

Crop Insurance

✓ OPPOSE Cuts to the Federal Crop Insurance Program

- Congress included \$3 billion in cuts in the October 2015 budget agreement.
- While these cuts were removed due to intense advocacy by PIA members and our allies, we are concerned by these recent attempts to cut the program.

Status: In March 2014, the Farm Bill was enacted into law. The law provides subsidies for farmers who purchase crop insurance. The program is up for reauthorization in 2018 and both the House and Senate Agriculture committees have begun to hold hearings.

- During the last reauthorization a multitude of cuts to the farm safety net, and crop insurance was estimated to contribute \$23 billion to deficit reduction over 10 years at the time of passage.
- The 2018 reauthorization should recognize the vital role independent agents play in delivering the program, including ensuring agents are properly compensated.

Healthcare

- ✓ **SUPPORT Healthcare Reform that Recognizes the Role of Independent Agents**
 - Action needed to exempt agent commission from the Medical Loss Ratio (MLR) created under the ACA.
 - The MLR formula limits the amount that a health insurance company can spend on administrative costs, which includes agent compensation. As a result, agent compensation has been slashed leading to an exodus of qualified agents and brokers.

- ✓ **COSPONSOR the Middle Class Health Benefits Tax Repeal Act (H.R. 173/S. 58)**, introduced by Rep. Mike Kelly (R-PA) and Senator Dean Heller (R-NV).
 - Repeals the “Cadillac Tax,” set to take effect in 2020
 - The Cadillac tax is a 40% excise tax on so-called overly generous plans; in reality it will impact a majority of employer based plans as time goes on.

Status: The MLR bill has yet to be introduced, and the issue may be resolved through a regulation issued by the department of Health and Human Services. Congress is expected to take up healthcare reform legislation again at some point this year.

Insurance Regulation

✓ **SUPPORT the repeal of the Federal Insurance Office (FIO)**

- The time is right to repeal the FIO as part of any financial regulatory reform package.
- Since its creation, the FIO, like most federal offices, has gained power by extending its administrative activities beyond its legislative mandate (by administering the National Association of Registered Agents and Brokers [NARAB] and by calling for Congress to nationalize certain insurance standards).
- These actions, as well as ongoing efforts to expand the scope of the office, validate our concerns that the FIO's ultimate aim is to federalize, or itself become a federal regulator of, insurance.

Status: The Financial CHOICE Act is likely to be considered in the House of Representatives this spring. The legislation rolls back most of the Dodd-Frank law. In that legislation, PIA National is asking for a full repeal of the FIO. Ask your member to support a full repeal.

National Flood Insurance Program

- ✓ **SUPPORT a reauthorization** of the NFIP that is long term and brings the gradual implementation of risk based rates.
- ✓ **OPPOSE attempts to cut or cap agent commissions in NFIP Reauthorization:**
 - Agents play a crucial role in explaining this confusing program and servicing their clients during the sale and the stressful aftermath of a flood event.
 - Cutting commissions will lead to an exodus of the salesforce, decreasing the number of flood policies sold when one of the goals should be to increase the take up rate for flood insurance policies.
 - Cutting agent compensation will do little to nothing to solve the program's nearly \$25 billion debt, which is largely due to Hurricane Katrina and Superstorm Sandy.
 - PIA is against cutting the Write Your Own Reimbursement rate, as those cuts will be passed off to independent agents through their commissions.
- ✓ **COSPONSOR the Flood Insurance Market Parity and Modernization Act** (H.R. 1422/S. 563) introduced by Rep. Dennis Ross (R-FL) and Senator Dean Heller (R-NV)
 - This legislation *defines private flood insurance* as a policy that provides flood insurance coverage issued by an insurance company that is licensed and approved in the state while allowing for the **continuous coverage** of flood insurance.

Status: The House is likely to consider a bill in April, the Senate in the late spring or summer.

Tax Reform

✓ **ENSURE Small Businesses Are Included in Tax Relief**

- PIA urges Congress to include relief for small business owners who pay their business tax through their individual tax returns.
- Eliminate or reduce the capital gains tax for small business owners.

Status: The House Ways and Means committee is expected to begin work on tax reform legislation this spring or summer. The Senate will follow the House.

Explain the burdens of small business owners and the need for tax reform.