Start With the Exclusions


Chris Richmond

By Chris Richmond
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When a boatyard or builder makes an investment in purchasing a building most likely they will want to have the structure insured. But just because you purchase property coverage does not mean that your building is insured for all potential hazards. Two big exclusions on property insurance forms are flood and earth movement, both of which can pose a significant threat to your building.

First things first. (This is a long sentence, but an important one.) The insurance definition of a flood is a general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or two or more properties from overflow of inland or tidal waters, rapid accumulation or runoff of surface waters from any source, mudflow, collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents or water exceeding anticipate cyclical levels that result in a flood as defined as above.

If you have a bank loan on your property, most likely the bank will require you to have this flood coverage for at least the amount that is on the loan. Coverage can be provided through The National Flood Insurance Program. Your premium will vary depending on what flood zone the property is in.

While people talk about earthquake coverage, in the insurance world it actually is referred to as “Earth Movement,” with earthquake being just one of many categories. Besides earthquakes being excluded the Earth Movement list includes landslides, man-made mines, earth sinking and volcanic eruption. Depending on your location, coverage for this can be either bought back from your carrier or as a stand-alone coverage through a specialty broker.

Sage advice when looking at your insurance policies: Start with the exclusions. While it is important to know what you are covered for, it is equally important to know what your policy does not cover. Don’t think that just because you have an insurance policy that everything is covered. Have a conversation with your agent about your coverages to make sure you have what you need.

Beware of Spoofed Calls and

Scam Email

Scam emails and spoofed phone numbers are plentiful these days – we should all be ready to deal with them on a daily basis. It's important to take care to verify the source of any request for your attention or your money – even if the request seems to be from a co-worker, friend or family member.

The criminals behind these efforts use the names and spoofed phone numbers of trusted entities to try to part you and your money and nobody is immune. We've even had recent reports of spoofers pretending to be calling from Allen Insurance and Financial in an attempt to scam the unaware.

These calls and emails are from people who want your money or your personal information or to hold your computer for ransom. We all want to help a loved one, friend or colleague – but the key is to slow down and check a few things before replying or taking further action.

Spoofing is when someone disguises a communication as coming from a known, trusted source. Spoofing can apply to emails, phone calls, and websites, or can be more technical, such as one computer spoofing another computer or a website.

Also known as phishing, scam emails pretend to be from someone you know – but the return email address is not quite right (by a letter or two) or completely wrong and may ask you for gift cards to for "help with an important task." The return email address could also be exactly right and from someone you know – but the request is for money or assistance.

To avoid spoofing:

- Don't answer calls from unknown numbers. If you answer such a call, hang up immediately.

- If you get an inquiry from someone who says they represent a company or a government agency, hang up and call the phone number on your account statement, in the phone book, or on the company's or government agency's website to verify the authenticity of the request.

The Federal Trade Commission offers lots of good advice on how to avoid spoofed phone calls. ftc.gov/spoofing.

To avoid emails scams:

- Always think twice before clicking – whether it's opening an email or an attachment.
- Double check return email addresses. If something doesn't seem right, or too good to be true, or of an urgent nature, pick up the phone and call the sender of the email to verify. This one extra step can make a real difference.
- Don't open attachments to emails from people you don't know.
- Read the email carefully. Does it sound right or is the text out of character?
- Never send your birth date or social security number by email.

More from the Federal Trade Commission: https://www.consumer.ftc.gov/articles/how-recognize-and-avoid-phishing-scams

Allen Insurance and Financial and L.S. Robinson Co. will never call or email to ask you to sign up for a credit card, purchase a medical alert system or to send us gift cards. Clients and members of the public should feel free to call us at 236-4311 to see if a correspondence or phone call actually came from our office.

Donation to Pacific Engine Company

Allen Insurance and Financial recently delivered a donation to the Rockport, Camden and Rockland fire departments for their home inspection and smoke detector program.

“We’re in the business of helping people in our community protect their homes and their families — and so support for a program such as this, with its emphasis on health and safety, is very important to all of us at Allen,” said Dan Bookham, vice president at Allen Insurance and Financial. “This three-department cooperative effort is a project with an immediate impact and can continue to make a real difference.”

The donation is the result of a partnership between Allen Insurance and Financial and the community outreach program at MMG Insurance, the Presque Isle-based insurance carrier.

Chief Jason Peasley of the Rockport Fire Department says the program is ongoing, and donations will be accepted by any of the three departments at any time. He said that since the spring, 22 homes in the area have been inspected and fitted with smoke detectors — but that the need for this work continues.

Charitable Giving in 2020…and 2021?

Sarah Ruef-Lindquist, JD, CTFA

By Sarah Ruef-Lindquist, JD, CTFA

We love June, don't you? Temperatures are warmer, flowers are blooming, and this year especially, many people are getting out and enjoying each other's company and all that Maine has to offer with understandable pent-up enthusiasm.

Every year in June, the news includes the annual report about charitable giving in the US. The GivingUSA Foundation publishes GivingUSA with data about charitable giving activity in the prior year, based on income tax return data. The news has been positive year-on-year for a long time now.

Will it be for 2020?

As a preview Marketwatch reported interesting giving behavior during the early pandemic months of 2020: They reported that 2020 got off to a great start, but then as the pandemic hit, giving plummeted.

Then, it rebounded. A lot. At a time when millions of Americans were losing their jobs and could not make rent or mortgage payments.

It would seem there was a swift recognition of the challenges being faced, and generous response to help meet the need. “Some people even donated their stimulus checks. Protests over racial injustice last summer spurred another outpouring of donations.”

Using data provided by Blackbaud from a large and representative sample of non-profits “Not only did overall giving increase, but so did the average size of people’s donations, increasing to $737 from $617 in 2019.”[i]

According to prior GivingUSA reports, US charitable giving totaled for 2019 was $450 billion. 2018 was $428 billion. 2017 was $410 billion. 2016 $390 billion. See a trend here?

Neither Blackbaud nor Marketwatch try to predict what the total giving will be for 2020, but instead await the June 15, 2021 release of that data by GivingUSA. We will, too.

We are almost half-way through 2021. What could help boost giving in 2021? The stock market is nearing record highs and those are always opportunities to consider charitable gifts of appreciated securities, to reduce capital gains exposure, or to create charitable remainder trusts to provide income and immediate tax deductions while deferring and reducing gains exposure.

As congress considers further changes to income tax laws, there are several pending provisions of interest including a possible charitable remainder trust option for up to $100,000 of qualified charitable distributions from IRA’s (these had previously been limited to only outright gifts to charity). Stay tuned about those.

There are many reasons to be optimistic about charitable giving in the US. As you renew in-person meetings with your supporters, we hope they are as rewarding and productive as ever.

[i] Blackbaud's analysis was based on its 8,833 nonprofit clients, which took in a total of $40.7 billion in donations in 2020. That's only one slice of the giving pie in the U.S, where there are roughly 1.5 million nonprofits, but the Blackbaud data set is the largest sample size of giving and is representative of the nonprofit sector as a whole, a spokeswoman said.

Tool Coverage 101

By Patrick Chamberlin

Contractors rely on their tools and equipment to get the job done. To protect these tools from theft or vandalism, there's Tools and Equipment Coverage.

Tools and equipment insurance can cover both large equipment and small hand tools.

Most commercial property policies cover buildings and personal property at your premises or within a short distance. Tools and Equipment coverage is designed to cover movable property wherever it may be located.

Smaller items, generally with a value of less than $1,000 can be covered on a blanket basis. You'll want to list higher-value items (generators, heavy equipment such as excavators) individually. It's also important to keep an inventory (with photos, if possible) and proof of purchase.

As always, there are some exceptions and limits to this type of coverage. Your insurance agent can explain more.

Age Discrimination in Employment Act (ADEA)

What do you know about the Age Discrimination in Employment Act (ADEA), which prohibits employers with 20 or more employees from discriminating against individuals who are age 40 and older based on age?

Here are some of the basics:

 The ADEA prohibits age discrimination against employees and applicants age 40 and older.
 Age limits and preferences for workers under 40 are prohibited unless an exception applies.
 An age-neutral employment practice may violate the ADEA if it negatively affects individuals age 40
and older.
 Older individuals may be favored over younger ones, even if the younger ones are 40 or over.
 Employees may voluntarily waive their rights under the ADEA.

[You can read more now on this PDF.](#)

Unsure When to Claim Social Security? Timing Has Its Benefits

For many Americans, social security benefits make up a significant portion of retirement income. When it comes to how much you will receive, you may be surprised to learn that you have a choice in the matter—and timing is everything. The longer you wait to claim your benefits, the larger your monthly payment will be, so when you start can determine whether you'll have sufficient funds to achieve your retirement goals.

Here are considerations to keep in mind as you think about your social security choices.

When Are You Eligible?
Based on the year you were born, the Social Security Administration (SSA) has determined your full retirement age (FRA)—in other words, the normal retirement age at which you become eligible to receive full social security benefits. If you were born before 1955, you've already reached your full retirement age (see Figure 1). If you were born after 1960, you'll reach your FRA at age 67.

Figure 1. Full Retirement Age (FRA)

If you were born in:	Your FRA is:
1937 or earlier	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months

1941	65 and 8 months
1942	65 and 10 months
1943–1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 or later	67

The Early Bird Gets . . . Less

Although your FRA serves as the baseline, you can claim your social security benefits at an earlier age. Keep in mind, though, that taking your benefits early will permanently reduce the amount you receive.

Let’s say your FRA is 66 and your monthly benefit amount is $1,000. If you decide to take benefits at age 62, your monthly benefit will be permanently reduced by 25 percent. That might be a hefty sum to leave on the table, so remember that you have up to 12 months to withdraw your application for benefits if you change your mind.

Good Things Come to Those Who Wait

If you don’t need the cash when you reach your FRA, you can opt to delay your claim—and the SSA offers an economic incentive to do that. Should you decide to wait until after you’ve passed your FRA, the SSA compensates you for allowing those funds to stay in its reserves by guaranteeing an 8 percent increase in benefits for each year you delay, up until age 70. So, if you wait until 70 to claim benefits, your payment will be 76 percent more than what you would have received if you claimed early at

62. If you’re in a position to do so, it literally pays to wait.

Remember, though, that the maximum benefit amount you can receive tops off at age 70, so there’s no financial motivation to delay your claim past then.

Deciding the Right Time for You
Claiming your benefits as soon as you reach your FRA shouldn’t be a given—nor should holding out longer for a bigger benefit. The right timing depends on your specific circumstances, and there’s a lot to consider.

Life expectancy. Longer life expectancies are a large factor in determining the best claiming strategy, so a break-even analysis—the age when your cumulative benefits will even out—can provide helpful insight. Handy life expectancy calculators and benefits calculators are available to help you estimate your benefits based on the age you want to make your claim.

Your spouse. Married couples should consider various strategies for maxing out benefits. If you’re the primary earner, you’ve been married at least one year, and your spouse is at least 62, your spouse may qualify for a spousal benefit of up to 50 percent of your FRA benefit when you make your claim. Although your dependent spouse receiving a benefit won’t affect the amount of your benefit, keep in mind that if you make an early claim, your spouse’s benefit will also be reduced. The flip side is, if you wait until age 70, you maximize benefits for both of you—and potentially the survivor benefit for your spouse.

If you have two incomes, for example, depending on your benefits estimates, you might consider making your claims at different times. It may make sense for the lower earner to take benefits first when they reach their FRA, and the higher earner to wait until age 70 because their increases will amount to more over time. Depending on life expectancy, this approach could also mean a higher survivor benefit for the lower earner should the higher earner pass away first. Note, however, that your spouse’s benefits will be permanently reduced if they apply before their FRA. (There is an exception if they are caring for a dependent child younger than 16 who has a disability, making them eligible for dependent benefits.) For dual earners born before 1954, you can opt to apply for only the spouse benefit and delay taking your own benefit until a later date.

If you and your spouse have similar lifetime earnings, each of you might want to wait until age 70 if it’s financially viable. This positions both of you to receive the maximum amount and ensures that one of you receives the highest possible survivor benefit after the other passes away.

Tax implications. Because some of your social security benefits may be taxable, depending on your income, some people may factor the tax impact of their claiming strategy into their decision-making process.

Keep in mind, if you or your spouse worked at a job at which you didn’t pay into social security because you were earning a pension, your retirement and your spousal/survivor benefits may be affected by the Windfall Elimination Provision and Government Pension Offset. (This is common for teachers and government employees.)

The Math Is Personal

Depending on your specific financial situation, deciding when to claim your social security benefits may have a significant impact on your retirement goals. Time may be on your side if you’re looking to maximize your benefits, but the choice can be complicated; it depends on your health, family circumstances, and overall financial wellness. We invite you to talk with us about the various ways we can support your retirement goals. For more detailed information about benefits, call the SSA at 800.772.1213 or visit www.ssa.gov.

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.

Individual Health Insurance Newsletter – June 2021

IRS Suspends Requirement to Repay Tax Credits

A premium tax credit or subsidy helps pay for health insurance coverage purchased through the Health Insurance Marketplace (www.healthcare.gov). Eligible people can choose to have all, some, or none of the estimated tax credit (subsidy) paid in advance directly to their insurance company on their behalf.

The American Rescue Plan Act of 2021 suspends the requirement that taxpayers repay their excess advance payments of the premium tax credit for tax year 2020. Excess APTC is the amount by which the taxpayer's advance payments of the tax credit exceed the premium tax credit they are in fact eligible for.

If you have questions on how this may impact you, we recommend you reach out to an accountant who understands the tax code and how the American Rescue Plan affects your tax filing

Health Care Sharing Ministries in the News Again

The Boston Globe reported on a woman who now carries $75,000 in medical debt because her “health care sharing ministry,” OneShare, declined to pay for her double hip replacement. She decided to participate because of the cost of her health insurance premiums increased. What she didn’t realize is that the decreased costs meant decreased consumer protections.

Health care sharing ministries (HCSMs) are not health insurance. They do not qualify as minimum essential coverage under the ACA, which means pre-existing conditions can be excluded. What’s more, the companies do not have the same legal obligations to its members. Members, who typically share a religious affiliation, do pay a monthly fee, but the fee is not a premium. It is a contribution to a shared fund to pay medical expenses of the members. Some people, have good experiences, while others do not.

In Maine, HCSMs are expressly exempt from the insurance code. Consequently, members have little or no recourse if things with the HCSM go sour. The burden is on consumers to understand precisely what they are “buying” when they participate.

Midcoast Senior Expo

We’re excited to announce that we will have a table at the Midcoast Successful Aging Expo, scheduled for June 15 from 9 a.m. to 2 p.m. at the Rockland Elk’s Club. This is our first in person event in more than a year and we’re looking forward to connecting with our clients and community. This event is free and open to the public.

Medicare Newsletter – June 2021

Medicare & Medicaid Eligible

Have you recently qualified for Medicaid while also on Medicare? Did you know there is a set of special products that are available just for you?

These plans are intended for persons who are eligible for both Medicare and Medicaid and are called “dual eligible.” These dual eligible plans provide coverage above and beyond Medicare, including vision, dental, an over the counter allowance, transportation services, and many value added extras, typically at no cost to the member.

Eligibility requirements for Medicaid are not as straightforward as are the requirements for Medicare. The big driver here is income and asset limits which determine if you’re eligible and if so, what level of Medicaid you qualify for.

If you think you may be eligible for Medicaid, you’ll need to contact your local Medicaid agency.

Top 10 Social Security Myths Exposed

Given Social Security’s importance, concerns about its current and future state are understandable and widespread. Some of those worries, and the many changes to the program, have given rise to misconceptions about how it is funded and how it works.

Here are 10 of the most stubborn Social Security myths:
1) Social Security is going broke
2) The Social Security retirement age is 65
3) The annual COLA is guaranteed

4) Members of Congress don’t pay into Social Security
5) The government raids Social Security to pay for other programs
6) Undocumented immigrants drain Social Security
7) Social Security is like a retirement savings account
8) You don’t pay taxes on Social Security benefits
9) An ex-spouse’s benefits come out of your own
10) You lose benefits permanently if you keep working

You can read the truth behind these myths.

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Understanding Accident Insurance

Whether you suffer a concussion falling off a ladder or dislocate your shoulder moving the couch, injuries can lead to costly medical care, loss of work time and various other related expenses. If you don’t want to be caught financially unprepared to handle an accident, consider accident insurance.

Regular medical insurance won’t cover all the expenses that result from an injury. At the very least, you will likely owe a deductible and copays. Accident insurance acts as a safety net to help you pay out-of-pocket medical and nonmedical costs resulting from an accident or injury. Accident insurance might cover the following occurrences:

- Injuries, such as fractures, burns, concussions, cuts, eye injuries,
  broken teeth and paralysis
- Medical services and treatments, such as ambulance rides, emergency care, nonemergency care, hospital stays, physician
  follow-ups, therapy services, surgery and medical testing
- Family lodging and travel needs related to an accident and follow-up
  careCall the Allen Insurance and Financial benefits division today for more information.