

# The Big I Lobbies Congress

Each April, a group of IIABW members attend the Big I national legislative conference and meet with our state's members of Congress to advocate on behalf of our state's independent agents. This year, Pat Otter, IIABW President; Sue Knobeloch, IIABW National Director; Don McQuary, an IIABW Past President and Daniel Holst, IIABW Executive V.P. met with six members of Congress and staff from two additional offices. Guy Weismantel of Vertafore joined us this year.

We discussed the following issues with our elected officials:

## **TERRORISM INSURANCE**

We advocated for the reauthorization of the Terrorism Risk Insurance Act (TRIA). The law was originally enacted in November of 2002 in response to the September 11, 2001 attacks and the ensuing inability of the commercial P & C insurance markets to underwrite terrorism risk. TRIA has been reauthorized in 2005 and 2007 and expires at the end of this year. TRIA is a federal reinsurance backstop which would be "triggered" if there were \$100 million in aggregate industry insured losses. This limits the federal government's involvement only to large scale attacks. If the \$100 million threshold is crossed, each insurance company would then have a deductible equal to 20% of its commercial P & C premium written. Insurers are also responsible for a 15% copayment for relevant losses, with the government picking up the other 85% up to the program cap of \$100 billion.

## **AGENT LICENSING REFORM**

We advocated in favor of the "National Association of Registered and Brokers Reform Act (NARAB II)," which would streamline the nonresident licensing of



Don McQuary, Rep. Adam Smith, Pat Otter



Don McQuary & Rep. Cathy McMorris Rodgers



Pat Otter, Sue Knobeloch, Guy Weismantel, Senator Maria Cantwell, Don McQuary, Daniel Holst

agents. This bill would establish an entity which would authorize agents to sell in any state they choose and they would be exempt from the following requirements outside of their home state:

- complying with additional CE requirements;
- obtaining a nonresident business entity license;
- complying with discriminatory laws and
- regulations;
- registering as a foreign company.

## **TAXES**

IIABW encouraged our congressional delegation to fairly address individual rates along with corporate rates since many of our small business members file individually as pass-through entities. We shared how the Big I opposes any efforts to create an imbalanced tax regime between individuals, small businesses and corporate entities. We are concerned by the direction of Rept. Camp's proposal to create a third tax bracket at 35% from some individuals and pass-through entities, while lowering corporate rates to 25%.