New: The Navigating Risks and Rewards Podcast

Successes achieved and challenges faced. Hear from entrepreneurs and business leaders in Maine on the new Allen Insurance and Financial Navigating Life’s Risks and Rewards podcast.

With a new episode dropping every three weeks or so, host Patrick Chamberlin brings stories from guests from across the state.

You can listen and learn more at AllenIF.com/podcast

Chris Richmond Earns CIC Designation

Chris Richmond,
AAI, CMIP

Chris Richmond, a member of the business insurance team at Allen Insurance and Financial, has earned the designation of Certified Insurance Counselor, one of the insurance industry's most highly respected designations.

"CICs are recognized for expertise and commitment to the industry and it is no surprise this is a designation Chris has chosen to pursue," said Michael Pierce, president of Allen Insurance and Financial. "A CIC designation is a benefit to Chris, to his clients and to everyone at our agency."

Based at Allen's office in Camden, Richmond works with a range of business insurance clients, specializing in marine-related industries.

He also holds the Accredited Advisor in Insurance (AAI) and the Certified Marine Insurance Professional (CMIP) designations.

The Certified Insurance Counselor program is maintained by the National Alliance for Insurance Education & Research. Earning the designation is just a first step on a path of rigorous, annual continuing education.

Be A Savvy Senior: Know the Warning Signs of Elder Fraud

Just browse through the latest true crime documentaries on your preferred streaming network and you'll see that people of all ages and income levels are vulnerable to financial scammers. Unfortunately, as we get older, certain factors put us at greater risk. Social isolation, recent loss of a spouse or close family member, diminished cognitive abilities, and accumulated wealth can make those over age especially attractive to fraudsters.

According to the FBI, there was a 74 percent increase in losses reported by victims over age 60 in 2021 compared with losses reported by the same age group in 2020. To keep yourself and loved ones safe from senior scams, ask yourself these questions before you transfer money.

Is there an urgency attached to the request for funds? Government agencies, well-known companies, and banks don’t typically ask for immediate money transfers. If you find yourself being rushed to provide cash as soon as possible, start with the assumption that the request isn’t legitimate. One way to do this is to call the institution back at a phone number you’ve used before or that you find on its website, not the contact information in the request.

Don’t give out personal information or verify an authentication code to anyone who called you, regardless of who they claim to be or what phone number appears on your screen. Even if the urgent request seems to come from a close friend or family member, you’ll want to call that person to verify their identity and confirm the need for money.

Does the method of payment make it impossible to recover your funds (if necessary)? If you’re asked to send money by mailing cash, gift cards, or prepaid cards, or transferring bitcoin, those are all red flags. Once such funds are sent they can be very difficult, if not impossible, to get back. Another sign of a scam might be a person requesting money and instructing you to pay a third party.

For example, a fraudster may claim to be from the IRS but ask you to mail cash to an individual at a residential address, claiming the person is an attorney for the IRS. A con artist in a romance scam might ask for funds to be sent to someone they claim is a personal assistant or an accountant. Involving a third party makes the transaction harder to trace.

Does this transfer raise any alarms with your financial advisor? If someone contacts you and says you owe them money and the rationale isn't clear to you, contact your financial advisor as a trusted resource to help you determine whether the request is valid.

If you answered "yes" to any of the above questions regarding a request for money, there's a chance you could be the victim of a scam. Depending on your specific situation, consider taking these steps:

- Stop communicating with the requestor immediately.
- If you did send any checks or wire transfers, contact your financial institution and ask if they can stop payment or recall a wire transfer.
- If you sent payment through the mail, contact the carrier service you used to report the fraud and ask if they can stop delivery. (A tracking number is helpful in this type of scenario.)
- Contact your local police.
- Report the incident to ic3.gov (the FBI) or the Federal Trade Commission through their online reporting portals.
- Change your email and online banking passwords.
- Initiate a credit freeze through the major credit bureaus.
- Stay on high alert for subsequent scams. Once a person becomes a victim of fraud, other criminals might target

the same individual from a different email address or phone number.
- If you continue to get fraudulent calls and emails, consider changing your email or phone number.

As we get older and potentially more vulnerable, we hope to be surrounded by people we can trust. But senior scams are unfortunately on the rise. Your best protection against elder fraud is to be aware of warning signs; talk to loyal family, friends, and advisors about financial issues; and thoroughly vet any party requesting funds from you.

This material has been provided for general informational purposes only and does not constitute either tax or legal advice. Although we go to great lengths to make sure our information is accurate and useful, we recommend you consult a tax preparer, professional tax advisor, or lawyer. Third party links are provided to you as a courtesy and are for informational purposes only. We make no representation as to the completeness or accuracy of information provided at these websites.

Abraham Dugal Now a CERTIFIED FINANCIAL PLANNER™

Professional

Abraham Dugal

Abraham Dugal, a financial advisor at Allen Insurance and Financial, has achieved the designation of CERTIFIED FINANCIAL PLANNER™ Professional.

A member of the Allen Financial team since 2015, Dugal works with individuals, families, business and non-profit organizations providing investment management, risk management and financial planning services aligned with helping them to meet their financial goals.

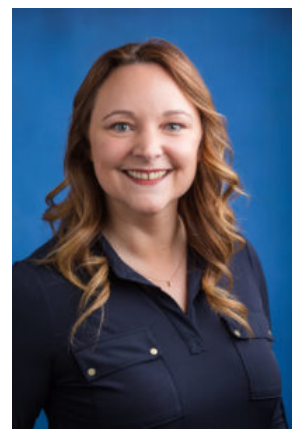
The CFP® designation has become the most recognized in the financial planning community. Requirements include meeting stringent education and experience standards and a rigorous 10-hour exam. Dugal joins his colleagues Michael Pierce and Thomas C. Chester as the third CFP® on the Allen Financial staff.

“Abe’s efforts demonstrate his deep commitment to continuing professional development,” said Mike Pierce, company president. “Now more than ever our clients are well served by dedication to the requirements of programs such as these.”

A native of Lincolnville, Dugal is a graduate of Camden Hills

Regional High School and Babson College in Wellesley, Mass., where he majored in business management with a concentration in finance. He holds FINRA Series 66 and 7 securities registrations. He lives in Camden with his wife and son.

Stephanie French Earns Marine Insurance Designation



Stephanie French

Stephanie French, a member of the business insurance team at Allen Insurance and Financial, has earned the Certified Marine Insurance Professional designation from the International Institute for Marine Insurance Studies.

The CMIP designation emphasizes critical skills in insurance underwriting, coverages marketing and client services for the marine and longshore industry.

Requirements include:

- Insuring Waterfront Businesses
- Insuring Marine Employees
- Recreational Marine Insurance
- Insuring Vessel Owners & Operators

"All of us here at Allen are incredibly proud of Stephanie's professionalism and commitment to our marine industry customers," said Dan Bookham, vice president of business development at Allen Insurance and Financial. "Stephanie's certification and the continued education required to maintain it will serve our clients and our company well in this always-changing industry."

French is an account manager in Allen's business insurance division. She has been with the company since 2010. She also holds the Accredited Customer Service Representative designation.

Rental Car Reimbursement Coverage Today

Just like many industries, supply chain issues are making it hard to find car parts. So, you should expect longer wait times if your car is in the shop. Additionally, car rental prices have been increasing. If being able to pay for a rental car for an extended period of time is a concern, you may want to consider rental reimbursement coverage.

What is Rental Reimbursement Coverage?

Rental reimbursement coverage, also known as extended transportation expenses coverage, is an optional coverage that helps cover the cost of a rental car if your insured car is in an accident and needs repair. This helps keep you driving even while your vehicle is in the shop getting fixed.

And: Rental Car Prices Are Up
Just like many industries, the car rental industry is experiencing inflationary pressures. If being able to pay for a rental car for an extended period of time is a concern, you may want to consider increasing the limits of your rental reimbursement coverage.

Your Allen insurance representative is here to help.

Why Loss Control is Important

By Chris Richmond
for May 2022 WorkBoat Magazine

Chris Richmond,
AAI, CMIP

A busy ship repair facility we work with recently had a follow up visit from their USL&H insurance carrier. Loss control had visited the client previously and this visit was designed to accomplish three goals: It was a chance for key players to meet in person; facility personnel could provide an update on previously noted deficiencies and the loss control manager could view the yard during the not so kind New England winter.

As you know, the premium for USL&H is based on jobs performed as well as payroll. Generally the more employees a company has the more premium the company will pay. Loss history is also a factor: The more paid claims a company incurs the higher the premium will be. It is in everyone's best interest – from the employee staying safe to the shipyard paying the premium to the insurance company paying the claims – to keep claims to a minimum. This is where loss control comes in.

The visit made clear where safety improvements had been made and where they still needed to be made. Among the deficiencies observed were missing safety guards on machinery, chaffed power cords and cluttered walkways. A key area of improvement to the yard was the installation of metal grating on gangways to the ships for better grip and to help minimize slips in the winter months.

A follow up report was provided to the client's safety manager with a request for written verification of completion of the safety recommendations within 45 days. An offer to provide safety trainings on site was extended. These visits can be fine-tuned to the client's specific needs. They are no cost and are a great opportunity to remind employees of their stake in the workplace safety. Management can use a training to echo the message that safety keeps claims down, which keeps premiums down, all of which can help make the company more profitable.

A visit from a loss control manager is something to look forward to – not to regret. Input and involvement from your insurance company can help keep your premiums down. If you haven't had a loss control site visit recently, reach out and request one. It's free expert advice, designed to help to improve safety and save you money in the long run. What's not to like?

The Status of OSHA's Heat Hazard Protection Standard

A heat hazard protection standard from the Occupational Safety & Health Administration (OSHA) continues to be in the pre-rule stage and is still under consideration. [View a PDF update.]

Workers most commonly affected by heat-related illnesses are:

- Postal and delivery services
- Landscaping
- Commercial building
- Highway, street and bridge construction workers

Workers who most commonly suffer heat-related fatalities were:

- Landscaping
- Masonry
- Highway, street and bridge construction workers

On Oct. 27, 2021, OSHA published an advance notice of proposed rulemaking to officially start the process of creating a mandatory heat hazard protection standard. Currently, OSHA has only a recommended, not required, workplace heat standard. However, many states have their own heat exposure standard as part of their OSHA-approved state plans.

Maine’s state plan covers state and local government workers only. [Click here for a map showing all state plans.](#)

A Guide to Benefits When Changing Jobs

If you’re changing jobs, you probably have a lot on your mind. As you wrap up work with your previous employer and prepare for your new role, it can be easy to let important benefits-related decisions fall by the wayside. If that happens, you could miss a limited opportunity to sign up for new benefits or miss out on making wise changes to your plans. To stay on track financially during a career transition, be sure to review the status of your retirement accounts and other valuable employee benefits.

Qualified Retirement Plans

Many employers offer qualified retirement plans, such as 401(k) and 403(b) accounts. (“Qualified” means that these plans qualify for tax advantages per IRS rules.) When transitioning to a new job, you’re entitled to keep the vested balance in your qualified retirement plan, including contributions and earnings. You’re also entitled to keep any employer contributions that have vested according to your employer’s schedule.

What can you do with the money? You have several options:

- Leave the funds in your current employer’s plan if your vested balance exceeds $5,000. If the balance is less than $5,000, the plan could require that you roll over or distribute your assets.
- Roll over the funds to an individual IRA or, if allowed, to your new employer’s plan.
- Withdraw the funds and pay any taxes due along with any applicable penalties. (It’s wise to carefully consider any decision to withdraw and spend your retirement savings.)

Accumulation rights. If you wish to roll over the funds, consider the accumulation rights you may be giving up by switching to a different plan. Accumulation rights offer shareholders the potential for reduced commissions when purchasing additional fund shares. If you have such rights with your current plan, they could become important if you plan to purchase a sizable amount of shares.

Potential penalties and fees. It’s also important to consider the possibility of premature distribution penalties, as well as any fees and expenses a new plan may impose. If you’ve separated from service in the year you turn 55, or at any later age, any assets distributed from your old employer’s plan aren’t subject to the standard 10 percent penalty. Once funds are rolled into an IRA or a new plan, however, the 10 percent penalty may apply to subsequent distributions if you’re younger than 59½ at the time, unless you can claim an exception.

Rolling funds over to an IRA. Factors to consider before taking this action include:

Advantages

- IRAs may provide more investment choices than employer plans.
- IRA assets can be allocated to different IRAs. There is no

limit on how many direct transfers you can make from one of your IRAs to another IRA in a year. This means you can easily move money between IRAs if you're dissatisfied with an account's performance or administration.
- Although 401(k) distribution options depend on the plan terms, IRAs offer more flexibility.
- IRAs have more premature penalty exceptions than 401(k) plans.

Disadvantages

- When you turn 72, you must start taking required minimum distributions (RMDs) from pretax IRAs, whereas you may be able to defer them in a 401(k) until the year you retire if your employer allows for it. (There are no RMDs from Roth IRAs during the account owner's lifetime.)
- IRA account expenses, such as trading charges or annual fees, may be higher than qualified retirement plans.
- When you roll funds over from a 401(k) to a Roth IRA, taxes will need to be paid on the pretax contributions; however, any future distributions from the Roth IRA may be tax free if IRS requirements are met.

Rolling funds over to your new employer's plan. Employer plans offer the following advantages:

- If you intend to work beyond age 72, participation in the employer's qualified plan means you can typically delay the first RMD until the year you retire if the plan allows. (An exception applies if you own 5 percent or more of the business offering the plan.)
- Employer 401(k) plans may receive greater creditor protection than IRAs. Typically, employer plan funds cannot be used to satisfy most creditors, while the federal protection for IRA funds is more limited.

Stock Options and Nonqualified Deferred Compensation Plans

Prepare a list of any stock options you've received from your employer. Often, vested options expire within a specified time frame when you leave a job. Deciding whether to exercise your options depends on your financial situation and whether your options are "in the money" (i.e., the exercise price is lower than the market value).

Nonqualified deferred compensation plans allow executives to defer a portion of their compensation and the associated taxes until the deferred income is paid. With these plans, leaving your employment may trigger the need to take distributions in lump-sum or installment payments. You should be aware that any distributions will affect your taxable income.

Life Insurance and Disability Insurance

Employer-provided life insurance remains active only while you are employed. Ask if you have the option to convert the policy to an individual policy offered by the same insurance provider. If you do switch to an individual policy, however, the premium will likely increase. In some cases, it may be time to evaluate policy options from other companies. If you're in between jobs, for instance, you may want to consider an individual policy that won't be affected by employment changes.

Health Insurance

Your health insurance will expire once you leave an employer. COBRA may be a good option if you need interim health insurance coverage. Keep in mind, however, that your premium payments will increase when you opt for COBRA coverage. Shopping for an individual health insurance policy that meets your needs could reduce your premiums.

New Benefits Review

Once you start your new job, take time to understand the new benefit options, including health insurance, disability insurance, and employer savings plans. It’s important to review how the new employer retirement plan options fit into your overall savings plan, including any employer matches. Remember to fill out beneficiary designations for insurance policies and saving plans—and review those designations periodically. Finally, if your salary has changed, it’s a good time to determine whether you should adjust your tax withholding and investment elections.

This material has been provided for general informational purposes only and does not constitute either tax or legal advice. Although we go to great lengths to make sure our information is accurate and useful, we recommend you consult a tax preparer, professional tax advisor, or lawyer.

If you are considering rolling over money from an employer-sponsored plan, such as a 401(k) or 403(b), you may have the option of leaving the money in your current employer-sponsored plan or moving it into a new employer-sponsored plan. Benefits of leaving money in an employer-sponsored plan may include access to lower-cost institutional class shares; access to investment planning tools and other educational materials; the potential for penalty-free withdrawals starting at age 55; broader protection from creditors and legal judgments; and the ability to postpone required minimum distributions beyond age 72, under certain circumstances. If your employer-sponsored plan account holds significantly appreciated employer stock, you should carefully consider the negative tax implications of transferring the stock to an IRA against the risk of being overly concentrated in employer stock. Your financial advisor may earn commissions or advisory fees as a result of a rollover *that may not otherwise be earned if you leave your plan assets in your old or a new employer-sponsored plan and there may be account transfer, opening, and/or closing fees associated with a rollover. This list of considerations is not exhaustive. Your decision whether or not to roll over your assets from an employer-sponsored plan into an IRA should be discussed with your financial advisor and your tax professional.*

The Value of Disability Insurance to Employers and their Employees

By Sherree Craig, CEBS

Sherree L. Craig,

CEBS

Companies in Maine and across the country face the challenge of rewarding employees and this struggle rose to the surface significantly during the pandemic. Striking the balance between a workable company budget and the satisfaction of the company's human capital is critical.

One of the most affordable and valuable forms of financial protection for employees is disability insurance. Offering a disability plan emphasizes a company's commitment to the health and financial well-being of its workforce, providing employees with an income when recovering from an accident or an illness. An employee can recover peacefully without the burden of worrying where the next paycheck might be and allows them to place their focus on immediate medical needs.

In addition to being a deductible business expense, this offer could have an impact on the company's workers' compensation status. Once an employer sponsored disability plan is purchased, conversations with business insurance and accounting partners should take place.

Disability insurance is designed as short-term and/or long-term policies.

The short-term disability benefit is paid weekly. Pricing for the group plan is determined by the design of the contract and the group demographics (age, wages, industry). The following are some plan design considerations:

- How many days will the employee be disabled before the payments begin? One frequent plan design option is the first day following an accident and the eighth day following an illness. We see these go as high as two weeks, which would keep the costs exceptionally low, but

could come at the expense of the employee’s satisfaction.
- How long will the payments last? Options typically are 13 weeks or 26 weeks.
- What percentage of earnings will be replaced? Disability insurance does not normally cover full replacement. Insurance theory dictates that full replacement might encourage malingering – an incentive to remain disabled and not return to active capacity as soon as they are able.

Like the short-term disability, long-term disability policies are priced on the demographics of the company and design of the plan. The long-term disability benefit is paid monthly rather than weekly, and the elimination period (the length of time from the start of the disability until payment begins) can be dovetailed to start at the end of the short-term disability benefit. The benefit period may depend on the company size but should be designed to last a minimum of five years or all the way to the normal social security retirement age.

A group disability package has the added advantages of group pricing and are free from medical underwriting, making the plan simple to establish and administer.

Curious to see how your benefits stack up against other employers in your industry and community? Principal insurance has a great benchmarking tool. https://www.principal.com/businesses/compare-benefits

[Principal Benefit Design Tool | Principal]()