

Properly Insuring Your Employees in Case of Injury



Chris Richmond

By Chris Richmond

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Shipyards and marine related business are comprised of a wide variety of jobs and with this variety comes different types of injury coverage for the people who work there. Just because you believe your employees are properly covered does not mean they are. Take a moment to review these three areas of injury coverage.

Jones Act

Officially called “The Merchant Marine Act of 1920,” this covers employees who are considered crew members on your vessels. Seamen employed on vessels traveling from U.S. port to U.S. port are entitled to coverage under the Jones Act, with the coverage provided under a vessel’s Protection and Indemnity policy. Crew are covered for injury and illness while ‘in service to the ship’ through the Maintenance and Cure portion of the coverage. Crew are also entitled to sue the ship or ship owner for unseaworthy or negligent conditions which they believe caused their injury. To be considered a crew member, the employee must spend roughly a third of their time at work in service to the

ship.

USL&H

Employees who are working around docks, wharves or servicing a vessel will fall under the U.S. Longshore and Harbor Workers Act. These are your stevedores, repair crew, crane operators or similar employee who service, load or go on and off vessels but are not considered crew members. The two determining factors for USL&H are Situs and Status, both of which need to be met in order to be eligible for this coverage. To meet the Situs test, an injury must have occurred while working on or near navigable waters. The Status test is met by the work being done. Exclusions include office workers, aquaculture and boat builders who build recreational vessels less than 65 feet in length. Even if you have a boat yard where you feel you would never have a USL&H risk, it is very inexpensive to have this added to your state workers compensation policy on an 'if any' basis. This way you have at least some defense covered should a USL&H claim be filed against you.

State workers compensation

Your office staff and other employees are covered under your state workers compensation act. Keep in mind that if you have employees who work in other states besides the one where your business is located then you need to list these as well. State workers compensation acts are no-fault laws which means they cover a claim as long as the employee's accident happened within the scope of their employment.

This is a very quick explanation of a very important insurance coverage. Take the time to review your operation and exposure with your agent to help you get the coverage you need.

Patrick Chamberlin Earns CIC Designation

[Patrick Chamberlin](#), 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 Patrick has chosen to pursue," said [Michael Pierce](#), president of Allen Insurance and Financial. Earning the designation is just a first step on a path of rigorous, annual continuing education, Pierce noted.

Based at Allen's office in Camden, Chamberlin works with business insurance clients across a wide spectrum of industries. He also holds the Management Liability Insurance Specialist and Commercial Lines Coverage Specialist designations.

The Certified Insurance Counselor program is maintained by the [National Alliance for Insurance Education & Research](#).

To Keep or Not to Keep: A

Guide to Common Records-Retention Questions

Living in an increasingly paperless world has its benefits, but when it comes to records retention, does it make a difference? Sure, digital recordkeeping on the cloud means more storage space, easy access, and less vulnerability to inadvertent destruction. But the questions of what to keep and for how long feel just as confusing as ever.

Keep or Toss

Whether your files are physical or electronic, the same principles and time frames for record retention apply. Below, we review some rules of thumb to consider for a few common financial documents. Keep in mind, though, this list is not exhaustive, and professional responsibilities and potential liability risks may vary.

ATM receipts, deposit slips, and credit card receipts.

In general, you don't need to hold onto monthly financial statements after you verified your transactions—that is, unless statements include tax-related information. Also keep in mind that if you dispute a transaction included in a statement, in most cases, you have 60 days from the statement date. Beyond 60 days, the bank may be alleviated of liability associated with the charge—so you may be on your own to try to get your money back.

Paycheck stubs.

Once you receive your annual W-2, it's usually not necessary to retain your paystubs for the prior year. You may want to keep your year-end stub if it includes any tax-related information not reported on your W-2, however. Additionally, if you

anticipate a life event in the near future that will require proof of recent income—applying for a home loan, for example—then plan to hang onto pay stubs from at least the past two months.

Tax returns.

Determining when to purge tax returns usually depends on how long the IRS has to contest a given year's return. In most cases, it's a period of three years—assuming tax returns are filed properly and do not contain any knowingly fraudulent information. The time frame can extend up to six years for severely underreported income, and there's no time limit for the IRS to contest fraudulent returns. The same timing applies to the supporting documentation used in preparing a tax return, so you should also retain the financial and tax documentation—investment statements showing gains or losses and evidence of charitable contributions, for example—pertinent to the corresponding year's return. If you're unsure how long you should keep a specific tax return and accompanying paperwork, be sure to check with your accountant. Additionally, the IRS offers some [useful information](#) on time limitations that apply to retaining tax returns.

Old 401(k) statements.

Once you've confirmed your contributions are recorded accurately, there's little need to keep each quarterly or monthly statement. It may be a good idea to keep each annual summary until the account is no longer active, however.

Estate planning documents. Although there's usually no distinction about whether records need to be retained in paper or digital form, there are certain instances where it's essential to have original legal documentation with the “wet” signature. This requirement holds true for estate planning documents. In most circumstances, a court will only accept a

decedent's original last will and testament—a copy will not suffice. If you're unable to produce the original, the court may presume it doesn't exist, deeming the copy invalid. It's possible there are legal avenues you can pursue to get the court to accept a photocopy of a will, but this could prove to be a costly and stressful process.

Get Organized and Be Sure to Shred

A good records-filing system is key to helping you maintain and easily access important documents. If you're storing things digitally, you can retain much more than any filing cabinet could hold, making it easy to take a more liberal approach to what you save. Keep in mind, the retention guidelines for many documents aren't clear-cut. When you're unsure, start by assessing what purpose the document may serve in the future. And it's always important to consult the appropriate financial, tax, or legal professional for advice on specific records. Finally, remember when it comes to materials that include personal information, if you're not keeping it, then you should be shredding it.

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.

Construction Bonds 101

[By Kristina Campbell](#)

A construction bond, also known as a surety bond, protects a project owner if a contractor fails to complete a job, doesn't pay for permits or fails to meet other financial obligations such as paying for supplies or subcontractors.

Surety bonds are important, and quite common, in the construction industry. They typically come in three types:

- **A Bid Bond** is issued to the project owner to provide a guarantee that the winning bidder will honor the contract under the terms at which they bid.
- **A Performance Bond** guarantees that the contractor will perform the services as described in the contract. A bid bond is replaced by a performance bond when a bid is accepted and the contractor proceeds to work on the project.
- **A Payment Bond** guarantees that a construction company will pay its laborers (employees and subcontractors) and suppliers throughout the construction project.

A surety bond is a contract between three parties:

1. **The Principal** is the party purchasing the bond and undertaking an obligation to perform the job as promised.
2. **The Obligee** is the party requiring and receiving the protection of the bond.
3. **The Surety** is the insurance company or surety company that guarantees the obligation will be performed.

How do you know if you need a construction bond? The project owner will decide.

Kristina Campbell has been working with contractors across Maine for their insurance and bonding needs for more than 15 years.

How to Handle a Surprise Medical Bill

If you've ever received a surprise medical bill, you're not alone. According to a survey conducted by NORC at the University of Chicago, over half of American adults have been surprised by a bill that they had assumed would be covered by their medical insurance. Moreover, only 1 in 5 of these surprise bills were the result of a patient actively seeking out-of-network care. [This handout](#) will explain balance billing, how to handle a surprise medical bill and offer tips on how to avoid receiving one in the future.

Medicare Newsletter – April 2021

Traveling? Please Check Your Coverage First

For those of you itching to travel, if you are leaving Maine for any length of time it is important to understand how your benefits travel with you both within the U.S. and outside of the

country. For example:

- Coverage during domestic travel may depend on whether you have an Advantage plan or basic Medicare, and whether you are seeking emergency or routine care.
- Medicare generally does not cover any medical costs outside of the U.S. and its territories.
- Some Medigap plans – which can only be paired with basic Medicare – offer limited coverage for travel beyond U.S. borders.

Many Advantage plans are required to cover your emergency care anywhere in the U.S. and in an emergency many will go above and beyond what Medicare covers to provide coverage outside the U.S.

If you plan to travel outside the U.S., it's wise to consider a stand-alone travel medical plan which can cover illnesses, emergencies and medical evacuation. We offer this coverage year-round. We are happy to discuss your options with you.

Dental Coverage Available Year-Round

Oral health directly affects overall health and quality of life. Unfortunately, this is often a gap in coverage, especially when it comes to original Medicare. The good news is you can purchase a stand-alone dental plan any time of year.

We have 5+ plans from Delta Dental, ranging in price from \$30 to \$90 per month. Some of the plan highlights include:

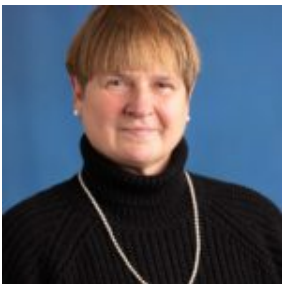
- Competitively priced plans with a variety of coverage options
- One-time (lifetime) deductible
- High annual maximums up to \$2,000 per person
- Access to the nation's largest dental PPO Network
- A vision discount program is included (Sears Optical, Lens Crafters, Pearle Vision, Target Optical, etc.)

If you'd like to explore your options, please reach out to us. We'd be happy to explain the coverage options available and help determine which plan best aligns with your needs.

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.

Retirement Planning for Women: Understanding the 'Bag Lady' Syndrome



Sarah Ruef-
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By [Sarah Ruef-Lindquist, JD, CTFA](#)

Challenges can be different for women planning for retirement than those facing male counterparts. The phenomenon of women envisioning themselves as elderly “bag ladies” is based in very realistic concerns. But with proactive planning, beginning in early adulthood, women can take control and realistically envision economic security for their retirements.

A persistent wage gap in many fields has put women at a disadvantage in several ways: Because women earn less, women generally have less they can set aside for retirement after paying current living expenses during the accumulation years (when in the workforce). According to 2021 data on Payscale.com “The average amount of money earned by women throughout their career is \$850,000 less than that of men.”

Compounding the disadvantage, women spend a greater amount of time out of the work force, typically related to child and other family care roles. On average, women spend 44% of their adult life out of the workforce compared to 28% for men. This can significantly add to women’s disadvantage at saving to prepare for retirement years, as well as exacerbating their diminished social security participation.

According to Brookings.edu (July 2020) How does gender equality affect women in retirement?

Caregiving provided during women’s 20s and 30s, when careers are formed and when age-earnings profiles are relatively steep, creates career-long earning losses. One study found that a woman with one child earns 28 percent less on average over her career than a woman without children, partially as a result of time out of the work force. (In sharp contrast, becoming a father typically does not reduce a man’s earnings.) Each additional child reduces average women’s earnings by another 3 percent. Women are also more likely than men to care for their aging parents—a responsibility that predominantly falls on women over

the age of 50.

People who leave the labor force early to care for a parent or other elderly relative lose an average of \$142,000 in wages.

The wage gap and time out of the work force also results in women generally earning a lower social security benefit than male counterparts. In 2019, the average annual Social Security income received by women 65 years and older was \$13,505 compared to \$17,374 for men.

Moreover, women tend to live longer than men and thus rely on their retirement wealth for a longer period of time. In 2020, average life expectancy at age 65 is 21.1 years for women and 18.6 years for men...As a result, for a given level of retirement wealth at age 65, women can afford to consume about 7 percent less per year than men to make those resources last as long as they do, according to the Brookings report.

Women fear outliving their spouses. Given greater longevity, that is not surprising They also fear outliving their financial resources.

What can women do to address these issues while a wage gap persists, time out of the workforce and relative longevity impair their ability to earn and build for as secure a retirement as men?

Women tend to put off building a relationship with a financial advisor or delegate that activity to a partner or spouse. Rather than wait until they are in their 40's or 50's, women should begin discussing their own retirement planning in their 30's, to gain a realistic picture of what they can do to plan for retirement. The value of compounded earnings over time add value exponentially to saving early in one's working years, and a financial advisor can help increase this understanding.

A financial advisor who understands these issues and who also can empathize with what it feels like to have these financial challenges can help to increase financial literacy to empower the kind of decision making that can support more secure retirements.

Working with an advisor to build a plan as early as possible, fine-tuning that plan as the years go by while intentionally saving for retirement can set women on a path to secure retirement, and eliminate the imagined “Bag Lady” for good.

Learning About Special Terms and Conditions on a Marine Insurance Policy



Chris Richmond

By Chris Richmond

Originally Submitted to [WorkBoat Magazine](#)

Your commercial vessel's insurance policy actually consists of two separate policies: Your hull policy and your protection and indemnity policy. While the actual hull and P&I policies

typically consist of accepted insurance forms, insurance underwriters always add additional terms and conditions. These are worth noting because they can significantly affect your policy.

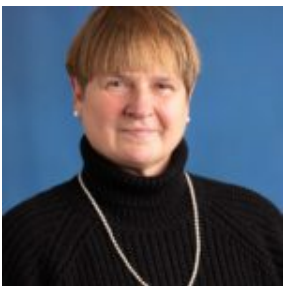
Look at the final pages of your policy to see these special terms and conditions. While these vary by insurance company, here are a few to keep an eye out for:

- **Commercial vessel use warranty:** This stipulates that there is only coverage for what has been declared on the policy for the vessel's commercial usage. If you are operating as a passenger vessel but decide to do some commercial fishing , be sure to notify your agent as your commercial use warranty needs to be amended.
- **Lay up warranty:** If you do not operate your vessel year-round, you can get a break on the premium by adding a lay up warranty. But if you operate your vessel during this period no coverage will apply should you need it. Lay up warranty differs slightly from company to company but basically your boat needs to be in a state of decommission and not used for any purpose during the lay up period.
- **Diving warranty:** Do your operations sometimes involve commercial diving? This is excluded from your policy. Typically all overboard activities are excluded but some can be bought back (such as swimming or snorkeling). Diving requires a special policy.
- **Gear and cargo exclusion:** Some insurance companies will exclude fishing gear that is not permanently installed on your vessel (and your catch also will be excluded from coverage). Other cargo you are transporting may also not be covered. Cargo can often be added back on but if you are storing the cargo on shore before getting underway you will need additional coverage for that.
- **Crew warranty:** If you have crew covered on your policy,

there will be a number stating how many crew members the policy is providing coverage for. Should you have more crew on board and you have not reported the increase to your insurance company, then the policy may only respond proportionally to the number of crew your policy states by the number of crew you have on board at the time of the claim.

Just as commercial vessels vary, a commercial hull and P&I policy is not a one-size-fits-all. Have a conversation with your agent about your operations and vessel usage to ensure that your insurance will be there when you need it.

2020: ESG Record Breaking Growth in the Midst of Covid-19 and Climate-Change Focus



Sarah Ruef-Lindquist, JD, CTFA

By [Sarah Ruef-Lindquist, JD, CTFA](#)
Originally submitted to [Pen Bay Pilot](#)

More people in the US are involved in the stock markets than ever before. If you have any retirement plan assets, like an IRA or a 401(k), chances are you have investments. For a growing number of investors, considering the impact of the companies in which they are investing is becoming a priority in selecting stock, mutual and exchange-traded funds to include in their portfolios and retirement accounts.

ESG investing involves a strategy that takes environmental, governance and social issues of companies and their impact into account. Sometimes also referred to as “SRI” or *Socially Responsible Investing*, the use of this strategy has grown significantly over the last several decades to not just screen out “bad actors” like fossil fuels, gambling, defense industry and alcohol, but to include in mutual and exchange traded funds and investor portfolios companies creating more diverse boards and C-suite leadership, environmentally friendly policies, operations and progressive workplace conditions.

There is a growing list of mutual and exchange-traded funds with the ESG focus, a trend that has been developing for more than 30 years. But the past 4 years and most recently the pandemic has accelerated their growth exponentially. According to the Banking Exchange on February 2, 2021 Bank of America’s [ESG Matters – Quant Edge recently reported](#) that additional investments in sustainable investment strategies in 2020 reached \$255 billion, a new record. The report went on to say that 1,866 ESG equity funds saw inflows in 2020 of \$194 billion, compared to \$186 in outflows from other global equity funds. In other words, the additional amounts invested in ESG funds exceeded the funds taken out of non-ESG funds.

The article reported 141 new ESG funds were launched in 2020, most of them in Europe. In the fixed-income space, there was also significant growth: ESG bonds issued in 2020 exceeded \$500 billion for the first time. Bank of America also reported that thus far 2021 is showing stronger inflow momentum for sustainable products, with global ESG funds experiencing \$24 billion in inflows, one and a half times the pace of 2020.

Why all the increased investments in these types of offerings? One theory was cited as “...regulatory changes coming to the EU and a new presidential administration in the US” seeking to tackle climate change and address social change.

In a January 6, 2021 article on Livemint, the ESG inflows in 2020 were compared to inflows of \$63.34 billion 2019 with “conscious investing” a key theme of 2021. They cited [a BlackRock survey from December 2020](#) showing investors with \$25 trillion in assets planning to double their ESG assets in the next five years. Climate-related risks were a top concern for 88% of those 425 investors responding from 27 countries.

A [December 14, 2020 article in Forbes *Why Socially Responsible Investing Is Likely to Gain Momentum Under Biden*](#) noted that sustainable investing has had more growth over the last four years than the previous 12, in part because US voters perceived the need to support endeavors that could positively address climate change and social issues if government was not so inclined. The article went on to say that the growth in sustainable investing now means that in one out of three investing dollars are being invested in this manner.

In addition to more investment activity increasing the amount of funds that have a socially-conscious approach, these investments outperformed their peers that do not have an SRI or ESG strategy. Bank of America’s analysis revealed that 65% of ESG

indices outperformed equivalent traditional benchmarks in 2020. The outperformance of many tech stocks in 2020 as the pandemic drove innovation and demand while fossil fuel companies suffered from the continued growth of alternatives and reduced demand supported this relative outperformance, and could continue as a tailwind as the world emerges from the pandemic economy with a renewed emphasis on climate change awareness.

Ask your financial advisor about the options available for ESG investing that would suit your particular situation. You may find that the ESG strategy could support a plan of doing well, while doing good.

Fraudsters' Top Target: Older Victims

From bankinfosecurity.com

A top trend highlighted in the latest FBI Internet Crime Report is the rise in fraudsters targeting individuals 60 years of age and older.

While not all crime reports include a victim's age, fraudsters do appear to especially target older individuals. "Victims over the age of 60 are targeted by perpetrators because they are believed to have significant financial resources," the FBI says.

Top scams encountered by older victims include:

- Advance fee schemes, which involve securing advance payment for goods or services that never arrive;

- Investment fraud schemes;
- Romance scams;
- Tech-support scams, with 84% of all known 2020 losses – more than \$116 million – tracing to individuals age 60 and over;
- Grandparent scams, in which fraudsters pretend to be a relative of the victim who's in distress;
- Government impersonation scams;
- Sweepstakes/charity/lottery scams;
- Home repair scams;
- TV/radio scams;
- Family/caregiver scams, which may lure victims into applying for fake jobs and being tricked into handling stolen goods or rerouting stolen funds.

“If the perpetrators are successful after initial contact, they will often continue to victimize these individuals,” the FBI says.