

GOVERNMENT AFFAIRS UPDATE: PRIORITIES AND STATE OF PLAY

Our Government Affairs agenda is characterized by efforts both to promote legislation that enhances the commercial insurance brokerage marketplace, and work to defeat legislation that undermines it.

WHAT HAPPENED IN 2021?

Success in 2021 was more defined by “stopping the bad stuff from happening” rather than achieving broker-centric legislative accomplishments.

- **PREVENTED TAX INCREASES**

This was particularly true with respect to many proposals that were advanced in the Biden Administration and on Capitol Hill that would have created tax burdens for Council member firms. At one point, the Administration proposed more than doubling capital gains tax rates. Additional burdens would have been aimed at firms structured as pass-throughs, as well as measures that would have impacted the use of Employee Stock Ownership Plans (ESOPs) and other savings mechanisms. While the Build Back Better plan (BBB) was not able to advance in 2021, we were highly successful in diminishing a number of provisions in the House-passed BBB that would have had detrimental implications for brokerage.

- **PRESERVED THE EMPLOYER-PROVIDED GROUP HEALTH INSURANCE MARKETPLACE**

The Council’s highest public policy priority is preservation and enhancement of the employer-provided group health insurance marketplace. Thanks in part to our work, alongside our allies in the employer community, we successfully persuaded lawmakers not to pursue a cost-shifting proposal to create a “public option” inside of the ACA exchanges pegged on Medicare reimbursement rates. Our tactics included offering alternative public/private partnership solutions, like state-based reinsurance pools. Our work on these issues has been bipartisan and largely successful.

There are still legislative and regulatory items on the table that could impact the brokerage community and larger insurance industry. These are the most critical advocacy issues that we will continue to work on throughout the year:

- Stabilizing the individual health insurance marketplace
- Developing workable solutions to increase affordability of coverage
- Supporting the implementation of broker compensation disclosures and consumer transparency regulations
- Working with state regulators, the Biden Administration, and lawmakers to implement a long-awaited national agent broker licensure clearinghouse
- Enabling practical financial regulations for flood, pandemic risk, terrorism, and cannabis insurance
- Easing global trade and market barriers for brokers
- Navigating and informing members on future trends in cyber coverage as well as industry sustainability, and diversity efforts

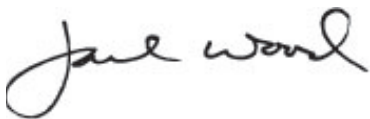
OUR ASK

While this year's Legislative Summit does not allow for visits with lawmakers on Capitol Hill, there are still opportunities to connect with your elected representatives throughout the rest of the year.

Be on the lookout for communications from our Government Affairs team with details regarding how to:

1. Connect with lawmakers on important employee benefits and P/C issues
2. Offer feedback and subject matter expertise on potential legislative and regulatory developments

We thank you for your continued engagement with The Council and we look forward to working with you this year.



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