

# 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.

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## 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.](#)

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# 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](#)

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## **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](#).

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# Individual Health Newsletter | June 2017

Read our June 2017 Individual Health Newsletter (PDF, new window).

[Click here](#).

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# Medicare Newsletter | June 2017

Read our June 2017 Medicare E-Newsletter (PDF, new window) .

[Click here](#).

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# Health Insurance Outside of Open Enrollment

Open enrollment for individual health insurance coverage ended Jan. 31 and at this time the only way someone can enroll in a health insurance plan is if they've experienced a qualifying life event.

At this time our agency does not participate in enrollments outside of the open enrollment period. We have developed a document with information where to get assistance outside of

open enrollment.

[Click here for PDF.](#)

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# **A New Medicare Charge is Coming: Here's How to Lessen the Blow**

For high-income Americans covered by Medicare, now is the time to make tax moves to minimize an increase in premium surcharges. Starting in 2018, households with income more than \$85,000 (singles) or \$170,000 (couples), will be picking up an even greater share of the costs. For example, a single person with an income between \$133,500 and \$160,000 is expected to pay 30% more in 2018 for their Medicare Part B premium- an increase from \$2,856 to \$3,720 per year.

Here are some ways to reduce your exposure:

- Revamp charitable contributions: Consider donating appreciated assets, such as stock instead of cash. This often helps avoid capital-gains tax.
- Look to a Roth IRA: Payouts from a Roth IRA often aren't taxable, so they don't raise your Adjusted Gross Income (AGI).
- Manage capital gains and losses: Capital gains raise Adjusted Gross Income (AGI), but capital losses can offset gains plus \$3,000 of other income in a year.
- Time the receipt of income: Time the sale of an asset or payment to be split over two years, to keep your Adjusted Gross Income (AGI) lower.

- Look to work-related savings: Medicare recipients who are still employed can lower than Adjusted Gross Income (AGI) by contributing to 401(k) plans or traditional IRAs.

If you have questions about this, consider contacting your financial planner. Commonwealth Financial Network® (or your firm) does not provide legal or tax advice. You should consult a legal or tax professional regarding your individual situation.

Allen Financial: 31 Chestnut St., Camden, ME 04843 Phone: 207-236-8376.

Fixed Insurance products and services offered through Allen Insurance and Financial, L.S. Robinson Co. or CES Insurance Agency.

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## **Medicare Matters: Open Enrollment Starts 10/15**

When it comes to Medicare, one size doesn't fit all. While everyone has the same benefits available to them through Original Medicare, Medicare Advantage and prescription drug plan benefits vary by county and are subject to change from one year to the next.

If your health needs have changed in the last year, it's important that we review your coverage. At Allen Insurance and Financial, our goal is to help you find the best plan that fits your needs and supports the way you live.

Oct. 15 to Dec. 7 is the open enrollment period for Medicare coverage in 2017. Plan changes take effect Jan. 1, 2017.

Plan information for 2017 will become available Oct. 1. By that time you should have received your Annual Notice of Change

(ANOC) from your insurer to explain how your plan will be changing for 2017. If you have questions about your coverage or need to make a change, open enrollment is a great opportunity to do this.

Please feel free to call us with your questions at 855-710-5700.

[Read our September 2016 Medicare newsletter. \(PDF, new window\)](#)

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## **Auto Insurance Back to School ProTip**

Parents of college students: If a licensed driver in your household (on your policy) is heading off to college more than 100 miles from home – without a vehicle – you should give us a call. You may save some money on your car insurance. If your licensed driver is taking a car to school, we should know that, too.