2015 IIABW Congressional Visits

IIABW brings a group of agents to Washington D.C. each year to lobby on behalf of our members on important issues being considered by Congress. This year we had a good group of IIABW members in attendance, including Mike & Stephanie Button, Payne West; Kim Krogh, Fidelity Insurance/Hub in Spokane; Reid Ekberg, Pilkey Hopping & Ekberg in Tacoma; Sue Knobeloch, Lovsted Worthington in Bothell; John and Sandy McDonald, McDonald McGarry in Edmonds; Guy Weismantel, Vertafore; and Dan Holst of IIABW.

Rep. Cathy McMorris Rodgers & IIABW President Elect Kim Krogh

We met with 10 members of our state's Congressional delegation and their staff, including: Representatives Cathy McMorris Rodgers, Dan Newhouse, Jim McDermott, Rick Larsen, David Reichert, Adam Smith, Suzan DelBene, Derek Kilmer as well as Senators Patty Murray and Maria Cantwell. Here is a brief summary of the issues we discussed:

Stephanie Button, Rep. Dan Newhouse, IIABW President Mike Button

Agent Licensing: We thanked them for supporting NARAB II which passed in January as part of the terrorism insurance extension (TRIA). NARAB II will help achieve much needed nonresident agent licensing reform by creating a portal that enables individuals and business entities to become licensed in nonresident states.

Insurance Regulation: We shared our support for state insurance regulation and strong opposition to federal regulation of insurance. We encouraged our legislators to support and cosponsor S. 798/ H.R. 1478, which clarifies the Dodd-Frank law to ensure that state regulators have the authority to 'wall-off' the capital of insurers that are part of larger financial institutions in order to protect consumers.

IIABW with Senator Maria Cantwell

Health Insurance: We encouraged them to support and cosponsor H.R. 815 which would clarify that agent compensation is not part of the Medical Loss Ratio (MLR) formula in the Affordable Care Act and to help ensure that the guidance of independent insurance agents remains available to consumers. The MLR mandates that only 15% - 20% of all expenses may go toward "non-claims costs" such as profits, advertising, administrative costs and, if a carrier does not meet these ratios, it must issue rebates to the consumer.

Young Agents Chair Reid Ekberg & Rep. Derek Kilmer

Health Insurance: We also asked for their support to repeal or delay the excise tax in the Affordable Care Act (H.R. 879) before it takes effect in 2018. The so-called 'Cadillac' tax imposes a 40% tax on health benefits that exceed an established annual cost - $10,200 a year in 2018.

Crop Insurance: We advocated against S. 345 which would cap the annual crop insurance premium subsidies to farmers. Arbitrary funding reductions only weakens the program and ultimately shifts risk exposure back to taxpayers. We also oppose S. 463/ H.R. 892 which would eliminate premium support for the Harvest Price Option - an important risk management tool for farmers.

Risk Retention: We shared our opposition to proposals to expand the Liability Risk Retention Act to allow risk retention groups to offer commercial property coverage directly to non-profit organizations and educational institutions. There is no demonstrated marketplace need for this broad expansion and no data indicating the inability of non-profit organizations or educational institutions to secure property coverage in the traditional market.

Flood Insurance: We shared our support for the National Flood Insurance Program but would like to explore ways for the private market to complement that program where possible. Insurance regulators should be able to define acceptable private flood insurance as an alternative to NFIP coverage.