

GRASS ROOTS

Agents Ready To Flex Muscle On Capitol Hill In Defense Of Industry's Antitrust Exemption

Other key goals on Big I legislative agenda include saving TRIA, opposing OFC

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WASHINGTON

ASKING THEIR FEDERAL LEGISLATORS TO PRESERVE THE McCarran-Ferguson Act will be the top priority of those making the annual lobbying pilgrimage here at month's end as part of the Independent Insurance Agents and Brokers of America legislative conference.

More than 1,200 agents from across the country are expected to gather from April 25-27 at the Marriott Wardman Park Hotel in Washington, D.C., to lobby federal legislators on issues of importance to the producers and the overall insurance market.

"Our number-one issue this year will be our strong opposition to the legislation repealing the limited McCarran-Ferguson antitrust exemption," said Charles E. Symington Jr., IIABA's senior vice president of government affairs and federal relations. "With the introduction of a new version of the legislation earlier this year, this issue has now been placed at the top of our lobbying list."

IIABA believes that repeal of the limited antitrust exemption the industry enjoys through McCarran would "severely disrupt the insurance market, damaging insurance companies, agents and—most importantly—insurance consumers," he added.

Specifically, "IIABA believes that the long-standing practices of the sharing of historical loss data and the joint development of standardized policy forms must be protected," he said.

In addition, IIABA "is very concerned with the dual federal and state oversight

that [Congressional bills] S-618 and H.R-1081, the Insurance Industry Competition Act, would create," he said.

"Our agents will also continue to make the case against the so-called optional federal charter while expressing our support for improvements to the state system via

entire insurance market and members of both sides of the aisle."

Mr. Symington said IIABA "was disappointed to see that a subgroup of the U.S. Chamber of Commerce recently recommended consideration of an OFC, and we will make the case to the U.S. Chamber and others that federal regulation is not the solution to the market's problems."

Mr. Symington said IIABA is working very closely with both insurers and commercial insurance buyers to ensure that a federal reinsurance program to protect against terrorism is in place at the end of 2007. The current bill, an extension of the Terrorism Risk Insurance Act, expires Dec. 31, 2007.

"We support...efforts to put in place a long-term solution to insuring against terrorism risk," Mr. Symington said, citing the work of House Financial Services Committee Chair Barney Frank, D-Mass., and Senate Banking Committee Chair Chris Dodd, D-Conn.

"Specifically, any extension of the terrorism insurance program should address chemical, nuclear, biological and radiation exposure, which cannot be covered through the private market," he said.

Regarding flood insurance, Mr. Symington said the 2005 hurricane season exposed the need for comprehensive reform of the National Flood Insurance Program.

"The IIABA has proposed a 23-point plan to do just that," he said. "We strongly support reform legislation introduced in the House by Chairman Frank and look forward to working with Chairman Dodd in the Senate as he moves his version of reform later this year." ■

MARCHING ORDERS

What Do IIABA Members Want?

Besides preserving the industry's limited federal antitrust immunity under the McCarran-Ferguson Act, other priority issues for IIABA on Capitol Hill later this month include:

- ▶ **SUPPORT FOR TARGETED FEDERAL LEGISLATION** to modernize insurance regulation.
- ▶ **OPPOSITION TO AN OPTIONAL FEDERAL CHARTER.**
- ▶ **A CONTINUED FEDERAL BACKSTOP** for terrorism insurance.
- ▶ **FLOOD INSURANCE REFORM**
- ▶ **A NATIONAL SOLUTION** to natural disaster risk.
- ▶ **CROP INSURANCE**
- ▶ **TAX REFORMS** that would benefit agencies and brokerage firms.
- ▶ **IMPROVING THE HEALTH INSURANCE MARKET** to give consumers better access to care through private market reforms.

federal legislative tools," he noted.

For example, IIABA members "will express their support for the Nonadmitted and Reinsurance Reform Act introduced in both the House and, recently, in the Senate," he said. "This legislation is a perfect example of pragmatic, middle-ground reform that can garner the support of the