

Oppose Tax Increases on Main Street America

The Big “I” supports The Main Street Tax Certainty Act (S. 1706 & H.R. 4721), which would make permanent the 20% small business deduction (Section 199A of the U.S. tax code) passed as part of the 2017 Tax Cuts & Jobs Act. The deduction, which is scheduled to expire at the end of 2025, is heavily relied upon by many Big “I” members to keep their agencies operating, meet payroll, and better serve consumers and their communities. Pass-through entities have factored this deduction into their operations so its expiration would result in a tax increase on many small businesses. Such an increase would create an unlevel playing field and put pass-throughs at a disadvantage to those businesses filing taxes at the lower corporate rate that was made permanent in the 2017 Act. Approximately 40% of U.S. Representatives and 33% of U.S. Senators are cosponsoring this legislation, and the Big “I” encourages additional members of Congress to join them.

Address the Insurance Market Crisis by Cracking Down on Lawsuit Abuse and Encouraging Risk Mitigation

Although the property/casualty (p/c) insurance market is cyclical and expectedly fluctuates between what are known as hard and soft markets, we are currently amid a property insurance crisis that is unprecedented in nature. Appropriate and suitable p/c insurance is simply unaffordable for millions of Americans, and it is altogether unavailable for a growing universe of families, businesses, and individual consumers. These crisis conditions are not limited to areas traditionally associated with natural disasters. They are now ubiquitous and found in every corner of the country, and they are producing troubling repercussions and ripple effects throughout our economy. This pressure is particularly challenging for independent agents as they attempt to secure p/c coverage for their clients and explain significant rate fluctuations while keeping their own businesses operational. Congress can do several things to help alleviate pressure on the insurance market, including taking action to reduce lawsuit abuse and promote risk mitigation.

- Abuse of the legal system is a significant problem and adds considerable costs to the insurance system that are then passed along in the prices that consumers pay for p/c insurance. An especially troubling trend is the unchecked way foreign entities and governments are financing and subsidizing litigation in American courts. To address the national security and other problems posed by this foreign interference, the Big “I” supports the Protecting Our Courts from Foreign Manipulation Act (S. 2805 & H.R. 5488). This bill would require disclosure from any foreign person or entity participating in civil litigation as a third-party litigation funder in U.S. federal courts and would prohibit sovereign wealth funds and foreign governments from participating in litigation financing.
- Catastrophic disasters are increasing in frequency and severity at an alarming rate, but efforts to mitigate risks and reduce exposure to such events are not keeping pace. Risk mitigation helps to make homes more resilient, protect families from natural disasters, and reduce the post-event costs that would otherwise be borne by taxpayers. According to the Federal Emergency Management Agency (FEMA), every dollar spent on preventative mitigation measures saves approximately \$6 in future losses. State governments are increasingly establishing mitigation grant programs that enable homeowners to prepare in advance for earthquakes, windstorms, and wildfires, but these grants are currently subject to federal taxation. The Big “I” supports the Disaster Mitigation and Tax Parity Act of 2023 (S. 1953/H.R. 4070), which would eliminate this federal taxation and encourage the implementation of much-needed mitigation measures.

Protect the Federal Crop Insurance Program (FCIP)

As Congress negotiates a new five-year Farm Bill it is critical to support policies strengthening the stability and effectiveness of the FCIP. Crop insurance is a critically important risk management tool that helps farmers navigate the challenges posed by weather disasters, supply chain disruptions, and uncertain markets. The Big “I” supports a strong and robust FCIP that provides certainty for farmers and communities and is strongly opposed to any legislative or regulatory efforts to reduce FCIP funding in the new Farm Bill or otherwise weaken the efficient and effective private sector delivery of crop insurance.

Extend and Reform the National Flood Insurance Program (NFIP)

The Big “I” strongly supports reauthorization of the NFIP before its September 30 expiration and recognizes the importance of a modernized program to increase take-up rates in both the NFIP and the private market. Specifically, the Big “I” supports H.R. 900, which would allow private flood insurance to satisfy continuous coverage requirements and ensure that consumers who leave the NFIP for the private market, but are later forced to return, can do so without penalty. The Big “I” also opposes any policies that would harm the Write-Your-Own (WYO) Program (including WYO reimbursement reductions) and undermine the valuable and trusted role that independent agents play in the offering, sale, and servicing of flood insurance. Finally, it is essential for FEMA to communicate with agents more clearly so they can explain rate setting and changes in premiums to their customers now that Risk Rating 2.0 has been fully implemented.

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