**Worker Classification/ABC Test – Action Alert template**

**EMAIL SUBJECT: Ask Your State Senator to Carve Industry Out of Ind. Contractor Bill**

**TAKE ACTION NOW**

Please contact your state senator and ask him/her to vote in favor of amendment to bill number. The bill would expand the definition of “independent contractor” by adopting an “ABC” test to define who is an “employee.” The amendment excludes the insurance and financial services industry from this new standard.

Bill number redefines the relationship shared between insurance producers, independent broker-dealers, and independent financial advisors with the insurance industry. The existing relationship ensures consumers have the greatest access to products being offered by the insurance industry. Creating a new standard that does not exempt these vital individuals from the bill number’s ABC test severely limits the scope of insurance products consumers would have access to as well as general distribution of insurance products and investment advice, thereby limiting consumers' ability to protect themselves and their loved ones.

Other reason to oppose:

* The relationships between agents and advisors and insurance companies and financial firms is already highly regulated. For many financial professionals, reclassifying them as “employees” would stifle the independence that allows them to effectively serve the diverse market of U.S. consumers.

* The compensation of insurance and financial professionals is carefully recorded and reported on IRS Form 1099. Concerns over cash payments and unreported income do not apply to the insurance and financial services industry.

* Challenges faced by workers in the “gig economy” are not relevant for insurance and financial professionals.

**Take Action Now** and ask your state Senator to vote in favor of amendment to bill number.

**MESSAGE TO LAWMAKER**

As your constituent, a financial professional, and a member of the National Association of Insurance and Financial Advisors (NAIFA), I urge you to vote in favor of amendment to bill number. The bill would expand the definition of “independent contractor” by adopting an “ABC” test to define who is an “employee.” The amendment excludes the insurance and financial services industry from this new standard.

Many insurance and financial advisors have relationships with multiple insurance companies, broker-dealers, or registered investment advisers, giving them diverse lines of products and services to offer consumers. They are small business owners who have contractual agreements with these companies. Reclassification will disrupt insurance and financial services business models and limit consumer access to diverse offerings of products, services, and advice.

NAIFA members are professionals who generally operate their own small businesses. A 2021 survey of members indicates that they oppose attempts to reclassify them as employees. The results indicate:

* Approximately 90% receive income reported on a 1099.
* 94% do not want to be treated as an employee for union organizing.
* 95% operating as an independent contractor want to remain so.

Please feel free to contact me with any questions regarding the importance of excluding insurance agents, brokers and licensed insurance organizations and security brokers from any legislative proposal to enact an ABC test on independent contractors. Thank you for your time on this critical issue.