



GOVERNMENT AT A GLANCE

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Government (Affairs) 101: The Legislative Planning Process

There are two things you never want to let people see being made: *laws and sausages*. Luckily for most of us, the extent of our “sausage making” this summer might be throwing some bratwurst on the grill. But for ERIE’s Government Affairs (GA) Department, participating in the lawmaking process is part of the gig. Not only do we see firsthand how laws are made; we work closely with our businesses and trade associations to protect and promote the interests of our Company, Employees, Policyholders, and Agents. We thought it would be helpful to provide an overview of how our internal legislative planning process fits into the lawmaking process because, believe it or not, you are a big part of it.

Proactive vs. Reactive

In the legislative process every issue has competing interests. For example, when something is good for the trial bar, chances are it’s not great for insurance consumers. Naturally, the insurance industry invests significant resources defending against proposals that would drive up insurance costs and/or overregulate our business. ERIE and our trade associations expect to see these types of proposals in every state, and we are constantly on the lookout for them. These are “**reactive**” or “**defensive**” issues.

When such proposals surface, our GA team sends them to ERIE businesses and attorneys to review and provide feedback, which we then share with our trade associations, so they are better equipped to represent our and other companies’ interests. Some proposals might have trade-offs, and some might be better or worse than others – but this is the time we ask our trade associations to work to defeat proposals, or sometimes try to improve proposals before they become laws.

The “**proactive**” side is where most of our legislative planning happens. While the industry will always have to defend against bad legislation, we also proactively look for opportunities to improve the business environment and how we do business, ultimately for the benefit of our Policyholders, Employees and Agents.

How Do We Do This?

- 1. Internal GA Planning Meetings with ERIE’s Businesses and Attorneys** – Some of you may be familiar with these meetings. Each summer our GA team hosts internal meetings to plan for the upcoming session year. This is the opportunity for business units – Claims, Underwriting, Actuarial, etc., to share insights and suggestions on legislative and regulatory issues that are important to them. We come ready to listen and ready to act, but that doesn’t mean we can guarantee outcomes. Political factors often play a significant role in how much we can accomplish in each session and in each state, and sometimes it takes several tries or a series of incremental reforms. We always try to be up-front regarding the likelihood of moving legislation and regulations forward.

2. **External Legislative Planning Processes with our State Trades and APCIA** – We time our internal meetings to occur before APCIA and our state trade associations hold their own legislative planning meetings. Our internal discussions help guide the direction we provide to our trades as they set their legislative agendas – helping us make sure what’s important to ERIE is important to them. Our trades build consensus among members to move the industry’s agenda forward and seek legislation. They are incredibly efficient and effective at finding the right bill sponsors (state senate and/or house/assembly members) in each state based on the issue and legislators’ focus areas, committee assignments, and backgrounds.
3. **Real Time Work** – Once state sessions resume we hit the ground running on our proactive priorities while closely monitoring hundreds of bills in each state. When you get an e-mail from one of us requesting feedback on legislation, it’s usually because our trades want to:
 - Make sure our industry priority bills do what’s intended;
 - Assess the impact of negative proposals;
 - Get direction on items with unclear impact; and/or
 - Find out how to improve proposed bills.

Some proposals go through many rounds of feedback and revisions before they are introduced, and some are amended one or multiple times through the legislative process and require several reviews. Laws are not final until they are passed/agreed upon by both legislative chambers and the governor signs the bill into law or in some states allows the bill to become law without the governor’s signature. Most governors have some type of veto power and can attempt to stop a bill from becoming law. The industry remains active throughout the process and sometimes even requests vetoes of harmful legislation.

Sometimes we need to activate the [ERIE Action Network](#) to help supplement the advocacy work our trade associations do on our behalf. This is another way ERIE Employees can help promote and protect our Company’s interests.

4. **Seeking Changes Outside the Traditional Planning Process** – We realize, as do our trades, that issues can arise outside of this traditional legislative planning timeline. As long as there is internal consensus among business areas/leaders, our GA team is always ready to take issues forward to our trade associations – both on the legislative side and regulatory side, regardless of the timing.

The Driving Force

We can’t do this without your help. We rely on the expertise of our businesses in helping shape laws and regulations before they are enacted or issued – both during session when bills and rules are proposed, and in the interim when we are forming our proactive legislative and regulatory agendas. By working with our businesses, trade associations, legislators and regulators, ERIE’s GA Team remains focused on being Above All in Service and serving our collective best interests. Thank you for always being willing to help!