# ‘Gray Divorce’ is on the Rise

Sarah Ruef-Lindquist, JD, CTFA

By Sarah Ruef-Lindquist, JD, CTFA

I recently wrote about the financial vulnerability of women in retirement relative to their male counterparts. Lower wages, longer time out of the workforce as caregivers and resulting challenges to saving adequately for retirement years contribute to this vulnerability.

A recent Kiplinger article highlights the increased divorce rate of older couples (age 50 and older) and the perilous journey that such financially vulnerable women face in marriage dissolution. The article refers to this as “gray divorce.” Citing Pew Research, the divorce rate for people in this age cohort has doubled since the 1990s.

Whether a result of the decreased stigma of divorce and waiting until the nest is empty to end an unhappy marriage, greater life expectancy coupled with unwillingness to remain in unhappy unions, or the new pressure of a pandemic overwhelming long-used coping mechanisms, the trend is real, and can leave women in financially difficult – or even perilous – circumstances.

According to the Kiplinger article: “A study conducted by the Social Security Administration found that around 20% of divorced women 65 or older live in poverty and are less financially secure than married or widowed adults.”

How can women prepare themselves for the impact of divorce in their later years? One of the recommendations in my prior article about retirement planning was to establish a relationship with a financial advisor. That is especially important if a divorce, division of marital assets and other support resources becomes a reality, because in this instance, knowledge is power.

Having a relationship with a financial advisor can help a woman have a realistic understanding of their income, assets, liabilities and ongoing expenses once they are no longer part of a marriage. The financial advisor can then help create the strategies appropriate to build the client’s economic security going forward as they take control over their own individual financial life.

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# Commercial Auto 101

By Sally Miles

A commercial auto policy protects a business against losses incurred through the ownership, maintenance, or use of motor vehicles.

Most businesses need this kind of coverage because whether you drive a vehicle dedicated for business use or drive a personal vehicle for business because your vehicle may not be covered under a personal auto policy.

Commercial auto, as it is called, covers a variety of situations and policies can be tailored to meet the specific needs of a business. Coverage is available for a single vehicle or a fleet of vehicles; there is coverage for trailers or other mobile equipment, and there is coverage for drivers who work for your business.

Each business has its own set of unique exposures.  Consult your agent to ensure your commercial auto policy is programmed to meet your needs.

*Sally Miles works with business across Maine for all their insurance needs.*

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# Mallory Arsenault Earns CPIA Designation

Mallory Arsenault, ACSR, a member of the business insurance team at Allen Insurance and Financial, has earned the Certified Professional Insurance agent designation from the American Insurance Marketing and Sales Society.

The CPIA designation emphasizes critical skills in insurance underwriting, coverages marketing and client services.

An account manager based in the company’s Camden office, Arsenault works with business insurance clients across a variety of industries.

# Trail Clearing With Georges River Land Trust at Weskeag Headlands Preserve

Holly and Jim Coombs and Daulton Wickenden help with trail clearing at the Weskeag River Preserve.

Last week some of our employee-owners joined Georges River Land Trust’s trail clearing efforts at the Weskeag Headlands Preserve in South Thomaston, one of the land trust’s newest properties.

The weather was perfect on Wednesday, May 19 for some quality time in the Maine outdoors. Some of the cutting, sawing and plant-pulling was strenuous work – but that’s what it takes to get a trail ready for its public debut. (We brought plenty of water and bug spray with us!)

Special thanks to GRLT Trail Coordinator Matt Bonner for his leadership and instruction. The GRLT website has all the info you need to learn about all their trails and preserves so you can plan your own outing – or get in touch to help with trail maintenance.

https://www.georgesriver.org/

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# Claims: Always Call Your Agent

Chris Richmond

By Chris Richmond
Originally Submitted to WorkBoat Magazine

Insurance can often be one of your business's larger expenses and one that you hope to rarely use. But please don't think that making a call to your agent to report a claim is going to adversely affect your policy's premium. Even if you think that the incident is minor and not worth reporting, a quick call your agent can save you from some major hassles down the road. Here are a few things to remember to keep a claim hassle-free.

First and foremost, make the call and report the claim to your agent. Alerting your agent does not reflect on you negatively. In fact, insurance adjustors appreciate this kind of reporting because it gives them a baseline right at the time of the claim. Recording the essential facts in a timely fashion helps greatly in case something develops from the incident six months down the road. And, as a bonus you, get to touch base with your agent. This is always a good thing.

Second, should the claim involve damage to property, keep the damaged items secure so they will not suffer any further damage. Should you have to make emergency repairs, document the damage first so an adjustor can see it. You don’t want the damage to get worse due to your inattention.

Third, save receipts. Once repairs start on your vessel or property, the bills will accumulate. Keep all associated receipts and send them to your agent who will then forward them to the adjustor. If you are doing repairs yourself, keep track of your own time.

Were there witnesses to the accident? Record their names and contact information. See if anyone took photos or video with their cell phone. Is there a security camera which could have captured the event? All of these sources of information can help you with your claim.

Finally, we are back to where we started. Report your claim. All too often I hear from a client that something happened six or eight weeks ago. The time to call your agent is right after the incident occurs so the adjustors can start their investigation and document all the facts – with your assistance. Strike while the iron is hot and get all the facts down while they are fresh in your mind, and in the mind of any witnesses. You will be happy you did.

# Does Your Credit Need Repairing?


Many people had their financial plans derailed in 2020. You or a spouse may have lost a job or been hit with unexpected expenses for medical care, assisting family members, or other reasons. Financial stress may have forced you to make tough choices, such as deciding which bills to pay, scaling back on your savings, or borrowing from a 401(k) account. As a result, you may need to get back on track financially. One of the first areas to tackle should be your credit score.

Even if your finances didn't take a hit during the pandemic, it's wise to keep track of your credit score. A strong credit score forms the basis of a solid financial foundation. It affects your ability to get a job; your access to loans for a car, house, or education; and your ability to qualify for various types of insurance. Can you repair or upgrade your credit score? Yes, but the first step is to understand what your credit score and credit report are based on, as well as how to monitor your credit.

# Understanding Your Credit Score

Here's what you need to know about your credit score:

### Your FICO score.

The FICO score, based on a model created by Fair Isaac Corporation, is the most commonly used scoring system of a person's credit history. Lenders use these scores to evaluate your creditworthiness, which means the probability that you will repay credit cards and loans in a timely manner. A lower FICO score can result in higher interest rates for credit or loans, as well as shorter repayment terms, a requirement for a cosigner, or even outright denial of a loan.

FICO scores range from 300 to 850. Generally, scores greater than 800 are considered excellent, while scores below 640 are considered below average, or subprime. Most lenders use the average score of the three most well-known reporting agencies (Experian, TransUnion, and Equifax).

Your FICO credit score is based on five factors:

1. Payment history (35 percent)
2. Total amount owed compared with available credit, known as credit utilization (30 percent)
3. Length of credit history (15 percent)
4. Types of credit used (10 percent)
5. New credit cards or loans opened and credit inquiries (10 percent)

## Alternative credit scores.

Besides FICO, these recently adopted sources provide alternative credit scores:

• Vantage provides a single score based on the three major reporting agencies but differs from FICO in that it gives varying levels of importance to different parts of your credit report. Most websites that offer free credit scores, such as Credit Karma, use the VantageScore.

- UltraFICO, which is used only by Experian, lets consumers enhance their credit score by linking with their checking, savings, or money market accounts.
- Experian Boost helps consumers improve their FICO score by giving them credit for on-time phone and utility payments. Experian Boost is offered only through Experian.

UltraFICO and Experian Boost are intended primarily for consumers with subprime credit scores, as well as people without enough usage to receive a score. These services are especially helpful to those with borderline credit scores.

## Understanding Your Credit Report

Once you know your credit score, you'll also want to know what went into that three-digit figure—which you can find out by reviewing your credit report.

Credit reports contain a comprehensive record of your credit history, including personal information, account information, and whether you have paid your bills on time. Your credit report also contains information on any accounts that have been sent to a collections agent and whether you've filed for bankruptcy or received a bankruptcy discharge.

## Checking Your Credit Report

With so much of your financial life based on your credit report, accuracy is important. Unfortunately, the Federal Trade Commission (FTC) estimates one in five consumers has at least one error on their report. That's why it's so important to make checking your credit report a habit. There are several ways to do so:

• Go to AnnualCreditReport.com. Everyone has the right to a free report from each of the three major credit reporting agencies each year.
• Go to Innovis, another reporting agency that provides free credit reports. Although your free report will not include a credit score, it’s wise to verify information from this source because companies may use it to check your credit history.
• Go to Credit Karma, NerdWallet, and Bankrate for free access to one or two of the major credit reports, as well as additional services such as credit monitoring and free credit scores.
• Check out organizations such as LifeLock and Identity Guard which, for a fee, provide enhanced credit monitoring and identity theft protection.

## Freezing Your Credit

Since 2018, consumers have been able to freeze their credit files free of charge. A credit freeze imposes restricted access on credit reports, making it more difficult for identity thieves to open accounts in someone else’s name. During a freeze, you can still access your credit history and open new accounts—though you’ll have to temporarily lift the freeze to do so.

A freeze won’t affect your credit score. But you should be aware that a freeze cannot prevent someone else from making charges to your existing accounts. So, even if you have a credit freeze in place, be sure to keep monitoring your current accounts.

## Repairing Your Credit: 7 Important Steps

Repairing your credit score will require time, patience, and discipline. Know that there is no quick fix. Instead, work your way through these steps for improving your credit score over time:

1. Review your credit reports for errors and dispute any inaccurate or missing information. Be aware that simply checking your credit report or FICO score will have no effect on your credit score. You'll need to take action to dispute incorrect or missing information. The FTC website provides consumer information on how to file and resolve credit disputes.
2. Pay your bills on time. Even if you have missed payments, get current with your bills.
3. Tackle past-due accounts and reduce the amount of debt you owe. You could start by paying off debts with the smallest balance to the largest (the debt snowball method) or from the highest interest rate to the lowest (the debt avalanche method).
4. Be cautious when opening new credit cards. New credit accounts should be opened only on an as-needed basis. Although closing unused credit cards is often seen as a short-term strategy to increase a credit score, you should know that closing an account does not remove it from your credit report.
5. Consider consumer credit counseling. A great resource for educational materials and workshops is the U.S. Department of Justice's U.S. Trustee Program, which maintains a list of credit counseling agencies approved to provide pre-bankruptcy advice.
6. Be wary of credit repair services. These companies offer to act on behalf of the consumer and negotiate with creditors, but they may also charge unreasonable fees and upfront charges, as well as mislead customers about their ability to fix credit.
7. Consider bankruptcy only as a last resort. Filing for bankruptcy can allow people to keep their house, car, and other property. It also has serious consequences, however, including lowering your credit score. If you're exploring bankruptcy, the U.S. Trustee Program maintains a state-by-state list of government-approved organizations that supervise bankruptcy cases and trustees.

## Meeting Your Financial Goals

Your credit history is an important cornerstone of your financial plan. That's why making a commitment to monitor and manage your credit score and report is so important. Although the process may take time and patience, working to repair your credit is well worth the effort. It's an important part of staying on track to meeting your long-term financial goals.

*These tools/hyperlinks are being provided 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.*

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# Know Your Benefits: An Employee's Guide to Health Plans

Benefit plans are sometimes confusing and employees might be struggling to understand what is offered to them. The Allen Insurance benefits division has shared this handy chart with definitions and explanations with our clients. Click for a PDF.

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# Insurance Question and Answer Speed Round

By Cale Pickford
Originally submitted to Maine Realtor Magazine | Summer 2021

Independent insurance agents tend to field questions that follow a familiar pattern. Just as real estate agents with a few years experience under their belt can probably anticipate and questions from buyers and sellers before they are even asked, so it is with insurance. As sales and service professionals, we welcome our client’s questions as they show that the client is engaged and working through the details of selling or buying a home.We are advisors and our ability to carefully listen and respond is the value of our service, especially when considered against the back-drop of the click-bait, lead-capture mine field that is the modern search engine.  (Have you ever clicked to see what mortgage rate you’re eligible for?)

Here  are a few excellent questions that independent insurance agents frequently hear.

**How do I insure property in self-storage units?**
People accumulate an extraordinary amount of property after they have lived in the same home for an extended period of time. Children move out of the nest and leave behind all manner of treasures, things too precious to allow their parents to give or throw away but not quite important enough to bring along as they begin their own personal quest to accumulate way more than they will ever need. On the other side, prized possessions of late parents and relatives also tend to trickle down to the next generation. It seems people cannot quite bring themselves to throw away that moth-eaten mink stole or home videos that should be converted to digital copies, someday. In response to this

mountain of loved but unneeded property are acres and acres of self-storage facilities and pods. In some cases, homeowners' insurance policies will provide world-wide coverage for personal property, including those items held in storage units, but with a limit of 10% of the total amount of coverage on the policy. With some carriers, you need to modify the existing homeowners policy to include property held in storage facilities with a specific limit of coverage. As with most personal property coverage, there are caps for certain high value categories of possessions, such as jewelry, watches, furs and firearms. If someone is between homes. having sold their home and figuring out what is next, they should look to the storage facility or specialized insurers who specifically provide insurance for this category of property. Bottom line: Ask your agent, as each insurer treats this category of property a little differently and never make the assumption that it is insured automatically.

**Does my homeowners policy cover outbuildings (garage/sauna/yoga studio/shed) on my property?** Almost all homeowners policies automatically provide a certain level of coverage for "other structures." The coverage, generally set at 10% of the dwelling value, insures structures and things that are not attached to your house. Some examples of property that would be repaired or replaced if damaged by a covered peril are garages, guest houses, patios, dining areas, mailboxes and walkways. Limitations and exclusions to this automatic coverage do apply. For example, piers and wharves are covered but most insurers exclude marine-related loss such as wave action and the lifting and crushing of ice. Also, if a detached structure is tenant-occupied or used to conduct business, the policy will need to be modified to make sure the homeowner is properly insured. If the built-in coverage is not enough, you may have the option to increase the other structures limits. Also, if there is a lot of value in these detached structures, it is wise to have a discussion with your insurance agent to see if guaranteed replacement cost coverage applies, as this coverage mandates that the insurer replace or repair the damaged structure even if the cost to rebuild exceeds the limit of coverage. Depending on the insurer, pools can either be covered under the dwelling or other structures coverage. Above-ground pools are usually considered personal property.

**Does bundling insurance really save money?**
The quick answer is yes. Insurers hire legions of actuaries to keep a very close eye on the characteristics of the most profitable accounts. The goal is to avoid or charge more for accounts that are predicted to lose money, and be more aggressive with pricing on the accounts where a profit is expected. One of the principles of insurance is spread of risk: Insurers know that if they insure both a home and vehicles they're more likely to turn a profit than if they insured just one aspect of their client's life. The insurers also know that accounts with multiple policies have better retention, which is driven by savings, familiarity of doing business, and convenience (or hassle to switch everything!). From the client's coverage perspective, bundling insurance can also create a more efficient solution, with the potential to close gaps in coverage and eliminate redundancies.

**What about deductibles?**
With most insurers, the deductible can have a significant impact on both home and auto insurance premiums. Whether you are shopping for insurance or reviewing your current policies it is a great idea to price deductibles within a range so you can make a cost benefit decision with actual numbers. Often insurers who specialize in covering high value homes will greatly incentivize high deductibles, with some offering deductibles as high as $100,000. For insurers focused on more typical homes, deductibles ranging from $500 to $2,500 are most common. Another

benefit of higher deductibles is that they impose some discipline on filing claims. Claims history is a very important part of insurance underwriting and even very small homeowners claims can have a significant impact on insurance eligibility and pricing. If you have a $1,000 deductible and an $1,800 loss it might be wise to self-insure (pay out of pocket) the cost of the repair rather than file the claim and risk your loss-free status. Furthermore, there's always a chance that a more significant loss would occur in the near future, and having two claims in a short time span can have a major impact on access to insurance.

**Flood Insurance: What's new?**

Flood insurance is always top of mind in a state like Maine with vast numbers of fresh and salt water adjacent real estate. York and Cumberland counties still have yet to adopt the new FEMA flood maps so be sure to be looking at both the current and future maps in these counties so your client can be proactive in mitigating the risk of being remapped into a special hazard flood zone. In positive news, the market has come up with some compelling and well-priced private flood insurance options as well as improved diagnostic software and third party websites which more easily allow real estate agents and their clients to determine the impact of the flood plain on a particular property. As always, get out ahead of the question of flood insurance because it takes some time to navigate the process of securing the best priced flood policy available. Also, if you need to have an elevation certificate done, expect delays greater than you have seen in the past. Like so many real estate tied professions, surveyors are busier than ever.

Socrates is credited with saying "the only true wisdom is knowing you know nothing." In the world of insurance, this is very good advice. So often there are nuances and variables with in insurance coverage. The best advice is to work with an independent agent you trust and never hesitate to pick up the phone or send an email when you have a question about coverage.

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# Jennifer Coffin Earns CPRM Designation

Jennifer Coffin, ACSR, a member of the personal insurance team at Allen Insurance and Financial, recently earned a Certified Personal Risk Manager (CPRM) designation, issued by the National Alliance for Insurance Education and the Council for Insuring Private Clients.

The CPRM designation focuses on all major fields of personal client risk management, coverage differences, lifestyle analysis and protection, and the practical applications of risk management. This achievement signifies a commitment to continuing education.

Coffin also holds the Accredited Customer Service representative (ACSR) designation. She joined Allen Insurance and Financial in 2004.

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# Benefits and Me Newsletter – May 2021

This month's Benefits and Me newsletter, shared to our clients by the Allen Insurance benefits division discusses reimbursable PPE expenses, tips for finding medical information and common health insurance terms.

The Internal Revenue Service (IRS) recently announced that amounts paid for personal protective equipment (PPE)—such as masks, hand sanitizer and sanitizing wipes—used for the primary purpose of preventing the spread of COVID-19 are deductible expenses for medical care. Because these amounts are expenses for medical care, the amounts paid for PPE are also eligible to be paid or reimbursed under any of the following:

- Health flexible spending arrangements (FSAs)
- Archer medical savings accounts (Archer MSAs)
- Health reimbursement arrangements (HRAs)
- Health savings accounts (HSAs)

However, if an amount is paid or reimbursed under a Health FSA, Archer MSA, HRA, HSA or any other health plan, it will not be considered a deductible medical expense.

Click for PDF.