



IOWA
ASSOCIATION
OF BUSINESS
AND INDUSTRY

BUSINESS

MARCH 2025

MONTHLY

ABI Members Thrive On Connections, Partnerships



STORY ON PAGE 14

CALENDAR OF EVENTS

- MARCH 21**
Legislative Update
(Members Only)
VIRTUAL
*Continues every other
Friday during session
- APRIL 7**
Nominations Open: Coolest
Thing Made in Iowa
- JUNE 10-12**
Taking Care of Business
Conference
COUNCIL BLUFFS

- JUNE 12**
Leadership Iowa Graduation
COUNCIL BLUFFS
- JULY 13-17**
Business Horizons
DES MOINES
- AUGUST 3-7**
Leadership Iowa University
DES MOINES
- AUGUST 7-8**
Executive Forum
CLEAR LAKE

VISIT WWW.IOWAABI.ORG AND CLICK THE “EVENTS”
TAB FOR DETAILS ON ALL UPCOMING EVENTS.

INSIDE

FROM THE CHAIR: Chad Reece	12
EXPERT ADVICE: Laura Jackson	12
CAPITOL BUSINESS: Brad Hartkopf.....	13
ON THE COVER: ABI Members Thrive.....	14
FROM THE FOUNDATION: Jessi McQuerrey	16
EVENT REWIND: Leadership Iowa.....	16
Q&A: Drew Larson	17
WHAT'S TRENDING: Jack A. Carra	18

FROM THE CHAIR:

Strengthening Connections & Delivering Value: ABI's March Highlights and What's Ahead

One of the best things about being an ABI member is having access to the terrific content and events the association delivers all around Iowa every year. Providing that content doesn't happen by accident, and it is an important part of our service to member companies.

In March, ABI hosted several major events across the state. The month began with a Connecting Statewide Leaders event focused on manufacturing issues in Clinton, followed by a virtual members-only ABI Legislative Update. Shortly after, the annual Business Day in Des Moines took place featuring Governor Kim Reynolds, all legislative lead-

ers and national tax policy expert Tony Coughlin from ABI member company RSM. Later that day the ABI Board heard a legislative and association update and the day ended by sponsoring the Corridor Media Group's Iowa 500 Reception.

Providing opportunities for high-value information and business networking is a vital part of ABI membership. In that regard, this edition of the ABI Business Monthly has more great information about how our terrific ABI member companies work together and the valuable partnerships and friendships they've formed thanks to ABI. We see those relationships on display at all

of our events throughout the year, but especially at our annual conference. In closing, I encourage you to make your plans to attend ABI's 122st annual convention in Council Bluffs June 10-12. Value-added programming – golf a Bent Tree Golf Club, a beautiful links course, terrific speakers, fantastic new venues, and the very best business networking in Iowa – will all be a part of the conference. Go to www.iowaabi.org and take advantage of the early-bird registration. In the meantime, on behalf of my fellow association officers, thank you for your investment in the important work of ABI. **ABI**



Chad Reece
ABI Chair
Winnebago Industries

EXPERT ADVICE:

Building healthier communities by increasing high school graduation rates

At Wellmark Blue Cross and Blue Shield, our mission is to make health care better for all Iowans and South Dakotans, not just our members. With a division focused on addressing factors that prevent people from living a long, healthy life, Wellmark is dedicated to working upstream to make positive changes in the places where people live, learn, work and play.¹

Did you know that educational achievement positively impacts your lifespan, and your income significantly impacts your health span? This is why one area of our focus is youth:

- **High School Graduation** - Iowa's high school graduation rate fell below 90 percent again in 2023.²
- **Mental Health** - Suicide is a leading cause of teenage death in Iowa and increased from 2022 to 2023.³

- **Workforce Shortage** - Iowa is facing a critical workforce shortage with two available workers for every three open jobs.⁴

In an effort to work upstream, Wellmark, through The Wellmark Foundation, has long supported Jobs for America's Graduates (JAG) in Iowa. JAG has more than four decades of experience helping at-risk students overcome barriers, graduate high school and get ready for meaningful employment or further education. The Wellmark Foundation's support has helped to promote career development, especially in health care, and expanded programming in communities with lower graduation rates and higher absenteeism. By funding program expansions, Wellmark aims to address health disparities and foster a

healthier, more educated workforce.

However, real change requires all of us—businesses, non-profits, government agencies, communities and individuals. Let's work together to understand the challenges, find solutions and invest where it is most needed. We invite you to join us on this mission. Let's create a healthier, stronger Iowa together, starting with our kids. **ABI**



Laura Jackson
EVP
Wellmark Blue Cross and Blue Shield
JacksonLJ@wellmark.com

¹"A New Way to Talk About THE SOCIAL DETERMINANTS OF HEALTH" ©2010 Robert Wood Johnson Foundation.

²Iowa Department of Education announces 2023 high school graduation rate, corrects other rates after identifying error | Department of Education

³<https://hhs.iowa.gov/data/people/deaths/suicide>

⁴<https://www.uschamber.com/workforce/the-states-suffering-most-from-the-labor-shortage>

CAPITOL BUSINESS:

The Latest on ABI's Legislative Priorities

We're two months into the first session of the 91st Iowa General Assembly. The 2025 legislative session has been a busy one as nearly 1,500 pieces of legislation have been filed by policymakers.

We have passed a critical point during session as the first legislative funnel deadline has come and gone. Legislation, excluding appropriations, ways & means and a few other types of bills, must have passed through a full committee in either chamber in order to be considered for the rest of the year. Of course, nothing is ever truly "dead" until the Legislature adjourns sine die sometime near the end of April or early May.

ABI public policy staff continues to advance issues that fall underneath our priorities, which are Taxes, Workforce and Regulatory Reform. Below is a summary of where things stand.

Taxes – Iowa's tax climate has gone from being one of the most uncompetitive to one of the most competitive in the country over the last several years. Policymakers have prioritized fiscally prudent budgeting and pro-growth policies, which have allowed them to lower our corporate and individual income tax rates by significant margins, eliminate the inheritance tax, exempt retirement income from taxation and enact the first phase of property tax reform.

In 2025, phase two of property tax reform and cuts will be heavily discussed. Iowa remains uncompetitive in this space as the nonpartisan Tax Foundation has ranked our state 32nd in the nation. Though at the time of this writing a property tax bill hasn't been filed yet, we expect a proposal will be unveiled

that looks at providing relief to all classes of payers. ABI's position is that if the property tax burden is eased this year, all payers should benefit in a similar way.

Iowa is also a leader nationally when it comes to the management of our unemployment insurance (UI) trust fund system. Thanks to the leadership and public policy decisions by Governor Kim Reynolds and the Legislature over the last few years, our state has one of the most solvent UI funds in the country. With that said, Governor Reynolds has filed legislation that would provide nearly \$1 billion of UI tax relief to businesses over five years. The governor's bill proposes to cut the taxable wage base in half and lower the tax rates businesses face. Many states are facing tax hikes on businesses due to mismanaging their trust funds, but Iowa is 180 degrees from that position. This legislation is a key ABI priority and has survived the first funnel.

Workforce – Tremendous progress has been made in addressing childcare challenges, workforce housing infrastructure and the funding of programs that allow Iowans to upskill over the last several years. There has been significant bipartisan support in addressing these issues, which are fundamental to having a sound business climate.

Another issue that falls under workforce is drug and alcohol testing. Employers utilize these regimens to keep workplaces safe. The House and Senate Workforce Committees have passed bills that address some of the challenges businesses face in this space. This includes clarifying the definition of a "safety sensitive position", modernizing communi-

cation methods regarding the exchange of drug and alcohol testing results and requiring plaintiffs to prove their case against defendants. Right now, businesses are presumed guilty until proven innocent. The bill makes employers innocent until proven guilty. These commonsense changes are necessary as they bring some balance back to this part of the Iowa Code.

Regulatory Reform – This is a perennial priority for the association as we're always working to cut red tape for our members. There are numerous bills we are supporting on behalf of members that will make it easier for them to operate their businesses. We also work with state agencies outside of the legislative session to address any issues that members may have that fall under their jurisdiction.

ABI is in a great position to close out the second half of the session strong and move our priorities out of the Legislature and down to Governor Reynolds' desk for her consideration. Please contact JD Davis at jddavis@iowaabi.org or Brad Hartkopf at bhartkopf@iowaabi.org if you have any questions about our efforts. **ABI**



Brad Hartkopf
Senior Director, Public Policy
ABI
bhartkopf@iowaabi.org



You're Invited!

The Taking Care of Business Conference is Iowa's premier business conference, bringing together industry leaders to learn, network and share ideas on how to strengthen Iowa's business climate.

It's the best investment you'll make all year!

Agenda Highlights

Hear from Nationally Recognized Speakers
Network with 500+ Iowa Business Leaders
Attend Deep-Dive Workshops
Explore Council Bluffs

Register and Learn More
www.ABITakingCareOfBusiness.com

Celebrating 60 Years of Adventure

For six decades, Terracon has been proud to provide innovative environmental, facilities, geotechnical, and materials solutions nationwide. It all started in Cedar Rapids!

As we look ahead with excitement to the future, our adventure continues with a focus on collaboration, innovation, and growth – partnering with you to shape a stronger, sustainable future.

Let's keep growing together and envisioning the next chapter for Iowa.



Nationwide
Terracon.com/Iowa

- Facilities
- Environmental
- Geotechnical
- Materials

COVER STORY FROM PAGE 11

ABI Members Thrive On Connections, Partnerships

BY EMERY STYRON

For many ABI members, participation in Iowa's largest statewide business organization pays dividends far beyond supporting the association's business advocacy to government policy makers. Through its varied leadership development and issues awareness programs, annual conferences and participation on its board of directors and advisory council, ABI provides members and other participants opportunities to build an impactful and ever-more valuable network of partners, allies, clients and friends.

'People You Know, Like and Trust'

As long-time ABI Board of Directors member Mike Espeset, president of Story Construction, puts it: "People want to do business with people they know, like and trust. ABI membership and continued involvement and participation puts related parties in position to know, like and trust each other. It's gratifying, through ABI to get over the know, like and trust hump and really get after making a difference for someone."

Mr. Espeset, who started at Ames-based Story as a part-timer while majoring in construction engineering at Iowa State University, attended his first ABI conference in Okoboji in the summer of 2000, then really plugged into the organization after participation in its Leadership Iowa class.

He took a leadership and ownership role at Story in 2004 with the retirement of President Dick Johnson and gladly accepted the invitation to join ABI's board. "I need to be where are customers are

and understand what their needs are," he explained.

In 20+ years at the helm of Story, he's helped guide it to full employee ownership and through its first acquisition, L&L Builders of Sioux City, last year. The connections forged at ABI have helped the business, now 200 employees-strong, to grow, he said.

Many fellow ABI members have become valuable clients. "We've enjoyed serving Bob Wersen at Interpower Corporation, Tassel Ridge Winery, Agri-Industrial Plastics projects in Fairfield, doing a plant expansion for UEA (United Equipment Accessories) in Waverly, and some work for Kreg Tool in Huxley, to name a few of many," he said. "There's a number of ABI members that have employed us to figure out facility solutions, facility construction, or planning and thinking."

The Sioux City acquisition developed through an ABI connection with business broker BCC Advisors. "BCC approached us as a candidate to look at that business. I had known the broker for years. It was not a hard conversation to have. At the end of day, we're very much in the relationship business, and the business of serving each other. I can think of no better organization and group of companies to do that with," said Mr. Espeset.

'Those Connections are Amazing'

Drew Larson, who represents Des Moines-based, business-focused law firm BrownWinick on the ABI Advisory Council, praises the "unbelievable amount of variety" he finds in connections he makes through ABI. "It is a great place to meet



Jack A. Carra
AssuredPartners

other professionals. There are financial advisors, clients, manufacturers, other people doing all kinds of things, from all across the state," the University of Iowa College of Law graduate said.

BrownWinick, "affiliated with ABI since the mists of time" according to Mr. Larson, has a number of clients that are active ABI members. Association involvement "has given us a better understanding of their businesses ... a better idea of the problems they face," Mr. Larson said. "It makes us better lawyers when we understand their businesses and the environment they are operating in."

ABI connections can pay off in varied ways, said Mr. Larson. Through participation in Leadership Iowa, Mr. Larson met the director of Trivium Life Services, a Council Bluffs nonprofit, and was invited to serve on its board. Networking on the Advisory Council enabled him to recommend several businesses as partners to the West Des Moines School Board, on which his spouse serves, for its registered apprenticeship program.

ABI's Advisory Council is a select group of members who advise ABI on trends and critical business issues in the marketplace to deliver the best possible programming for its members. "Advisory council members have the opportunity to meet other leading service providers in the state, including lawyers, bankers, financial advisors, valuation firms, insurance and healthcare providers and others who want to hear from us what are we seeing broadly in the industry," Mr. Larson said.

Among Mr. Larson's co-members on the Advisory Board is Jack Carra, a partner in AssuredPartners, a Florida-based business insurance brokerage with regional headquarters in West Des Moines. Mr. Larson and Mr. Carra have found their connection on the board mutually rewarding.

"It is always nice to see a strong ABI member, like Assured Partners, working with one of my clients. It gives me a high degree of confidence that they are getting good advice and will be able to get things done on the next transaction,"



Mike Espeset
Story Construction

said Mr. Larson.

"Having a mutual client with an ABI member like BrownWinick gives me piece of mind as I know my clients are receiving expert advice and that they have their best interests at hand," said Mr. Carra.

'An Opportunity to Give Back'

Mr. Carra, a 17-year veteran of the insurance business, took over an ABI board seat for a retiring predecessor upon joining Assured Partners in 2011. The firm is ranked among the fastest growing insurance brokerages in the U.S., with revenues exceeding \$1 billion.

He serves on the ABI board and has been on the Advisory Council eight years. A designated Commercial Insurance Counselor (CIC) and Commercial Lines Coverage Specialist (CLCS), Mr. Carra holds a B.S. in marketing from Iowa State University and serves on both ABI Board of Directors and the Advisory Council.

"Our company has been a member of ABI as far back as I can remember, a more than two-decade relationship. I had a predecessor who was on the board of directors. When he retired, I took over his board seat and position. The connections have been outstanding," he said. "One of my specialty niches is working with manufacturers. ABI is well known for its best-in-class manufacturing membership. We've been fortunate enough to meet a lot of really good people who run some great manufacturing organizations and do business with quite a few members."

"It's also been great for us to connect with other professional industry peers like banking and legal. Been able to get some really knowledgeable folks we can refer into our clients when a need occurs. That's been really beneficial as well. It's a fantastic network."

Opportunity to serve on the Advisory Council has "been great," he said. "That's where we've been able to develop some of those great professional connections with different folks to put in touch with our customers to help solve a problem." Those connections can be legal, human resources, financial or other, he said. "It al-

"A lot of really well-known industry leaders are in these groups. ABI does a nice job in terms of breakout sessions, with a lot of informative opportunities to learn about the business climate in Iowa."

- Jack A. Carra, AssuredPartners

lows us to be a resource to the members. It allows an opportunity for us to give back."

'All You Have to do is Show Up'

It's not hard to realize the benefits of membership, say these three ABI veterans. As Mr. Espeset, who serves on boards of many organizations, puts it, "All you have to do is show up. That's the magical part of it. Anybody that participates in an ABI program is there expecting to connect with you. If you show up, you'll be rewarded."

"I routinely tell people by virtue of my role in our industry, I get to go to a lot of great places and participate in a lot of great conferences. There is none better than ABI. It's the perfect blend of content and connection. You won't find a better forum than the ABI conference. You can get terrific content somewhere and not get connected, or get great connections and no content. ABI blends both of them fabulously."

Mr. Carra echoes Mr. Espeset's comment, advising new or prospective ABI members: "Attending as many of events as they possibly can would be fantastic."

Networking opportunities abound, he said. "A lot of really well-known industry leaders are in these groups. ABI does a nice job in terms of breakout sessions, with a lot of informative op-

portunities to learn about the business climate in Iowa."

One of the biggest payoffs from ABI membership: "I really appreciate the reciprocal relationship that ABI members have, the opportunities. The return on investment in ABI has certainly been fantastic. If there's anybody interested in joining the association, I would welcome their questions and encourage them."

"ABI has given a lot back to us as a firm and to me, personally," Mr. Larson said. "I like to try to give back when I can. It's important to maintain strong business community networks. ABI does top-notch work to make that happen."

He joins the chorus on the showing-up issue: "Be present. It sounds simple but it takes a little bit of time. You don't know when that connection you made will be really valuable, but I promise that it will."

New members may find "it's lonely sometimes at the top," he said. "It's nice to be around people who might be facing the same issues you are. Sitting around the table, it becomes obvious very quickly at ABI, someone has dealt with it before."

Bottom-line, said Mr. Larson, "ABI participation has paid off professionally and personally. I would do it again in a heartbeat." ABI



www.IADG.com

Low-Cost Financing for Business Energy Efficiency Projects



Modernization



Process Improvement

Low Interest Revolving Loan Fund:

Finance energy efficiency and renewable energy projects through the **IADG Energy Bank**. With qualified energy improvement projects, facilities need no upfront or additional capital. Loan payments can be flexible and arranged to meet your energy savings.

Energy Bank Parameters:

- Loans: \$50,000-\$300,000
- Rate: 1%
- Term: Up to 10 Years
- Origination Fee: 1%

Services Provided:

- Easy Application and Approval Process
- Independent and Unbiased Project Review
- Customized Financing Solutions
- Project Implementation Assistance
- Ongoing Project Monitoring and Support

Eligible Borrowers:

The IADG Energy Bank is focused on making loans to businesses and industries for energy efficiency improvements and renewable energy projects. Preference will be given to manufacturers.



Lighting



Equipment Upgrades

MORE DETAILS:

For a program overview, related requirements, and ensure availability of funds visit:

IADG.com/EnergyBank

Contact:
Bruce Nuzum
800-888-4743



Celebrate our great state's creativity, innovation, and talent by nominating and voting for your favorite made-in-Iowa products!

Nominations Open Soon!

April 7 - April 18

Nominations and voting are open to the public.

Your product could be named the **2025 Coolest Thing Made in Iowa!**

Presented by:



FROM THE FOUNDATION:

Transformational Connections with Leadership Iowa

Leadership Iowa 2025-2026 Nominations Due April 1, 2025

The benefits of Leadership Iowa, the ABI Foundation’s premier statewide issues-awareness program, transcend well-beyond exploration of our great state. The program serves as the foundation for lasting connections that enrich the lives of participants both personally and professionally.

Throughout the nine-month program, attendees engage in candid discussions, shared experiences, and collaborative projects that cultivate trust and camaraderie. These interactions lay the groundwork for meaningful friendships and foster a network of trusted confidants representing diverse industries, backgrounds, and communities across Iowa.

These same connections have been known to evolve into collaborative

business partnerships and professional alliances. Whether launching joint ventures, exchanging expertise, or offering career support, participants can leverage their network to enhance opportunities for themselves and others.

“Throughout the Leadership Iowa program, I had the opportunity to connect with classmates who are also professional peers from across the state. Even now, we continue to exchange advice and collaborate on common challenges, despite being on opposite sides of Iowa,” said Ryan Waller (LI ’23-24; City of Marion).

“One unexpected benefit has been the cross-industry collaboration. It’s opened my eyes to just how interconnected our work really is.”

These connections also extend far beyond business and professional ties, however. The program’s legacy is one of enduring community – an interconnected group of leaders dedicated to supporting one another even with per-

sonal challenges, community involvement and more.

“My wife and I founded a nonprofit foundation, Do Better. Be Better, to support families facing medical emergencies in and around the Cedar Valley,” said Patrick Smith (LI ’21-22; First Bank). “I could have never anticipated that my LI class members would become some of our most dedicated supporters. I’m so grateful for this network, one I am proud to call family”.

The program’s immersive nature fosters deep bonds among class members, bonds that not only serve as the backbone of a vibrant professional network, but also create a support system that extends far beyond the nine-month program.

To recognize an exceptional leader and help them join this transformative community, or to be a part of this experience yourself, nominations and self-nominations are accepted now through April 1 at www.LeadershipIowa.com. ABI



Jessi McQuerrey
Director of Programs
ABI Foundation
jmcquerrey@iowaabi.org

EVENT REWIND:

Leadership Iowa Holds Manufacturing Session in Clinton

In early March, the Leadership Iowa class took in the sights of Clinton while diving into the world of manufacturing. The agenda included visits to Guardian Glass, LyondellBasell, Clysar, Nestle Purina Pet Care, and Clinton Community College’s Career Advancement Center. Attendees also participated in insight-

ful discussions with industry leaders throughout the session and gained first-hand knowledge of the challenges and successes shaping Iowa’s manufacturing landscape. Plus, they connected with community leaders at the Connecting Statewide Leaders event to hear from experts driving the industry forward! ABI



Q&A: Hot Legal Topics So Far in 2025



Drew Larson

Attorney
BrownWinick
drew.larson@brownwinick.com

As we continue moving through 2025, there are a number of items that we keep getting questions about from our clients. Here is a list of a number of the hot legal topics that are relevant right now and a summary of where those issues stand. This year appears like it will continue the trend of change being the norm in the legal world.

Q: What is going to happen to the estate tax exemption given the 2024 election results?

While predicting the behavior of Congress and the President remains highly speculative, especially in recent weeks, Republican victories in November increase the likelihood that the 2017 Tax Cuts and Jobs Act (TCJA) will be extended. That extension is likely to include maintaining the current ~\$14M per person (\$28M per couple) estate and gift tax exemption scheduled to expire at the end of 2025. There is also talk about the administration attempting to increase the exemption even further, or to eliminate the estate and gift tax altogether, though such talk remains wholly speculative at this time.

We continue to recommend that families with potential estate tax exposure work closely with their professional advisors to make sure that they are ready to move if Congress does not extend the TCJA estate tax exemption and the amount gets cut in half at the end of 2025. All types of advisors in this area are busy dealing with this already and waiting until the end of the year could cause you to miss your opportunity.

Q: How is AI going to impact my business?

The legal issues surrounding artificial intelligence remain a hot topic and come up in many different ways. Common issues that come up include:

- How can a company incorporate AI into their existing products and services?
- How to use AI internally for their production, marketing, and HR services?
- How does a company protect its intellectual property while using AI?
- Does a company need an AI policy?
- How does AI fit within data privacy and other rules that apply to the business (particularly for finance, healthcare, and other entities that have special privacy requirements)?

There are no magic answers to these questions, and the fast evolution of the underlying technologies means that the right answer today may very well change in a relatively short period of time. In addition, various states and federal agencies continue to move forward with various regulatory approaches to address data security and AI. For example, the Iowa Act Relating to Consumer Data Protection (ICDPA), approved and signed in 2023, became effective as of January 1, 2025, and provides a variety of rules regarding the safeguarding of consumer information for companies that meet certain thresholds. The ICDPA does not include a private right of action and is fully enforced by the Iowa Attorney General's office. Other states with statutes coming into effect in 2025 (so far) include New Jersey, New Hampshire, and Kentucky (January 1, 2026).

California and the European Union continue to actively debate a variety of statutory and regulatory actions regarding the continued development and use of AI and AI-enabled tools.

Generally, we recommend that companies continue to stay

informed, to be purposeful and thoughtful in how they are used, to treat AI tools with a reasonable level of caution as they implement them in their business, and to ensure that there remains accountability and oversight of the work product and internal uses of AI.

Q: What is going to happen in the area of employment law?

We are getting a number of questions about what is going to happen in the employment and labor law areas. Not surprisingly, we expect that enforcement activities will likely be decreased in many areas under a Trump administration, though immigration enforcement activity has already (and is likely to continue) at a higher rate. In addition, while currently subject to a federal court stay, it seems unlikely that a Trump FTC will continue to pursue its proposed ban on non-competition agreements. For federal employees there have already been sweeping and well-publicized changes taken by the Trump administration, and we expect additional actions and responses to be a relatively common occurrence at least in the near term.

Overall, employers can likely expect significant changes and turmoil with respect to employment laws and enforcement in the coming years.

Q: How are the various freezes to federal funding going to impact my business?

Many clients are also potentially going to be impacted by freezes and changes in priorities with respect to infrastructure funding under the Inflation Reduction Act and Infrastructure Investment and Jobs Act, as well as freezes in funding immediately following President Trump's inauguration.

Companies that are directly or indirectly involved in existing or proposed infrastructure projects are trying to figure out what is going to happen and what remedies they may have with respect to work in process and future jobs. Overall, there remains significant uncertainty in this area and most clients are currently watching closely to see where things land with respect to these funds.

Q: Is the Corporate Transparency Act (CTA) and its related beneficial ownership filing still required?

Companies are likely tired of hearing about the CTA and related compliance obligations over the last two years. Over the last few months, there has been a rollercoaster of legal activity regarding the requirement to file beneficial ownership information under the CTA. The status of the CTA and a company's filing obligations are as follows:

- Currently reporting companies are not required to file beneficial ownership information with FinCEN and are not subject to liability if they fail to do so.
- Companies may continue to voluntarily submit the information if they don't want to worry about it or follow the legal drama surrounding the law.

This is accurate as of writing this article in mid-February, so there is definitely a chance something could change in the interim. If you are potentially required to file and have not, you will want to keep an eye on the news about this law. ABI

WHAT'S TRENDING:

California Wildfires and the Potential Impact on the Insurance Industry

There isn't an easy way to begin an article discussing the fires that uprooted thousands of lives, destroyed thousands of homes and businesses, and even tragically claimed lives. With a devastation to the state and to the country creating a time filled with such sorrow, it makes us wonder, "what do we do now?" and "how do we protect ourselves from unforeseen future events?"

I want to circle back as to "how did we get here" before we can consciously move forward to protect ourselves and more importantly, our families, from future destruction. It seems simple yet confusing – people were dropped from their insurance companies prior to the fires erupting, leaving people and businesses without insurance and having to deal with the loss on their own. But there is more to the story than just people getting dropped without reason. To put it simply, there is a limit on how much insurance companies can charge people for fire coverage which is designated by the state. According to NPR, this limit was the lowest in the country, causing insurance companies in California to lose money rather than profit. In order to recoup the lost profits, that is where the non-renewals came into play. Many were dropped from companies due to new zoning efforts as a push to recoup lost profit. Sophisticated computer algorithms deemed Altadena and the Pacific Palisades higher risk, therefore leading to nonrenewal in those areas. Now, the request to charge higher premiums requested by carriers has been approved by the state, allowing insurance companies to charge higher rates which in turn allows companies to write more people and businesses, increasing coverage in widened areas of "fire prone zones". As the rollout of the new premium increases begins, over time, new coverage will be written for those who can afford it.

When the non-renewals happened, what could be a potential solution to this in California and in other parts of the country? Creativity in the form of parametrics aided in the quick payout in damages for the fires.

- When purchasing **general insurance**, you are insuring a dollar amount for the home/business and items damaged in the wake of a fire. This is why it is important to know how much will be covered for what you are paying for. With increased premiums across the board



Jack A. Carra
Executive Vice President
AssuredPartners
jack.carra@assuredpartners.com

due to inflation, your dwelling/building has been inflated causing premiums to rise. In this case, the premiums weren't high enough for insurance companies to regain profits from losses.

- Parametrics** is based on the category of disaster from the event. So, if the fire wasn't destructive enough in the parametric limit, you might not receive anything for damages done. A generic metaphor for this could be related back to fishing. Although at times you catch a fish, if it is not up to the length of state fishing laws, you will have to release the fish back out into the water. This benefited people in this instance, but it is expensive, will not be guaranteed to help based on how large or small the disaster was, and it will only pay you back a certain amount which goes towards the loan of the house, not the items inside.

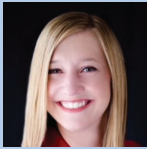
Be prepared for 2026. The fires don't just impact the State of California. Insurance is a shared load, so expect to see premiums rise and further scrutiny on property risks due to not only the fires, but also the hurricane devastation across the Carolinas and the South. **ABI**



Anthologic
ALYSSA SAUNDERS



AssuredPartners
JACK CARRA



Bankers Trust
JAYME FRY



BCC Advisers
JIM NALLEY



BrownWinick
DREW LARSON



CLA
DAVID WEBER



Eide Bailly
BLAKE CROW



EMC Insurance
NICOLE VAN KERREBROECK



Fredrikson & Byron
KENDRA SIMMONS



G&A Partners
MICHAEL TEACHOUT



HDH Advisors
BRIAN CROTTY



Principal® Financial
Network of Central
Iowa
LANCE GARDNER



The Iowa Clinic
JODI SCHWEIGER



Wellmark Blue Cross
and Blue Shield
DEAN GILKES



Wells Fargo
CASEY CASON



MARCH 2025 | VOL 15 | #3

The Iowa Association of Business and Industry (ABI) has been the voice of Iowa business since 1903. Its mission is to provide a strong, unified voice to business and industry on issues affecting Iowa employers. ABI is comprised of member companies representing all industries and sizes in Iowa's 99 counties. ABI members employ more than 330,000 Iowans.

Iowa Association of Business and Industry
400 East Court Avenue, Suite 100
Des Moines, IA 50309
515-280-8000 or 800-383-4224
abi@iowaabi.org, www.iowaabi.org

PRESIDENT: Nicole Crain
VICE PRESIDENT, PUBLIC POLICY: JD Davis
VICE PRESIDENT, STRATEGIC INITIATIVES AND MEMBER ENGAGEMENT: Meg Schneider
ADMINISTRATIVE ASSISTANT, ABI FOUNDATION: Jane Galloway
SENIOR DIRECTOR, PUBLIC POLICY: Brad Hartkopf
MARKETING AND COMMUNICATIONS ASSISTANT: Olivia Jones
OPERATIONS AND FINANCE SUPPORT: Kevin Kruse
MEMBERSHIP DEVELOPMENT MANAGER: Levi Lefebure
WORKFORCE PROGRAMS & ENGAGEMENT COORDINATOR: Anna Mable
PROGRAMS DIRECTOR, ABI FOUNDATION: Jessi McQuerrey
SENIOR DIRECTOR, MEMBER PROGRAMS: Holly Mueggenberg
MARKETING AND COMMUNICATIONS DIRECTOR: Kelsey O'Connor
PARTNERSHIP RELATIONS MANAGER: Cami Schaefer
EXECUTIVE ADMINISTRATIVE ASSISTANT: Michelle Vollstedt
COMMUNICATIONS & MARKETING CONSULTANT: Katelyn Adams
MEMBERSHIP DEVELOPMENT SERVICES: Kerry Servas