insurance regulation that protects consumers and drives innovation. As one of the staunchest defenders of the state-based regulatory system, the Big “I” opposes unwarranted legislative or regulatory attempts to interfere in the states’ ability to regulate their markets. Specifically, the Big “I” opposes H.R. 1270, the Prohibit Auto Insurance Discrimination Act, which broadly preempts state oversight of insurance underwriting and gives the Federal Trade Commission enforcement authority over insurance issues.

The Big “I” also opposes any unnecessary expansion of Risk Retention Groups (RRGs). RRG related legislation introduced in previous Congresses would subject RRGs to substantially less regulatory oversight than applied to traditional commercial insurers. Needlessly expanding RRGs would only serve to put consumers at risk and undermine the state-based system of insurance. Finally, the Big “I” supports eliminating or significantly restricting the Federal Insurance Office (FIO) housed within the U.S. Treasury Department. Over the years, the FIO has provided little value for insurance markets and consumers. As such, the Big “I” supports S. 524, the Federal Insurance Office Abolishment Act, sponsored by Sen. Ted Cruz (R-TX), which would abolish the FIO.

Secure a Long-Term Flood Insurance Reauthorization

First, reauthorization of the National Flood Insurance Program (NFIP), even if short term, is necessary to avoid coverage lapses and significant disruption for consumers, small businesses, and real estate markets. With the NFIP currently set to expire at the end of September, the Big “I” supports a long-term reauthorization of a modernized NFIP that would increase take-up rates, both in the NFIP and the private market. The Big “I” supports allowing private flood insurance to satisfy NFIP continuous coverage requirements, which ensures that if consumers leave the NFIP for the private market and later must return, they can do so without penalty.

Additionally, the Big “I” urges Congress to continue to support private sector delivery of NFIP policies and oppose efforts to limit the Write-Your-Own (WYO) Program in any manner that could negatively impact NFIP take-up rates. The overwhelming majority of NFIP policies are written through the WYO program—a public-private partnership that utilizes insurers and agents to sell and service NFIP policies. Insurance agents and brokers are uniquely knowledgeable about the NFIP and are the main point of contact for consumers when purchasing flood insurance. The Big “I” opposes any policies that would harm the WYO Program (including compensation reductions), make it more complex, or limit the program negatively impacting NFIP take-up rates.

As Congress discusses reauthorizing the NFIP, the Federal Emergency Management Agency (FEMA) is set to implement Risk Rating 2.0 starting in October 2021 for new policies and starting in April 2022 for renewals. Risk Rating 2.0 will change the way NFIP policies are priced by allowing FEMA to calculate premiums based on the value of a policyholder’s home and individual property’s flood risk. The Big “I” believes that Risk Rating 2.0, if properly implemented, has the potential to improve the NFIP experience for consumers, but the rollout of the program will be critical in determining its success.

Concerns with the PRO Act

The Big “I” opposes the House-passed H.R. 842, the Protecting the Right to Organize (PRO) Act, in its current form. The PRO Act would drastically change the nation's labor laws and includes a provision that could significantly impact the independent agency system. Among other things, the legislation seeks to change the definition of “independent contractor” in a way that could cause significant disruption to the financial services and property-casualty insurance markets, including independent insurance agents and the consumers they serve.



Specifically, the legislation incorporates the “ABC” test by requiring workers classified as independent contractors to (A) be “free from control and direction in connection with the performance of the service, both under the contract for the performance of service and in fact;” (B) perform service “outside the usual course of the business of the employer;” and (C) be “customarily engaged in an independently established trade, occupation, profession, or business of the same nature as that involved in the service performed.” This test would force many workers currently classified as independent contractors to reclassify as employees. In turn, that could increase costs for our small business members and reduce clients’ ability to access high quality advice for their insurance, investment and retirement security needs. Consequently, the Big “I” is asking for an exemption from the ABC test for individuals who are registered with the SEC or a self-regulatory organization or are regulated or subject to regulation by a state’s securities or insurance regulator. This exemption is similar to what has been enacted in California law.

Preserve Employer Sponsored Health Insurance

Employer-sponsored insurance is the most common way Americans receive health insurance. The Big “I” believes that it is imperative that Congress protect the more than 180 million Americans who receive insurance through an employer. Health care proposals such as the public option or Medicare for All, would do irreparable damage to the employer-sponsored market and significantly change the way most Americans receive their health insurance. Instead, Congress must build on what is working in our health care system and fix what is broken, not start over with a one-size-fits-all new government health insurance system that the country cannot afford.

As a result, the Big “I” opposes S. 386, the Medicare-X Choice Act, sponsored by Sens. Michael Bennet (D-CO) and Tim Kaine (D-VA) which would create a public option. Additionally, the Big “I” opposes H.R.1976, the Medicare for All Act, by Reps. Pramila Jayapal (D-WA) and Debbie Dingell (D-MI) which would replace the current, employer-sponsored healthcare system and force all Americans into a one-size-fits-all government run program.

Defend the Federal Crop Insurance Program (FCIP)

The Big “I” supports a strong and robust FCIP that provides certainty for our farmers and communities. Specifically, every Congress legislation is introduced to significantly weaken the efficient and effective private sector delivery of crop insurance. The Big “I” will continue to oppose these legislative and regulatory efforts while also laying the groundwork for further strengthening the FCIP in the next farm bill.

Responding to Future Pandemics

The Big “I” supports Congressional consideration of proposals to cover business losses from future pandemics and believes that there is an important role for the insurance market to play. However, any federal solution, whether it is the Pandemic Risk Insurance Act (PRIA), the Business Continuity Protection Program (BCPP) or otherwise, must work for both the policyholder and insurance communities and have significant federal financial support.

The Big “I” supports the BCPP, which would be subsidized by the federal government and look more like a prospective Paycheck Protection Program (PPP) than an insurance product. Businesses would purchase revenue replacement assistance from the BCPP through state-regulated insurance entities that voluntarily participate with the BCPP. Relief would be automatically triggered and immediately paid following a Presidential viral emergency declaration (no traditional insurance claims adjustment needed).

Advocating for Legal Protections for Independent Insurance Agents

Despite being illegal at the federal level, many states offer medical marijuana, have decriminalized recreational marijuana, or have given full legal status to cannabis. The Big “I” supports legislation that creates a safe harbor for agents and brokers who, of their own accord, choose to do business with cannabis-related legitimate businesses. Any such legislation would protect Big “I” members from criminal and civil liability.

Specifically, the Big “I” supports S. 910/H.R. 1996 The “Secure and Fair Enforcement (SAFE) Banking Act,” which was introduced by Sens. Jeff Merkley (D-OR) and Steve Daines (R-MT) and Reps. Ed Perlmutter (D-CO) and Steve Stivers (R-OH). The legislation would reconcile federal law with conflicting cannabis-related state laws by providing a federal “safe harbor” to financial services providers including insurers and agents and brokers. The Big “I” also supports the “Clarifying Law Around Insurance Marijuana (CLAIM) Act”, sponsored by Sens. Bob Menendez (D-NJ) and Rand Paul (R-KY) and Reps. Nydia Velazquez (D-NY) and Steve Stivers (R-OH). This would provide a comprehensive federal safe harbor for insurers, including independent agents and brokers, and protect them from criminal and civil liability when offering insurance coverage to state-legalized cannabis businesses.

