

Legislative Victory for Independent Insurance Agents



Has your agency been contacted about the Federal Reporting Requirements for Beneficial Ownership Information?

Effective January 1, 2024

“The Corporate Transparency Act” which was passed as part of the National Defense Authorization Act in 2021, contains a provision that creates a new federal reporting requirement for most small businesses. This new burdensome requirement was originally meant to cover nearly all small businesses, including insurance agents. However, the **Big “I” was successful in securing an exemption for independent agents and brokers** by showing that insurance producers already provide this beneficial ownership information to state regulators and that the additional burden of providing it to the federal government would be duplicative and unnecessary. This is a very big **“WIN”** for the independent insurance agents and brokers.

Both the IIAV and the IIBA work tirelessly behind the scenes advocating for independent insurance agents. There have been many legislative decisions over the years which have greatly impacted independent insurance agents in a very positive way thanks to their efforts. They form a powerful legislative team that is considered one of the most effective anywhere, not just for the insurance industry. They bring together the strength of our members along with over 280,000 independent agents and their employees throughout the United States.

According to the Financial Crimes Enforcement Network (FinCEN), the estimated total time for filing the Beneficial Ownership information (BOI) reports can take up to 11 hours for a “complex structure” and about six hours for an “intermediate structure.” With potential civil and criminal penalties for noncompliance, many small businesses will retain outside legal and accounting counsel, which FinCEN acknowledges will cost up to \$2,615 per entity in the first year. The penalties for failure to comply with these reporting requirements are severe, with civil penalties of up to \$10,000 and criminal penalties of up to two years in prison.

The **Big “I”** was the only producer group that advocated on behalf of agents and brokers to exclude them from this new onerous requirement. Without this exemption, the provision would have required agencies with fewer than 20 employees to file new reports on their beneficial ownership with FinCEN. Agencies would have had to comply with the new requirement annually starting within two years of the law’s enactment for existing businesses or upon the incorporation of a new business.

IIAV is 100% committed to being a powerful advocate for Virginia Independent Insurance Agents.

Additionally, the following are just some of the many benefits available to IIAV member agents:

- High quality education programs
- Opportunity to earn professional designations
- Annual convention and tradeshow
- Annual Young Agents Conference
- Insurance Agents Day on the Hill
- Networking and social events
- Insurance products for your agency
- Insurance products for your clients
- Find a Market
- Sales and Marketing resources
- Training resources and materials

Thank you,

Rich Messler, CIC

Director of Industry Relations | IIAV
rmessler@iiav.com | 804-747-9300 x 102

**SAVE THE
DATE**

ADD BOTH
EVENTS TO YOUR
CALENDAR!



**Big 'I' National
Legislative Conference**
Washington, DC
April 30 - May 2, 2025



**IIAV Insurance Day
on the hill**
January 28, 2025
Richmond, VA