

Nevada Government Affairs & Political Update


June 13, 2019

Quincy Branch, Legislative Chair
Steve Wilkins, Insurpac/NIIPAC Chair

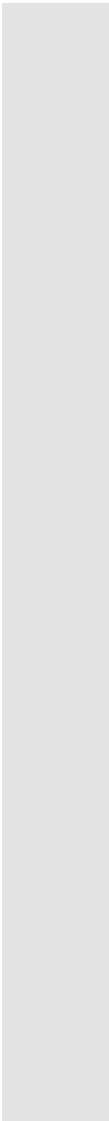


**Nevada Independent
Insurance Agents**

Government Affairs Committee



Presentation Summary

1. Federal Impact
 2. All Politics Are Local
 3. InsurPac / NIIPAC
 4. Q & A w/Jesse Wadhams
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Big "I" @ Work

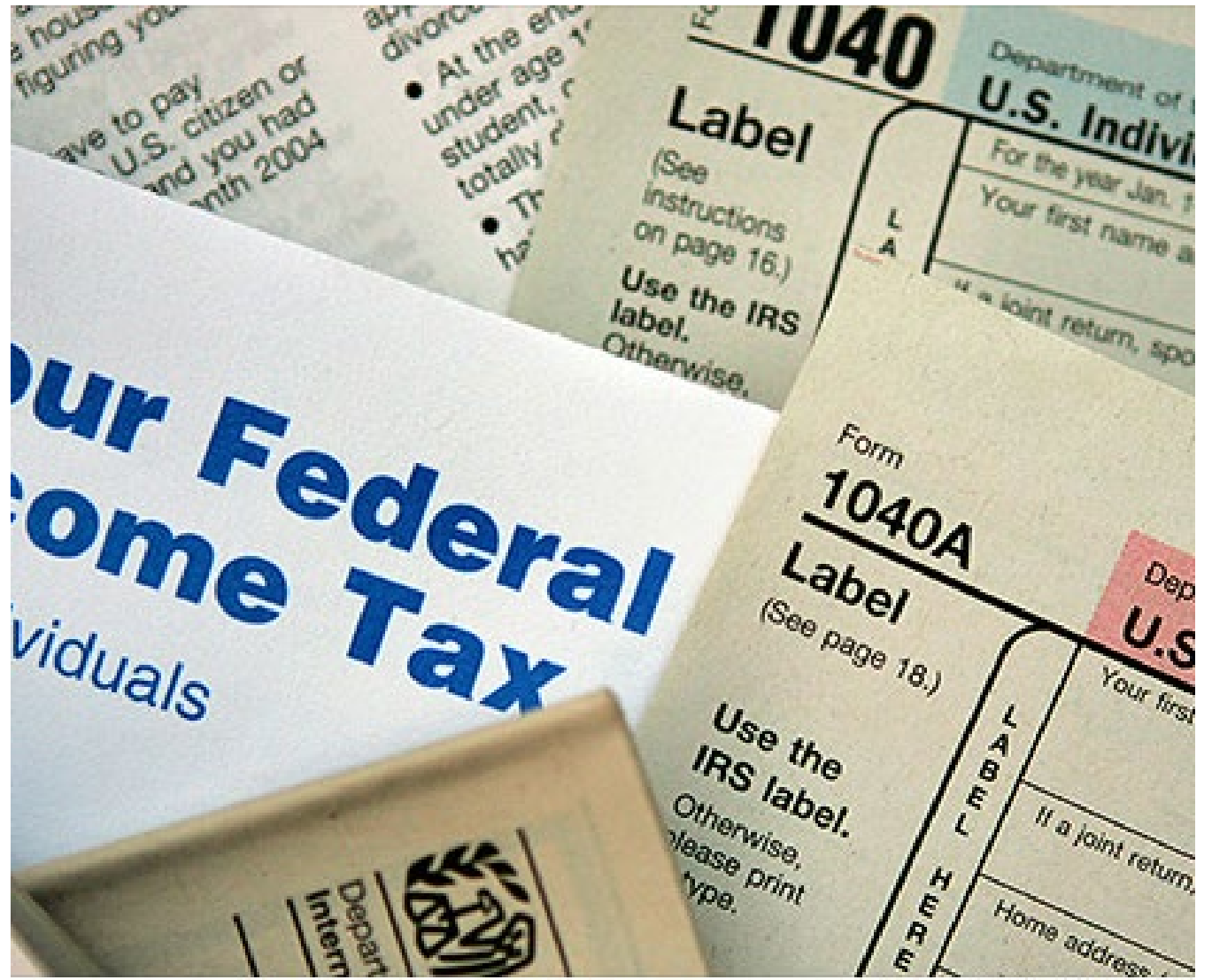


PHOTO ILLUSTRATION

2018/2019 Government Affairs Successes: *Delivering tangible results for Big "I" members and state associations*

- **Making tax reform work for insurance producers:** After successfully advocating for both independent insurance agencies and our state associations during passage of tax reform in late 2017, the Big "I" continued to work with the Treasury Dept. on rules implementing a tax deduction for pass-through income that will allow Big "I" members the maximum benefit. Final regulations were issued in January, 2019.
- **Protecting the FCIP:** In December 2018, the President signed the Farm Bill into law, laying out agricultural policy through 2023. The Big "I" advocated to successfully avoid cuts to crop insurance in the Farm Bill.
- **Extending the NFIP:** Throughout 2018/2019, the Big "I" has led a cross-industry coalition to avoid a lapse in NFIP operations. The program is currently extended through September, 2019.
- **Further delays to the Cadillac Tax:** In 2018, legislation was enacted that includes a two-year delay of the "Cadillac" tax, a 40% tax on health benefits exceeding an established annual cost. The tax is now is delayed until 2022.
- **Supporting state-based insurance regulation:** In May 2018 the President signed legislation that modified provisions of the Dodd-Frank Act, which included Big "I"-supported language bringing greater transparency to international insurance negotiations and increasing coordination with state regulators.

Major Federal Issues For 2019

- **Flood Insurance:** Support a long-term reform/reauthorization of the National Flood Insurance Program currently set to expire on September 30. **2 wk extension passed May 30th.**
- **Crop Insurance:** Defend the Federal Crop Insurance Program against continued attacks to reduce funding.
- **Terrorism Insurance:** Support extension of the Terrorism Risk Insurance Program set to expire at the end of 2020.
- **Insurance Regulatory Reform:** Support significantly restricting or eliminating the Federal Insurance Office and oppose expansion of the Risk Retention Act/significant preemption of state insurance regulation.
- **Health Care:** Protect the employer-sponsored health care system/agent & broker role in that system and seek repeal of the "Cadillac Tax."
- **Cybersecurity:** if a nationwide data security/privacy standard is created rely on state insurance regulators for implementation and ensure that any requirements are reasonable in application to small businesses.

How is Tax Reform Impacting Big “I” Members?

- The centerpiece of the tax reform law is a new flat tax of 21% on all C-Corps. Approximately one-third of Big “I” member agencies are C-Corps.
- The law also makes changes related to the taxation of pass-through businesses, partnerships and S-Corps, including a new 20% deduction on some forms of pass-through income. Approximately two-thirds of Big “I” member agencies are organized as pass-through entities; as a result, Big “I” advocacy efforts focused heavily on these provisions.
- On the individual side, the law puts in place new tax brackets, and nearly doubles the standard deduction, but makes changes to or eliminates many popular deductions for those who itemize on their tax returns.
- The changes on the business side are mostly permanent, while most of the changes to the individual side, including those related to pass-through businesses, are scheduled to expire at the end of 2025.

C-Corp Savings

For those agencies organized as C-corps who saw a tax reduction, how much was saved?

\$1,000-\$5,000= **47%**

\$5,001--\$15,000= **22%**

\$15,001--\$25,000= **18%**

\$25,001--\$50,000= **6%**

More than \$50,000= **7%**

Pass-Through Savings

For those agencies organized as pass-throughs who saw a tax reduction, how much was saved?

\$1,000-\$5,000= **35%**

\$5,001--\$15,000= **31%**

\$15,001--\$25,000= **14%**

\$25,001--\$50,000= **13%**

More than \$50,000= **7%**

Home Means Nevada





Major Local Issues For 2019

- Workers Compensation (AB128 & AB138):
- Construction Defect:
- Medical Malpractice:
- Auto Liability Litigation:
- **Cyber Security (SB21):**

Nevada Legislature Makeup

Senate

- 21 Members
- 13 Democrats
- 8 Republicans
- 545 Bills
 - ✓ 6 P&C related

Assembly

- 42 Members
- 29 Democrats
- 13 Republican
- 557 Bills
 - ✓ 3 P&C related



**Independent Insurance Agents and
Brokers of America (IIABA)
Political Action Committee**

- InsurPac is one of the largest and most effective small business PACs in the country.
- Relationships are critical with legislators.
- Groups with the largest PACs can support the most congressional campaigns, attend the most fundraising events, and develop the most relationships.
- Relationships open doors.

InsurPac = Washington D.C. Relationships

2018 InsurPac Year-End Summary

	Nevada	National
Total Contributions	\$11,185	\$1,131,739
Individual Donors	33	3,665
*Major Donors (\$1,000+ Contribution)	3	317

North Dakota - \$288/agency
South Carolina - \$266/agency
Nevada - \$164/agency

****If every state achieved what Nevada does, InsurPAC
would be a \$2.5 million PAC/year**

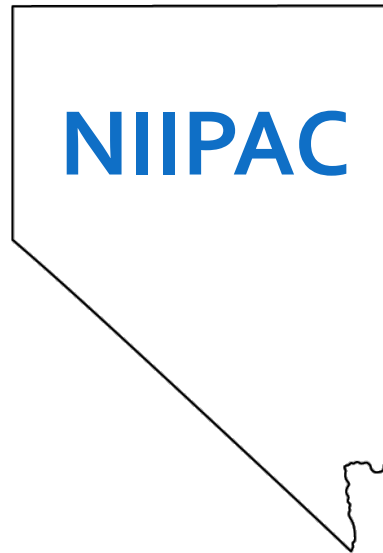
Top Eagle States – \$100/Agency Avg

InsurPac Gives Back to Nevada Candidates

Election Cycle	NIIA Membership InsurPAC Contributions	InsurPac Disbursements to Nevada Candidates
2017 – 2018	\$21,310	\$13,000
2015 – 2016	\$17,400	\$27,000
2013 – 2014	\$14,320	\$27,000

Since 2013, InsurPac has given almost \$14,000 more to Nevada candidates than was raised by members in the state. While NIIA contributions have grown each election cycle, we must do more as NIIA members to close that gap and protect our industry.

Nevada
Independent
Insurance Agents
Political
Action
Committee




A UNITED VOICE WORKING FOR
YOU IN **NEVADA**

OBJECTIVE

The NIIA play a vital role when it comes to the Legislation of our industry in Carson City. As a result of the contributions and volunteer time spent by its members, the NIIA has been successful in providing critical information to our elected state officials that helps steer legislative decisions that benefit and/or protect our industry.

NIIPAC = Nevada Relationships



2018/2019 NIIPAC Year-End Summary

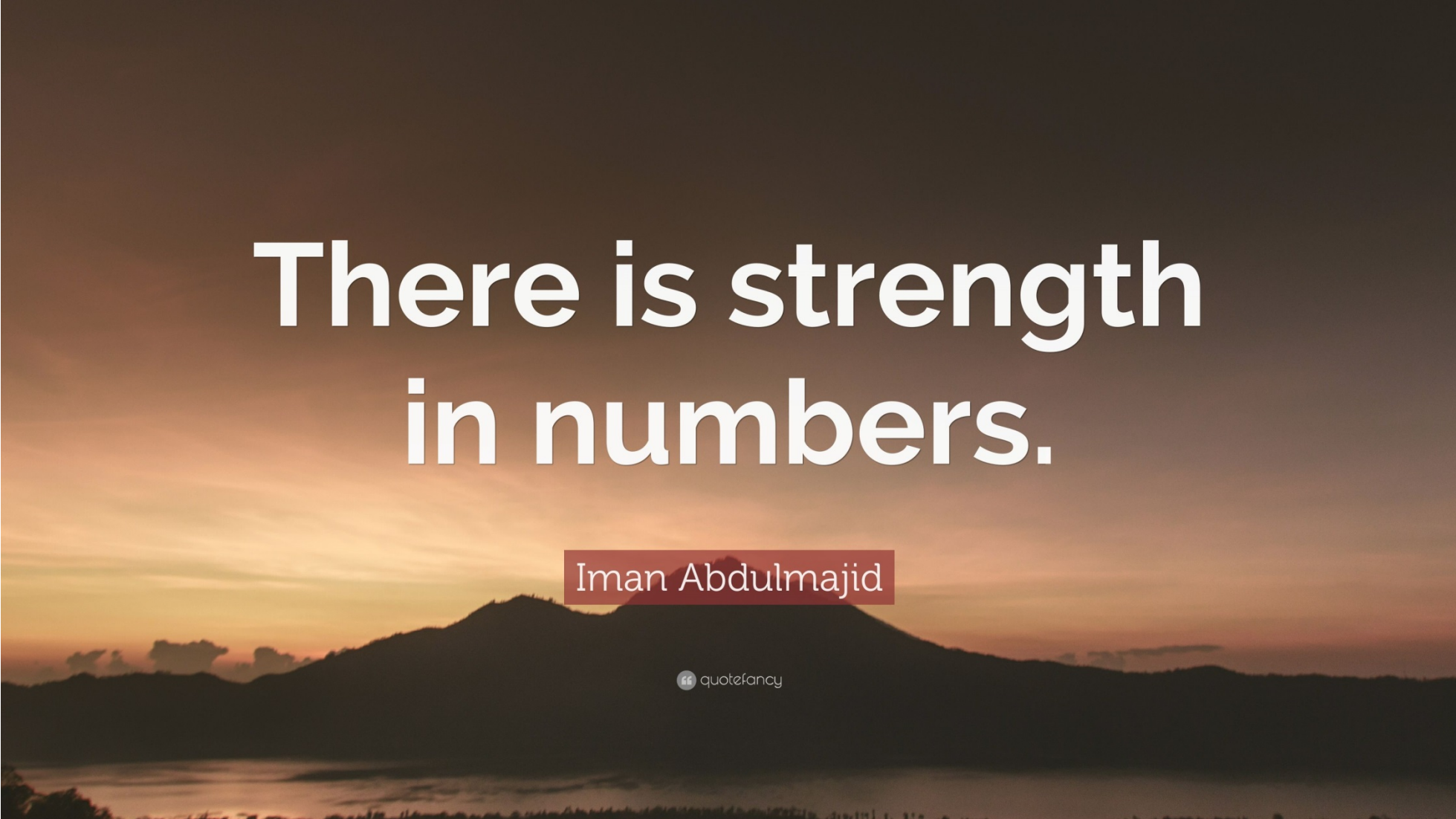
Individual Members Contributing	41
Total Member Contributions	\$10,198
Individual Disbursements to Candidates	15
Total Disbursement Made	\$6,750

2018 Election Cycle NIIPAC Contributions

Recipient	Amount
Assemblyman Al Kramer (R)	\$250
Senator Ben Kieckhefer (R)	\$500
Senator Chris Brooks (D)	\$500
Senator Ira Hansen (R)	\$250
Senator James Ohrenschall (D)	\$250
Assemblyman Jason Frierson (D)	\$500
Assemblywoman Jill Tolles (R)	\$250
*Assemblyman Jim Marchant (R)	\$250
Senator James Settlemyer (R)	\$500
Assemblyman Jim Wheeler (R)	\$500
Senator Joe Hardy (R)	\$500
Senator Kelvin Atkinson (D)	\$500
Assemblywoman Maggie Carlton (D)	\$500
Senator Yvanna Cancela (D)	\$500
**Governor Steve Sisolak (D)	\$1,000


*Assembly candidate Jim Marchant was only NIIPAC recipient not re-elected.

** The contribution to Governor Steve Sisolak was made after the election to assist in retiring campaign debt.



There is strength
in numbers.

Iman Abdulmajid

 quote fancy



Questions?