

# Weekly Market Update: Nov. 10, 2010

The Federal Reserve confirmed last week that short-end rates will be low for some time.

With the purchase of \$600 billion in Treasuries through the middle of next year, coupled with \$300 billion in mortgage runoffs, the Fed is telling us that rates need to be lower.

[Read more in our Weekly Market Update.](#)

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# Weekly Market Update, Nov. 3, 2010

Equity markets traded sideways in a fairly quiet week last week. Earnings reports continue to come in better than expected. Third-quarter earnings growth has risen 6 percent in four weeks, to about 30 percent year-over-year. [Click to read more](#) in our Weekly Market Update.

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# Weekly Market Commentary, Oct.

# 26, 2010

Equity markets posted modest gains last week, as the pace of earnings reports kicked into high gear.

With increased volatility and counterintuitive moves in stocks that reported strong earnings, it looks to us like some hedge funds are bidding up prices and then flushing their shares in an effort to make money, as opposed to expressing real concerns about future earnings. [Read more now.](#)

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## **Free Seminar: A New and Progressive Way for Small- and Medium-Sized Businesses to Provide Medical Coverage to Their Employees**

Allen Insurance and Financial [is holding](#) a seminar at Tuesday, Nov. 2 in Rockland to discuss a new and progressive way for small- and medium-sized businesses to provide medical coverage to their employees.

A new medical benefits product, MAINE HEALTH SAVER, a joint effort among Patient Advocates, LLC, Medical Network, Inc (MedNet), and ASG Risk Management, all Maine-owned and operated companies, will be introduced.

Bagels and coffee will be served. James Ward, president of

Patient Advocates, LLC, Robert Hillman, CEO of Maine Medical Network (MedNet), and Gardner Roberts, director of marketing for ASG Risk Management will be on hand to discuss this new product that:

- Offers employers the opportunity to get money back if claims are lower than expected.
- Levels the playing field to allow smaller employers many of the advantages enjoyed by larger companies.
- Uses state of the art plan design strategies to incent the use of lower cost, center of excellence facilities and incents employers to invest in a healthy workforce.
- Assists employees with medical and insurance questions through a Maine-based nursing hotline, arranges appointments and makes travel arrangements when complicated medical care is required.
- Provides chronic disease management by serving as an advocate for medical care and discusses medical findings and quality treatment options for your critically ill employees.

“We’re looking forward to talking with our Midcoast business neighbors about how they can take back some control over the high cost of providing medical care to their employees,” said Sherree Craig, Insured Benefits Manager at Allen Insurance and Financial.

The seminar begins at 8 a.m. at the Maine Lighthouse Museum on Park Drive in Rockland. Attendees are asked to call or email to reserve their seat at the table for this seminar. Sherree Craig can be reached at [scraig@allenfg.com](mailto:scraig@allenfg.com) or 236-8376.

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# Weekly Market Update, Oct. 20, 2010

The 2-year Treasury started last week at its all-time low of 0.347 percent before moving up later in the week to 0.379 percent. The 10-year was close to its recent low at 2.39 percent early in the week before the week-long selloff took it to 2.493 percent late Thursday.

The Federal Open Market Committee (FOMC) meeting notes were released last week, indicating that the pace of the economic expansion has slowed recently and that inflation remains low. [Read about this and more.](#) (PDF, new window)

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## Why Your Insurance Guy Needs to Read the Fine Print, Too

*By Gene McKeever, CIC*

The fine print. The phrases and clauses in contracts which can get you into trouble, especially if you don't understand them all. Read them carefully, and ask someone else to read them for you, too, namely your insurance agent. Why? Read on.

**“Hold harmless.”** The wording is usually fairly standard and it reads to this effect: “you promise to hold and save harmless ABC Corp from any and all claims, suits or demands brought by anybody.” What is this? It means no matter what the claim (it may be a claim for lost rent or a disputed billing). Do you

really want to honor that? Of course not. Will your insurance company defend you for “any and all” claims? Of course not. I usually add a few words and take away others. It comes out this way: “you promise to hold and save harmless ABC Corp. from any and all claims covered by insurance brought in connection with your work under this contract.” I also ask my client to demand the same wording for himself, ensuring the contract is reciprocal to both parties. This is a fairly simple change and it is usually greeted well by the other party. If not, I usually ask that the other party’s lawyer call me, and we hash it out.

**“Waive subrogation.”** I’m not a fan of this and most of the insurance companies I deal with will not honor this request or they will ask for more insurance premium if a subrogation waiver is in place. A waiver of subrogation basically prevents your insurance company from collecting against the other party if they were the negligent party in an accident. This is another clause where I’ll ask the other party to make it reciprocal so both parties are treated the same. Subrogation means, in a legal sense, one party has the right to “step into the shoes” of another party for the purposes of bringing a claim for damages. Not all types of claims may be subrogated. The most common type that can be subrogated is property damage claim

**“Additional insured.”** This one really grinds my gears. This clause essentially cuts my client’s limit of liability in half if each party were named in a suit because my client is sharing his limits with the other party. I don’t see the logic of the other party because by being an additional insured on my client’s policy they preclude themselves from ever making a claim on my client’s policy. One insured can’t collect from another on the same incident and policy. Because the insurance limit is also effectively split, the additional insured request usually makes my client’s minimum liability limit less than what was demanded by the other party in the first place.

I have argued this clause with many legal departments over the years and have mostly prevailed in favor of my client using the splitting of minimum limits argument. The only other way that I will find acceptance of this clause is if both parties agree to make the additional insured demand reciprocal but even then I'm not totally comfortable with it. Insurance companies don't like this contract clause either because it means they are barred from any subrogation claims that may appear.

Finally, please remember it's important to share your contract language with your insurer (through your agent) because contract clauses affect your insurance coverage. Put the onus on your agent and insurance company to keep your policy in line with your actions.

*Gene McKeever is a marine insurance specialist at Allen Insurance and Financial.*  
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## **Allen Insurance and Financial Supports Ragged Mountain Redevelopment**

Allen Insurance and Financial, the Camden-based insurance and financial services company, recently made a donation to the Ragged Mountain Recreation Area Foundation.

"We're pleased to make a significant contribution to this community fund raising effort," said Sara Montgomery, Allen

Insurance and Financial's senior vice president. "Two generations of my family have enjoyed the outdoor recreation opportunities afforded us at the Camden Snow Bowl. We're looking forward to the success of the Ragged Mountain Recreation Area Capital Campaign for the generations to come."

"It is our hope that other area businesses will recognize the significant economic benefit a redeveloped Snow Bowl will bring to our economy, and will join us in supporting this effort," added Gil Fifield, president of Allen Insurance and Financial.

The Ragged Mountain Recreation Area Foundation and the Ragged Mountain Recreation Area Redevelopment Committee are dedicated to the redevelopment of the all-season Ragged Mountain Recreation Area, which will serve the community, use our natural resources, and will be a catalyst for expanded economic opportunities. For more information, visit [camdensnowbowl.com/redevelopment](http://camdensnowbowl.com/redevelopment).



Pictured here, from left, are Mort Strom, co-chair of the Ragged Mountain Recreation Area Capital Campaign;  
Ann Montgomery, Honorary Campaign Co-Chair;  
Erin Flanagan, Campaign Co-Chair;  
Sara Montgomery, senior vice president at Allen Insurance and Financial and  
Gilbert Fifield, President, Allen Insurance and Financial.

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# Jean Dutch Promoted to Senior Operations Manager

Allen Insurance and Financial has promoted Jean Dutch of Belfast to senior operations manager.



Jean Dutch,  
CIC

In her new role, Dutch will be in charge of processes and training throughout the company, and at all locations, in Camden, Rockland and Saco. She was previously head of operations for the Allen Insurance property & casualty divisions.

Dutch has more than 25 years experience in the insurance industry. She holds the Certified Insurance Counselor designation from the Society of Certified Insurance Counselors, the nation's leading continuing education for insurance professionals.

"We are so pleased to have Jean in this newly-created position. Her experience, enthusiasm and attention to detail are vital to both our day-to-day operations and our planning for continued success in the long-term," said Gil Fifield, company president.

Dutch lives in Belfast with her husband Tim. She is based at Allen Insurance and Financial's Camden location.

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# Weekly Market Update, Sept. 20, 2010

Risk on corporate debt around the world fell early last week as China's industrial output raised hopes that the global economic recover could be better than anticipated. [Read more now.](#)

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# Weekly Market Update, Sept. 13, 2010

Better than expected economic news, plus technical trading factors, helped equity markets move higher last week. [Read more](#) (PDF, new window).