



**Property Casualty Insurers  
Association of America**

Shaping the Future of American Insurance

2600 South River Road, Des Plaines, IL 60018-3200

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**JUNE HOLMES  
SENIOR VICE PRESIDENT  
CHIEF ADMINISTRATIVE OFFICER AND TREASURER**

January 21, 2005

**VIA E-MAIL: [paydeduct@fec.gov](mailto:paydeduct@fec.gov)**

Mr. Brad C. Deutsch  
Assistant General Counsel  
Federal Election Commission  
999 E. Street NW  
Washington, DC 20463

Dear Mr. Deutsch,

The Property Casualty Insurers Association of America (PCI) submits these comments in support of proposed amendments regarding payroll deductions by member corporations for contributions to a trade association's separate segregated fund. We encourage the Federal Election Commission to amend 11 CFR 114.8(e)(3) to remove the current prohibition on the use of payroll deductions for these contributions.

PCI is composed of more than 1,000 member companies, representing the broadest cross-section of insurers of any national trade association. PCI members write \$173.6 billion in annual premium or 39.1 percent of the nation's property/casualty insurance. The association maintains a separate segregated fund, Property Casualty Insurers Association of America Political Action Committee (PCIPAC). The proposed rule amendment, if adopted, would greatly facilitate contributions to PCIPAC.

Numerous comments were submitted in support of the Rulemaking Petition in this matter. Those comments raised several persuasive arguments in support of making this change. Among the most relevant for our trade association are the current logistical hurdles through which a trade association must currently pass to solicit corporate member employees for contributions to its separate segregated fund (SSF) and the consequential reporting requirements.

For a trade association of our size, of which there are many and some even larger, significant resources must be devoted to our current fundraising processes. Once we obtain the required prior approval before soliciting member company employees, we then must go about the solicitation process and cumbersome collection and documentation of PCIPAC contributions. This multi-step practice has the effect of disadvantaging trade association SSFs when compared to corporate SSFs. This is especially true in those cases where our corporate members have opted to forgo creating their own SSFs and encourage contributions to PCIPAC instead.

The allowance of payroll deductions for corporate member employees who fall within the solicitable restricted class would also facilitate better and easier compliance with federal reporting laws. Currently, all contributions received must be manually entered into computer systems which are then used to generate FEC reports. Electronic payroll deduction processes would assist in maintaining electronic records of contributors to trade association-sponsored SSFs. The amended rule would streamline compliance and reporting of contributions from individuals who would choose to take advantage of the new contribution method.

In this ever-increasing electronic age, more and more individuals are transacting personal financial activities via payroll deductions. The proposed amendment would bring the federal rules current with modern day realities. Many consumers prefer the option of payroll deductions to make incremental payments or contributions to various entities. This proposal would merely provide that alternative to employees who wish to choose that option. Employees who wish to make contributions in other ways permitted by law will still be able to do so.

We commend the FEC for reviewing this issue and proposing a change in current federal rules. If adopted the rule would result in greater equity for trade associations, easier record-keeping, better reporting and most importantly would provide an attractive option for contributing for the growing number of employees who prefer electronic financial transactions.

Please do not hesitate to contact me if you have questions or comments regarding PCI's position.

Sincerely,



June Holmes  
Senior Vice President, Chief Administrative  
Officer and Treasurer

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