
Independent Agents' Lobbying to Target Tort, Malpractice, Asbestos Reforms in 2004

WASHINGTON 01/13/2004 (BestWire)-Tort reform, the U.S. tax code's treatment of intangible assets and reviving lingering flood insurance legislation are topping the Independent Insurance Agents and Brokers of America's list of priorities when Congress resumes work later this month.

Also on the group's to-do list: Opposing efforts to push for federal regulation of the insurance industry.

In its list of 2004 legislative priorities, the IIABA is focusing on efforts begun years earlier in some cases--modernizing insurance regulation, tort reform, class-action reform and a resolution to ongoing, multibillion-dollar asbestos lawsuits--as well as pushing efforts begun last year, such as a clarification of recent "Do Not Call" regulations and a bill to reauthorize the National Flood Insurance Program.

The IIABA's chief executive officer, Robert A. Rusbuldt, said in a statement announcing the group's agenda that Congress would be paying close heed to the needs of "Main Street America," since 2004 is an election year. "IIABA will waste no time pressing ahead with its legislative agenda," Rusbuldt said.

The IIABA and other groups have advocated the five-year reauthorization of the federal flood program, which passed the House last year but still awaits action on the Senate floor (BestWire, Nov. 21, 2003). The bill targets properties that repeatedly generate hefty claims and earmarks more money for mitigation.

Unlike the American Insurance Association, the IIABA opposes any federal regulation of insurance, whether optional or mandatory--though it wants some of the benefits of a federal system, such as uniform regulation and reciprocity in licensing. The IIABA says it wants to keep regulation in the hands of state officials "while streamlining the system and fostering uniformity through federal standards.

Congress recently has been holding hearings on the state of insurance regulation (BestWire, Dec. 18, 2003). The American Council of Life Insurers told a House panel that, while it advocates an optional federal charter for insurers, life insurers still believe work should continue on improving the current state-based regulatory system. The National Association of Independent Insurers, the National Association of Mutual Insurance Companies and the National Association of Professional Insurance Agents, as well as the National Association of Insurance Commissioners all oppose federal regulation.

The IIABA also seeks tort reform, asbestos-litigation reform and medical-liability reform--all Republican-led efforts that wound up stalled on Capitol Hill during 2003.

Also, the IIABA wants reforms to address what it describes as a discrepancy between how the tax code treats intangible assets and "marketplace realities." As it now stands, the tax laws require those assets to be written off after 15 years, while the IIABA argues that real-life experience shows those assets--customer lists, for example--only have a useful life of about five years. Reforming the tax code to allow for a faster depreciation schedule, the IIABA argues, would let small companies have more money to reinvest.

Other reform efforts the IIABA is pursuing:

- Seeking reciprocity in licensing agents in all 50 states and the District of Columbia;
- Ensuring that 2003 do-not-call, do-not-fax and anti-spam legislation doesn't unwittingly target legitimate business communications;
- Maintaining adequate funding for the federal crop insurance program; and
- Ensuring that credit-based insurance scoring can be used as a means of assessing risk.

The House and Senate return to Capitol Hill Jan. 20.