Amy Bowen Earns CPIA Designation

Amy Bowen, AAI, ACSR, CPIA

Amy Bowen, AAI, 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.

Bowen also holds an Accredited Adviser in Insurance and an Accredited Customer Service representative (ACSR) designation. She joined Allen in 2013.

Additional Coverages to Consider for Your Marine Business

Chris Richmond, CIC, AAI, CMIP

By Chris Richmond
For WorkBoat Magazine.

Recently I presented a marine insurance session at a national conference. The topic was additional coverages – and I repeated what has become a mantra for these times: In today's world just having hull and protection and indemnity may not be enough.

Does your vessel have tenders? While your hull's coverage extends to the tenders and launches, they will also have the same deductible that your vessel carries. This could often be higher than the value of your tender. By listing your tenders separately, you can have them insured for a stated value and also have a much lower deductible for them. And don't forget to let your agent know if you install a new outboard on your tender. It won’t have increased coverage unless you notify the insurance company.

Pollution is excluded from all hull and P&I policies. There is some buy back coverage available but it is limited and often still will not respond when needed. A stand-alone pollution policy provides-wide ranging coverage not only for clean up but also for fines, penalties and potential liability. And don’t forget that there is more to pollution besides petroleum spills. Black water and chemical spills can be just as damaging and costly to you.

Your vessel is often your sole means of making money. If your boat is not operating, then you are losing income. Having loss of income coverage added to your policy is a way to maintain a source of revenue while your boat is being repaired due to a covered claim. Coverage for loss of income is based on the amount you want; the more coverage the higher the premium. The big thing to remember is that loss of income is not triggered unless your vessel suffers a claim that is covered.

As a vessel operator your merchant mariners license can be as important to you as the vessel you operate. Without your license you are not operating a commercial vessel. Insurance coverage for your license can be as important should you find yourself in an admiralty hearing. Coverages are wide ranging and limits can vary depending on how much you desire to carry.

Insurance is never a one size fits all. Coverages vary depending on what you ask for and the limits that you and your business desire. Have a conversation with your agent to see if any of your operations are left unprotected.

For a Successful Safety Program, Catch Someone Doing Something Right

By Dan Bookham for April 2023 WorkBoat Magazine

Dan Bookham, AAI

The data is in: A strong safety culture has the single greatest impact on accident reduction in the workplace on land and water both. With that in mind, a smart employer will look to prioritize the creation or reinforcement of a strong safety culture and will often turn to an incentive program to drive the desired results. But what's the best approach?

Incentive programs fall into two categories. Calendar-driven, aka rate-based, incentive programs reward employees for injury free time periods such as months or quarters. Action-driven programs recognize employees for taking proactive steps to prevent workplace injuries and encourage the reporting of near-misses and safety hazards.

Both approaches are allowed under current OSHA standards, but rate-based programs come with an important caveat. There are concerns that these programs can encourage folks to brush injuries and incidents under the rug. Pressure from coworkers can be significant as well: Nobody wants to be the one to mess up everyone else’s shot at the bonus. OSHA has specifically stated that employers cannot create incentive programs that would “deter or discourage an employee from reporting an injury or illness,” but human nature is a tricky thing and we all know such things can be – to throw in a little Shakespeare – more honored in the breach than in the observance.

The other downside to rate-based programs is that they can make it easy to assume a safety record is a product of an excellent culture rather than a product of luck. We’ve all marveled at boneheaded behavior by a coworker that surely will see them carted off in an ambulance, but folks can often engage in unsafe behaviors for a time before an injury occurs. If we throw money at the entire group for avoiding injury, we can inadvertently reward employees when they are not actually behaving safely.

With action-driven programs however, the rewards are triggered by proactive efforts to both avoid and acknowledge potential hazards and issues, as well as to ensure there’s no penalty associated with the timely reporting of all workplace injuries. Because sustained safety depends upon knowing what injuries are occurring, what the real hazards are and knowing if employees are engaged in safe behaviors and following their training, these data-rich programs feed long-term success. Additionally, they incentivize employees to take positive actions to prevent injuries rather than pay them to not be injured.

For this month’s take away, establish a safety program that includes a safety incentive aimed at taking positive actions. For example, pay a bonus to someone who reports an unsafe condition. Recognize someone for volunteering to conduct safety training, participate in the safety committee, or for writing a new safety policy. Reporting near-misses and stopping unsafe actions can also be rewarded. Catching someone doing something right can lead to a more positive culture, better employee engagement and fewer workplace injuries.

Chris Wilson Earns CPIA Designation

Chris Wilson

Chris Wilson, ACSR, a member of the personal 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.

Wilson also holds an Accredited Customer Service representative (ACSR) designation. She joined Allen in 1998.

“All of us here at Allen are incredibly proud of Chris’s professionalism and commitment to both customers and community,” said Scott Carlson, personal insurance division manager at Allen Insurance and Financial.

Anna Moorman Recognized by Anthem for Medicare Sales

Anna Moorman

Anna Moorman of Allen Insurance and Financial has been recognized with a gold level award for Medicare supplement sales in 2022 by Anthem, one of the largest Medicare supplement carriers in the state of Maine.

Moorman is one of three agents at Allen Insurance and Financial who specialize in the complex market of Medicare insurance, working with a number of insurance carriers to give customers a range of choices to suit their needs. Moorman has been with Allen Insurance and Financial since 2012.

This is the eighth consecutive year that Moorman has received an award from Anthem for Medicare sales; she is consistently ranked in the top three of Anthem's sales leaders in Maine.

Moorman and her colleagues Jo-Ann Neal and Lee Cabana have a goal of simplifying the process of enrolling in a Medicare plan, by providing dedicated, one-on-one attention to their customers, assessing each person's needs and finding options that will align with their budget and healthcare goals.

Women and Retirement: More on SECURE 2.0

Sarah Ruef-Lindquist, JD, CTFA

By Sarah Ruef-Lindquist
For Pen Bay Pilot

A recent article in Financial Advisor on-line magazine provided some interesting insights into how SECURE 2.0, the most recent sweeping legislation affecting retirement savings, has potential to support women's retirements.[1]

Leslie Geller, senior vice president and wealth strategist at Capital Group, explained how some of the provisions that could provide greater opportunities than previously available for women saving for retirement:

“SECURE 2.0, far more than the original SECURE, presents more options and opportunities for different people to save for retirement differently. And I think it’s especially impactful for women because saving for retirement is far less of a one-size-fits-all approach for women and finances,” she said.

According to the article, the following provisions should be of particular interest to women:

Required Minimum Distributions. In 2023, the age at which people must withdraw taxable funds from retirement accounts (‘RMD’s’) rises from 72 to 73, and to 75 in 2033. That’s a minor deferral for today’s 72-year-old. But for women who are 62 this year or younger, it’s a much more significant bump. This allows these accounts to have time for potentially greater tax-free growth before draw-down begins.

Catch-up contributions for 401(k) and 403(b) plans, governmental plans and traditional IRAs. Catch-up contributions are especially helpful for women who take time out of the workforce for childrearing or eldercare, and who have longer life expectancies than men. While it is impossible to recover the lost time value of money, increasing retirement savings now to grow through retirement is the next best thing.

In 2023, employees contributing to an employer plan who are 50 years old and older can now make a catch-up contribution of $7,500 on top of the $22,500 maximum regular contribution. Those amount were $6,500 and $20,500.

The second adjustment is a new initiative for employees 60 to

63. Beginning in 2025, these workers will be able to contribute 150% of the catch amount up or $10,000, whichever is greater.

529 rollover to Roth. Saving for a child’s education is a priority for many women. Under the new provision, 529 funds not used for education can be rolled into a Roth IRA tax and penalty free, up to $35,000.

New benefits for part-time employees. Women are often part-time employees, ineligible for retirement plan participation. However, beginning in 2025 employers will have to make their 401(k) plans available to their long-term, part-time workers, who are those working at least 500 hours a year for at least two consecutive years.

Automatic enrollment. Beginning in 2025, employees will no longer have to actively opt into new employer 401(k) or 403(b) plans. The deferral amount will start at 3% in 2025 and increase 1% a year to 10% unless the employee opts out.

Save for retirement while paying off student loans. An employee repaying a student loan can still get an employer matching contribution on the repayment amount under a 401(k), 403(b) or 457 (b), even if they are not contributing to the plan. These contributions, beginning in 2024, can allow a worker to pay off student loans and simultaneously save for retirement.

There are also numerous new provisions that allow account holders to access account assets for emergencies, waiving penalties for early withdrawals in the case of terminal illness, domestic violence victims and penalty-free emergency withdrawals of up to $1,000 per year.

Given the unique circumstances of each individuals, consulting a qualified financial or tax advisor about how any of these provisions may affect you is strongly recommended.

Allen Insurance and Financial Named Employee-Owned Company of the Year by the New England Chapter of The ESOP Association

Allen Insurance and Financial has been selected as the 2023 Employee Owned Company of the Year by The ESOP Association’s New England Chapter. This award, which recognizes the outstanding employee ownership programs of its members, was presented at the New England Chapter Spring Conference in Burlington, Mass.

The New England Chapter of The ESOP Association is comprised of more than 180 companies from Maine, New Hampshire, Vermont, Massachusetts, Rhode Island and Connecticut.

”We are pleased and honored to have been selected as the winner of the 2023 Company of the Year by the New England Chapter of The ESOP Association,” said Michael Pierce, president of Allen Insurance and Financial. “We are proud to be an ESOP and be part of a community of camaraderie and accountability.

This award is recognition of the work we have been doing to grow our company and to strengthen our employee ownership culture – these two go hand-in-hand on the path of our success.”

The New England Chapter judges were especially impressed by Allen’s many examples of that ownership culture in action.

Allen Insurance and Financial's employee owners have a history of donating significant time and effort to support the communities in which they operate, and have earned many awards over the years for their generosity and the strength of their company culture.

The New England Chapter judges said: "Allen Insurance and Financial's employee owners are truly committed to their ownership culture, their customers, and their community. Their robust culture committee structure is a highly effective driver of their communications, wellness, and community service efforts, and we hope that their model can serve as an example for other companies both within our chapter and across the country."

The New England Chapter judges continued: "The company is therefore an ideal candidate for the ESOP Association's 2023 National Employee Owned Company of the Year award and we are pleased to forward their application to the national office for consideration."

Winners from The ESOP Association's 19 chapters are considered for The National Employee-Owned Company of the Year, which will be announced at The ESOP Association's National Conference in Washington, DC in May 2023

ABOUT THE ESOP ASSOCIATION: The ESOP Association is founded on the belief that employee ownership will improve American competitiveness, increase productivity through greater employee participation, and strengthen our free enterprise economy. Online: esopassociation.org

Teaching Teens Financial Responsibility

We feel confident our kids will be taught reading, writing, and basic math in school. But how will they learn to budget, use a credit card, save for a car or a down payment on a home, and stay out of debt? Just as reading and writing are critical skills for a successful future, so is financial responsibility. Unlike with common academic subjects, however, it often falls on families to teach money-related lessons. Before a teenager leaves the nest, they should know these basic financial concepts to lay a foundation for success in adulthood.

Budgeting and Banking
Allowances are commonly offered to kids as a reward for doing chores. They also provide lessons in saving and budgeting. A monthly allowance—as opposed to a weekly one—gives more opportunities for planning ahead because the cash needs to last longer. Creating a budget with your teen for how to spend an allowance can lead to a discussion about prioritizing needs over wants and figuring out how to spend less on some things so you have more to spend on others. You might suddenly find your kid packing a snack at home, for example, instead of visiting the vending machine at school.

Teens often have additional opportunities to learn money management when they earn cash from part-time jobs or summer work. That additional income means they have more to spend and budget—and they're attaining more financial independence.

One common approach is to instruct kids to divide their income into three categories: save, spend, and give. Although saving in an envelope or piggy bank might work for young children, opening a savings account for your teen helps them learn about banking in general, accruing interest, and planning for long-term goals. Many banks offer teen checking accounts with a debit card as well as allow parental access and controls.

It might be possible to set up direct deposit for paychecks and have your teenager check the balance from their mobile phone. Looking at the paycheck together can also spark lessons in taxes, such as types of deductions, what the government uses the money for, and who must file a return. This way, you'll save them from a big surprise when their take-home pay is less than expected. You can also look into youth brokerage accounts to get your teen to learn about investing.

A Course in Good Credit
Once your teen has money in the bank, they'll need a way to access it. Options include debit cards, prepaid cards, and adding an authorized user to your credit card account. Each of these methods offer lessons in how to spend within your means.

A debit or prepaid card can help your teen start making online and in-person purchases without incurring debt. Practicing using a debit card can get them in the mindset of spending only what they have, which will be helpful when they are eligible for an actual credit card. Although most lenders won't issue a credit card to anyone younger than 18, adding your teen as an authorized user on your credit card is another option for a starting experience with credit. To maintain the same spend-within-your-means line of thinking that a debit card offers, consider requiring receipts for your teen's purchases and collecting cash from them for each expense.

Look at the credit card bill together each month, explaining annual fees, interest charges, late payment fees, and—most important—the consequences of amassing credit card debt. Paying the bill together can also help your teen form a habit of checking all charges, getting mistakes or fraudulent charges corrected, and paying attention to due dates.

Once you've taught your teen how to responsibly pay the bill, you can explain the basics of credit scores, such as how they're calculated and how they can affect a person's ability to borrow and make large purchases as an adult.

Contributing to a Cause

"Spend, save, give" might sound easy, but what would motivate your teen to donate any of their earnings—and to whom should they give? One way to introduce the concept of donating to charity is to share information about the contributions you make, why you chose those organizations, and how the recipients benefit from your help. Perhaps your teen is an animal lover, has a friend battling a disease, has a relative who is a veteran, or is interested in another cause that would benefit from a donation.

After selecting a charity, discuss the importance of researching organizations to confirm their legitimacy and to verify that any contributions directly benefit those in need. Lastly, educate your teen about itemized tax deductions and how charitable donations to qualified organizations can reduce your tax bill.

Staying Safe from Scams

Just as you've taught your child general online safety, there are new lessons to learn once debit cards, banking apps, and online donations enter the mix. It's important that your teen knows never to share passwords, online banking information, or account numbers. Help them regularly check credit card bills or debit accounts for fraudulent charges and guide them through reporting purchases they don’t recognize.

If you have questions about how to communicate these—or any other financial concepts—to your teen, please reach out to our office. We aim to help your whole family achieve financial success.

Inheriting Debt from a Family Member

Thinking about a loved one’s outstanding debt is the last thing on anyone’s mind when a family member passes away. Unfortunately, many people find themselves dealing with creditors and figuring out how to pay their loved one’s debts as they grieve. To avoid this situation, it makes good financial sense to consider these matters ahead of time.

Who’s Responsible for Outstanding Debt?
Generally, the deceased person’s estate assets are used to satisfy creditor claims before being distributed to beneficiaries. If estate assets are insufficient to pay all outstanding debt, the estate is considered insolvent, and state law prioritizes the payment of the deceased person’s bills with the available assets.

In some cases, however, outstanding debts may not fall to the estate:

- Cosigned or joined debts. If you’ve cosigned on a loan or credit card with the deceased person or owned the account jointly, you are financially responsible for that debt.

• Guaranteed debts. A similar situation to cosigning, if you are the guarantor of a loan for someone who has passed away, you will owe the lender payment of any remaining debt.

• Community property. If your spouse passes away, you may find yourself responsible for debts for which you weren't a cosigner or coapplicant. Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin are considered community property or quasi-community property states, meaning all property and debt acquired during a marriage is considered jointly owned. If you live in one of these states, you could be held responsible for debts your spouse incurred.

How Are Different Types of Debt Handled?

• Credit card debt. Again, family members are not responsible unless they cosigned on the credit card. Although debt collectors may be aggressive, they can only make a claim against the estate. If you did cosign, you will be held responsible for the debt, even if you didn't directly incur it. However, being an authorized user on the credit card account will not make you responsible for the credit card debt.

• Medical debt. If your parent qualified for Medicaid, the state may try to recover the payments made for their care. The state cannot ask you to pay, but it may be able to put a lien on your parent's home to recover the funds or seek recovery from your parent's estate. If a family member dies with other unpaid medical bills (unrelated to Medicaid), those bills become an estate debt. Keep in mind that many states have filial responsibility statutes that, under certain circumstances, hold adult children responsible for a deceased parent's medical debt. A spouse might also be responsible for a deceased spouse's medical debts under a state's family expense act. Be sure to understand how state law may apply in your situation.

• Mortgage debt. If you inherit a residence with a mortgage, you generally aren't required to pay it off immediately. If you fail to make the mortgage payments, however, or cannot sell the house for a price that will pay off the mortgage, the lender will likely foreclose (or possibly agree to a short sale). If you don't wish to own the real estate, you may disclaim it, at which point it would transfer to the next estate beneficiary.
• Student loan debt. Federal programs, such as Perkins and Stafford loans, usually offer cosigners forgiveness if the borrower passes away. However, private loans may be another story. Although some lenders have started to discharge the debt if a borrower dies or becomes disabled, many demand the money owed from cosigners.
• Taxes. The estate is responsible for paying any property, income, or estate taxes. Tax authorities are usually given top priority as creditors.

Don't Be Bullied

Family members of deceased debtors—and all consumers—are protected by the federal Fair Debt Collection Practices Act (FDCPA), which prohibits debt collectors from using abusive, unfair, or deceptive practices in attempting to satisfy a debt. Under the FDCPA, collectors can contact the deceased person's spouse, guardian, executor, or administrator to get their contact information, but they are not allowed to discuss the details of the debt. You have the right to control your interactions with these collectors. For more information, visit the Federal Trade Commission's website.

Know Where You Stand

Inherited debt can be a complex issue. If you find yourself in this situation, seek advice from your financial advisor and an attorney who can guide you through the probate process and work with debt collectors. Although dealing with a loved one's death is never easy, getting your questions answered and protecting your inherited assets may make the situation a little less stressful.

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.

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6 Money Conversations to Have in a Long-Term Relationship

All couples hope for a "happily ever after," but it's no secret that money issues can be primary reasons partners split up or divorce. To avoid future battles over finances, it's smart to put all your cards—credit and otherwise—on the table. Of course, a conversation about salaries and student debt is probably premature on a first date. But once you decide to enter a long-term relationship, be sure that you and your partner are on the same page about handling current and future expenses. Even if you're married, it's never too late to talk about where you stand and where you're headed financially.

Set yourself up for that happily ever after by having these important financial conversations.

1) What Do Each of You Bring to the Table?

It's a good start to be honest about liabilities, such as student loans, credit card debt, medical expenses, and other financial obligations, as well as assets, such as salary and investments. Knowing these figures will help you plan for the future and understand how you'll need to budget. It may also give you a bit of a reality check. Once you combine finances, your goals will be mutual—perhaps owning a house, paying off debt, starting a family, saving for retirement—and you'll need to work together toward them.

Lying to your partner about money, or hiding debt or separate accounts, is often referred to as financial infidelity. This term alone gives you a sense of the trouble it can cause in a relationship and why it's ideal to be honest about finances from the start.

2) What Are Your Credit Scores?
Your credit scores will factor into your ability to buy a car or house—or even rent an apartment. Since these events will inevitably happen during a long-term relationship, revealing your scores early will help you determine whether you're in good standing as a couple or if you'll need to improve your scores before attempting a big purchase. You can start by getting a credit report from Equifax, Experian, or TransUnion (you're entitled to one free report from each company per year). Go to AnnualCreditReport.com to get started. Need help getting your score up? Check out Credit Karma or NerdWallet for tips.

3) How Will You Split Expenses?
Drawing up a monthly budget is a huge step toward the goal of financial stability. Consider how much income you are bringing in, what your regular costs will be, and whether you will pay them from a joint account or split them up. There are many budgeting apps you can use to help you set up a plan and stick to it. You'll also want to have an emergency fund, which should cover three to six months of expenses. If you don't have enough

to set those funds aside, factor a monthly contribution to your emergency fund into your budget plan.

4) What Is Your Risk Tolerance?
Whether you're a risk taker or have a more conservative approach, it helps to agree with your partner when it comes to investing as a couple. Risk tolerance also comes into play regarding debt or divorce. Although signing a prenuptial agreement is often associated with protecting your assets in case of a separation, it can also protect one partner from another's debts—either personal or business related. Having a conversation about the value of such a document could help prevent problems in the future.

5) Will You Have Kids?
According to the Brookings Institute, the average cost of raising a child born in 2015 through the age of 17 is $310,605. Needless to say, having a child—and certainly having multiple children—would be a major expense. Childcare (or living on one income if a parent is caring for the child) is another big cost to consider. Hospital expenses are often high before your child even arrives. In addition, adoption, IVF, surrogacy, and egg freezing and storage can be expensive, should you go through any of those processes.

6) What Are Your Plans for Retirement?
Once you've had these important financial conversations, you'll be on track to eventually head into your golden years and retire together. You should start planning for that as soon as possible. The earlier you set up a retirement plan and start accumulating savings, the less you'll need to contribute on a regular basis. If your employer offers a 401(k) or another plan, decide if you can afford to start contributing now. If they offer to match a percentage of your contribution, that's even more incentive to enroll.

Discuss your retirement plans with your partner. At what age do you hope to retire? How much savings will you realistically need to support yourselves from that retirement age through the rest of your lives? Do you plan to travel? Relocate? Talking through these answers will help determine how much you need to save together to retire comfortably.

Although this isn’t the most romantic list, a solid financial foundation is a critical aspect of a long-lasting partnership. If you need additional information about any of these discussion topics, please reach out to our office.

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.