



Flood Insurance

The Big "I" supports a 10-year reauthorization of a reformed National Flood Insurance Program (NFIP) and slowly increasing private market involvement; however, absent a viable private market alternative for policyholders, the Big "I" will continue advocating for a robust NFIP ahead of its expiration on Sept. 30, 2017. The Big "I" supports S. 563 and H.R. 1422, the "Flood Insurance Market Parity and Modernization Act," introduced by Sens. Dean Heller (R-NV) and Jon Tester (D-MT) and Reps. Dennis Ross (R-FL) and Kathy Castor (D-FL). This legislation allows private flood insurance to satisfy NFIP continuous coverage requirements and clarifies that private insurance satisfies flood insurance mandatory purchase requirements. It also gives state insurance regulators authority to make determinations on what constitutes acceptable private flood insurance.

IIABA opposes cuts to the overall Wright Your Own insurer reimbursement rate and agent commissions, which would only harm the private-public partnership of the NFIP and limit the delivery mechanism for flood insurance, hurting consumers. Compensation for the program is fair. Agents and insurers play an essential role in the sale and servicing of flood insurance and are a vital part of the consumer experience. The Big "I" is also working to ensure that any changes to the NFIP recognize the important role of agents in helping policyholders make informed decisions about the purchase of NFIP policies for their homes and businesses.

Health Care

In efforts to reform health care, it is imperative that Congress protect the employer-sponsored health care system for the 175 million Americans who depend on it. As a result, the Big "I" supports full repeal of the "Cadillac tax" and supports S. 58 and H.R. 173, the "Middle Class Health Benefits Tax Repeal Act," by Sens. Dean Heller (R-NV) and Martin Heinrich (D-NM), and Reps. Mike Kelly (R-PA) and Joe Courtney (D-CT). This harmful tax will not only impact many Big "I" small business members and their clients starting in 2020, but over time will impact more individuals because the tax threshold is tied to a very slow measure of inflation. This snowball effect will do irreparable damage to the employee benefits marketplace. In addition, the Big "I" opposes efforts to cap the tax exclusion for employer-sponsored health insurance, and will continue to advocate for the important role that agents and brokers play in the sale and servicing of health insurance.

Tax Reform

In any effort to enact tax reform, the Big "I" urges Congress to address individual tax rates for small business pass-through entities along with corporate rates. The majority of the Big "I" member businesses file at individual tax rates since they are organized as pass-through entities such as Subchapter S Corporations, Partnerships and Sole Proprietorships. The Big "I" believes that any tax code overhaul should provide simplification and certainty for individuals and small businesses, along with their C Corporation counterparts, to avoid an unequal playing field. In addition, the Big "I" is a strong supporter of the current tax treatment of life insurance products and would oppose any changes that make it more difficult for American families to protect their financial futures.

Insurance Regulatory Reform

The Big "I" remains dedicated to preserving the state-based system of insurance regulation and firmly believes that the attributes of this system dramatically outweigh any perceived inefficiencies. The Big "I" is concerned that some federal and international regulatory efforts could lead to an erosion of state-based regulation. As such, the association supports efforts to install stronger procedural "checks" for federal officials in international insurance negotiations. The Big "I" also supports significantly restricting or eliminating the Federal Insurance Office (FIO). The Big "I" agrees with the intention of Chairman Jeb Hensarling's (R-TX) "CHOICE Act" to limit the powers and duties of FIO. However, the association is concerned that restructuring the current FIO into the new Office of the Independent Insurance Advocate could increase the stature of the Office and lead to day-to-day federal regulation of insurance in the future. The Big "I" also strongly opposes repeal of the McCarran-Ferguson antitrust exemption for the property-casualty or life markets.

Crop Insurance

The Big "I" strongly supports the Federal Crop Insurance Program (FCIP) and urges Congress to reject any attempts to cut or cap the budget for crop insurance as Congress begins to consider the 2018 Farm Bill. The association is also working to ensure that the private sector remains the primary distribution force of the FCIP. On that note, the Big "I" opposes the "Assisting Family Farmers through Insurance Reform Measures Act or (AFFIRM Act)," by Sens. Jeff Flake (R-AZ) and Jeanne Shaheen (D-NH) and Reps. Ron Kind (D-WI) and Jim Sensenbrenner (R-WI), which is expected to be reintroduced soon. The bill would cap the annual crop insurance premium incentives to farmers and cut the reimbursement rate for administrative and operating expenses (A&O) of crop insurance providers. Significant cuts to the A&O reimbursement would also impact private sector delivery of crop insurance.

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