Rate Hikes Sought by Maine's ACA Insurers

Maine's two leading providers of Affordable Care Act-compliant individual health insurance are requesting average rate increases of just over 9 percent in 2019, and smaller increases if a state-run reinsurance program is revived.
Maine media has covered this news, including this story from the Portland Press Herald. **Click here.**

Anna Moorman Recognized for Medicare Sales Production

Anna
Moorman

Anna Moorman of Allen Insurance and Financial has been recognized as a top Medicare producer in Maine. Moorman is one of two agents at the company who specialize in the complex market of Medicare insurance, working with a number of insurance carries to give customers a range of choices to suit their needs.
Moorman and her colleague Jo-Ann Neal are based in the company's Chestnut Street offices in Camden.
"Medicare is very complex and both Anna and Jo-Ann enjoy helping clients navigate the Medicare maze by simplifying the process,"

said Michael Pierce, company president. “At Allen Insurance and Financial, our goal is to provide dedicated, one-on-one attention to our Medicare customers, assessing each person’s needs and finding options that will align with their budget and healthcare goals.”

At a recent luncheon in Bangor, Anthem recognized Moorman for her work in the Medicare market, where she received an award for being the second highest performing broker for Anthem Medicare Supplement sales in 2017 for the State of Maine. She also received a second award for overall production of Anthem Medicare policies written in 2017, coming in fourth in a field of more than 200 brokers.

Meet Our Medicare Team at the MidCoast Senior Expo

Join Jo-Ann Neal and Anna Moorman at the MidCoast Senior Expo, Friday, May 18 from 9 a.m. to 2 p.m. at the Elk’s Lodge, 210 Rankin Street in Rockland.

Jo-Ann and Anna will be ready to answer questions about Medicare. The event is expected to draw 32 exhibitors and is sponsored by Maine Senior Guide.

The Right Kind of Umbrella

We have all heard the jokes about Maine weather, and none of us would be without the essentials: our snow shovel and an umbrella. The question is: Do you have the right kind of umbrella?

You are responsible for bodily injury, property damage and personal injury caused to another person by you, your dependents, even your pets. Your home and auto liability have limits to what and how much they will cover in the event that you are sued. A Personal Umbrella Policy not only raises the dollar limit above and beyond your current policies, but also broadens what will be covered.

This is the way it works: Let’s say your homeowners policy has a limit of $250,000. You have a pool and a neighbor’s child is injured while swimming.The neighbor sues you. The case is lost and your neighbor is awarded $400,000.

Your homeowners liability kicks in and pays your limit of $250,000. On top of that the policy pays the attorney fees you racked up to defend you in court. But what about the $150,000 not covered? If you have an umbrella policy, it kicks in where the homeowners left off and pays the balance of the award up to its limit. If you do not have enough coverage on your homeowners policy and if you do not have an umbrella, the remainder of the award comes from you. Your paycheck, your house, your car, your assets!

One of the best aspects of an umbrella policy is that because they do not start to pay until the limits of your home or auto policy have been exhausted, they are very reasonably priced. On average you can purchase a $1 million umbrella for less than $150 a year.That’s a little more than $12 a month.

Only you can make the decision that best suits your needs. Individuals with teenagers, pets, pools, who volunteer in civic groups or who own a business should give careful consideration to the need for additional liability coverage.

Considering Self-Funding in the Battle Against Increasing Health Insurance Costs

By Sherree L. Craig, CEBS, Insured Benefits Division

Sherree L.
Craig, CEBS

With a predicted medical trend increase of 6.5% in 2018 (PwC), businesses can expect to see a bump in their health insurance costs again this year.

Until the underlying issue of the cost of medical care can be controlled, company health insurance plans will be impacted with higher premium costs, reduced insurance protection and increased employee dissatisfaction with their benefits.

More businesses are exploring the opportunity to be creative with their company health plan offerings through a risk-mechanism called self-funding. What are they doing? They are paying for all of their employees' health care with the assistance of a third party administrator (TPA), insuring only their highest cost claims with a stop-loss insurance policy. This way, they have several advantages over a fully insured health plan.

1. Removal of insurance company overhead costs

2. Reduced state premium taxes
3. Improved cash flow and,
4. Flexibility in plan designs and service offered.

This flexibility leads us into several strategic initiatives considered next generation for health plan cost control, and employers are adopting these innovative ideas to help reign in their medical spending.

All health plans are required to pay 100% for preventive services. How about removing all financial obstacles (co-payments and deductibles) for the treatment of the chronic conditions that lead to the largest medical costs down the line? With this concept, Value Based Plan Design" diabetics are getting proper testing and medications to prevent the catastrophic claim that is imminent without proper care.

Another tool being adopted by self-funded health plans is the reference-based pricing model. A reference price (the most that will be paid) is determined for a treatment, either by a percentage of the allowable Medicare payment (i.e., what the federal government has to pay for that service) or by a study of comparable pricing from well-respected providers (Centers of Excellence).

The plan payment for any provider is capped at that reference price. A health plan might also choose to negotiate with that provider to accept that price (Direct Provider Contracting), or the health plan policy might be to have the member pay the balance bill if higher than the reference price.

Self-funding is not an answer for all employers. If you do choose to make that leap, or want to explore the opportunities, be sure to speak with an experienced professional. There is a lot of work to be done when moving in this direction and thorough education, preparation, and analysis is critical.

Sherree Craig is certified in self-funding by the National Association of Health Underwriters.The NAHU Advanced Self-Funding Certification ensures knowledge of regulatory concerns, *service model options, cost-containment strategies and underwriting concepts necessary for providing advice and direction on employer self-funded health plans.*

Chris Richmond Elected to Board of Directors of Maine Marine Trades Association

Chris Richmond

Chris Richmond, a member of the marine insurance division of Allen Insurance and Financial, has been elected to a three-year term on the board of directors of the Maine Marine Trades Association.

Richmond, based in the company’s Camden office, is a former schooner captain who maintains his USCG 100-ton master’s license. He specializes in marine insurance, working with boat yards, builders and owners across the U.S.

Richmond has been with Allen Insurance and Financial since 2011. He is a graduate of The American University in Washington, D.C., and the Landing School of Boat Building and Design, where he serves on the school’s program advisory board.

Important Information for Those Who do not Have Employer-Sponsored Health Insurance

Open enrollment is when you can change plans or change insurance companies. The open enrollment period for individual health insurance coverage for 2018 under the Affordable Care Act has been shortened significantly to Nov. 1 through Dec. 15.

We are working with as many of our existing customers as possible. We will not be taking on any new individual health customers.

For more information, please read our **October Individual Health newsletter,** distributed to our customers on Tuesday, Oct. 10.

Our Latest Medicare Newsletter – Open Enrollment Starts 10/15

Plan information for 2018 will become available Oct. 1. By that time you should have received an Annual Notice of Change (ANOC) from your insurer explaining how your plan will be changing for 2018. If you have questions about your coverage or need to make a change, open enrollment is a great opportunity to do this.

Open enrollment starts Oct. 15 and ends Dec. 7. Plan changes take effect Jan. 1.
[Here's a link to our newsletter.]

What is Directors & Officer Liability Insurance?

What is Directors & Officer Liability Insurance?
Directors and officers liability insurance protects past, present and future directors and officers of non-profit organizations from damages resulting from alleged or actual wrongful acts they may have committed in their positions. The policy provides protection in the event of any actual or alleged error, misstatement, omission, misleading statement, or breach of duty.
What does Directors and Officers liability insurance cover?
Criminal, administrative, civil, and regulatory proceedings based on actual or alleged acts, errors, omissions, misstatements, neglect, or breach of duty committed or allegedly committed by a director or officer are covered with Directors and Officers liability insurance.
Why is Non-Profit Directors & Officers Liability Needed?
1. To protect the personal assets of board and committee members
2. Maine statutory immunity does not apply to the types of claims that arise out of actions as a board or Committee member
3. The Personal Umbrella carried by a Board Member may not extend over their actions on the Board or its committees
4. The bylaws of the organization require that the entity

protect and indemnify the board member in the event of a suit against them. This obligation is fulfilled by the organization carrying D&O coverage including Employment Practices Liability.

5. D&O claims are not covered by the organization's general liability policy

By volunteering, you're helping take care of others

If you sit on the Board of Directors of a non-profit organization, you have gone out of your way to help others Make sure you take care of yourself, too. Every board member should request an annual review of the organizations bylaws and directors & officers liability Insurance. This will be beneficial for current and new members and provide an opportunity to ask questions.

By Richard Crossman, CIC, CRM

Getting to Know More About ERISA

The Employee Retirement Income Security Act, commonly known as ERISA, was enacted in 1974 to address public concerns that funds from private pensions needed protection from mismanagement and abuse. Many employers offering employee insurance benefit plans are unaware that provisions of this Act apply to all plans, not just pensions.

What Employers are Subject to ERISA?

Most employers who are corporations, partnerships, sole proprietorships and non-profit organizations are subject to ERISA. Explicitly exempt from the rule are governmental and church plans. There is no exemption from compliance for employers based on size.

ERISA identifies the following common insurance plans as being subject to its jurisdiction:

- Medical, surgical or hospital benefits
- Sickness, accident, disability, or death benefits

Some benefits offered through payroll deduction are considered "voluntary," and paid 100% by the employee such as supplemental life insurance, critical illness, accident or cancer benefits, are considered exempt from ERISA. However, as an employer if you have any participation in the selection of the vendor or promotion of the program, these benefits will not maintain that exemption.

What is the most common ERISA error?

Every ERISA plan must have a written plan document describing the benefits being provided. Some plans may exist without this document. If so, the plan will be out of compliance and could be subject to violation fines and penalties.

Many employers erroneously believe that their insurance contract is the written plan document. While these contracts and certificates of coverage contain part of the information requirement of the plan document, an audit by the Department of Labor would consider this incorrect. A simple solution to this issue is to work on a form called a "Wrap SPD document." This incorporates most of the missing information, together with the insurance certificates, to meet all of the required ERISA elements for the plan document.

The broad requirements of ERISA additionally include reporting and disclosure, recordkeeping, and fiduciary requirements.

*There are many businesses, including Allen, who can assist you with an ERISA compliance audit. Because of the recent uptick in Department of Labor audits, and the size of the penalties involved, we recommend you start working with a benefits professional as soon as possible.

BY Sherree L. Craig, CEBS.