

# Insurance Trends for 2022 and Beyond



By Cale Pickford

For Fall 2022 [Maine REALTOR Magazine](#)

The insurance market, like the real estate market, can serve as a window from which to view society and the economy. Insurance companies look to strike a balance between their tolerance for risk and their mandate to generate profits. The push and pull of these two competing factors are further complicated by the rapid rate of change in today's world. Insurers look to predict the future with data from the past, and in this changing world, they are having trouble keeping up. Here are three trends that will dominate the insurance marketplace for the coming year.

**Inflation** is on everyone's minds these days – for good reason. Across the economy, the cost of just about everything has gone up at rates not seen for more than 40 years. This means that insurance companies, too, must pay more to adjust a loss.

In addition to increased costs, shortages of labor, materials and parts has meant that it takes far longer to fix damages and get people back into their homes and cars. Many insurance policies pay for the insured to rent a car or home until repairs are completed, this time element increases the total cost of the loss significantly. Industry data suggests that claims costs are

up as much as 50% to 100% over pre-pandemic levels. Because of state regulations, increasing insurance rates can be a slow process, but there is no question that over the next few years insurers may increase their rates to reflect the rising costs of insurance claims.

In the context of this inflationary environment, having the right insurance has never been more important. Look for auto insurance policies offering higher limits for temporary rental car coverage, and policies which allow the client to select both the repair shop and original equipment instead of aftermarket parts. For homeowners' policies, look for carriers providing guaranteed replacement cost coverage (which means they will rebuild the home to the same standards, regardless of the limit of coverage on the policy) and high or uncapped coverage for loss of use (the coverage that will pay to rent a home if you're displaced).

Another trend which cannot be understated is the impact of **climate change** on the insurance industry. Extreme weather events generating billions of dollars in damaged property and often loss of life seem to be weekly occurrences. The impact of climate change is no longer hypothetical, and the private insurance industry is reeling from its impact. In particularly hard-hit states such as California and Florida, the private insurance industry is only offering homeowners policies which exclude the primary regional cause of loss such as fire and wind. These policies usually need to be complimented by a separate wind or fire policy underwritten by a state-sponsored insurance pool. While Maine seems more protected from extreme weather events, that trend could change. Regardless, insurers are motivated to spread out the burden of higher rates across a national customer base. In this context, consumers should work with an independent agent to identify regional insurers who do not have as much exposure to catastrophic loss prone regions or

who identify Maine and Northern New England as a market for focused growth or hedge against more loss prone areas.

**Cyber security and cyber insurance** rounds out this list of top trends. The COVID-19 pandemic forced organizations to shift their workforce to remote work and surveys suggest that a high percentage of workers continue to work remotely. Remote working, accelerated digitization, and an increase in reliance on cloud-based services has created new opportunities for ransomware attackers. The frequency and sophistication of these cyber-attacks are on the rise. Hackers are also becoming more sophisticated by using social engineering attacks, whereby an individual is targeted and enticed to click a link to download malware providing access to a computer or network.

An important tool for preventing hackers from gaining access to computer system is multi-factor authentication (MFA). Though MFA is regarded as the gold standard of authentication, malicious attackers are finding ways to get around it – specifically, authentication carried out via SMS or phone calls. App-based authenticators and security keys are seen as the best option today, but we can be sure that hackers will be looking for ways to exploit vulnerabilities in these systems, too.

Cyber liabilities are here to stay. Every business and household is at risk and having a plan for cyber security complimented by cyber liability insurance is a must for 2022 and beyond.

Insurance continues to be a critically important aspect of the economy as it provides individuals and businesses with a tool to offset risk. Working with an independent insurance advisor who understands the evolving nature of risk along with the associated loss control strategies and insurance solutions is a critical element of financial security and well-being.

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# Jennifer Coffin Earns Safeco Insurance® Award of Excellence for Superior Underwriting Skill



[Jennifer Coffin, ACSR, CPRM](#), a personal insurance account executive with Allen Insurance and Financial, been honored with the Safeco Insurance Award of Excellence, an honor recognizing superior underwriting skill.

This recognition is achieved only by a select group of agents across the country who sell Safeco Insurance. This is the second consecutive year Coffin has earned this recognition.

“Excellence in underwriting means bringing exceptional customer service together with a deep understanding of the complexities of insurance coverage to create great outcomes for our customers,” said Scott Carlson, manager of the personal insurance division at Allen Insurance and Financial. “Jen and our personal insurance team do that daily by ensuring customers get the insurance coverage that works best for them. This recognition is well deserved and we’re especially proud of the number of consecutive awards Jen has earned.”

The Safeco Award of Excellence recognizes outstanding agents who

have developed a solid underwriting relationship with Safeco and whose agencies have qualified for the Safeco Insurance Premier Partner Award, the company's top recognition program. Fewer than 10 percent of agencies who sell Safeco have agents who receive this award.

Coffin, of Nobleboro, has been with Allen Insurance and Financial since 2004. She holds both the Accredited Customer Service representative (ACSR) and Certified Personal Risk Manager (CPRM) designations.

Allen Insurance and Financial is a multi-year President's Award and Premier Partner agency, recognition given only to the best independent insurance agencies that sell Safeco. Safeco is a Liberty Mutual Insurance company.

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## **Marine Professional Liability Coverage**



Chris  
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By Chris Richmond

For August 2022 [WorkBoat Magazine](#).

A very long time ago when I was captain of an old wooden sailing vessel, I was bringing the boat in to the harbor to tie up to the dock, something that I had done countless times. Except this time when I put the engine in reverse to stop forward movement the boat went ahead. Quickly losing room in the congested harbor, I tried again to engage reverse propulsion, to no avail. A wooden tour boat tied up ahead of me finally stopped my movement. There was season-ending damage.

While my vessel's Hull and P&I policy took care of the damage claim, the Coast Guard felt that I had been derelict in duties as captain and wanted to conduct an admiralty hearing against my license. I now needed professional liability insurance coverage.

Typically used by attorneys, accountants, consultants and real estate brokers, professional liability provides coverage against claims made against professionals who have not performed up to the standards of their profession. This type of liability coverage is also available to licensed mariners. Should a claim occur, and the captain be deemed negligent, he or she could be sued in addition to the vessel.

Coverage can include defense costs (both against your license, civil legal defense as well as criminal acts defense), coverage for fines and penalties as well as a daily subsistence allowance. It is important to note that professional equipment, such as a personal GPS or similar navigational device, can also be included. Loss of income can be added to compensate for lost wages due to down time resulting from a claim.

Whether you are driving a 6 pack harbor taxi or a blue water

tanker, your livelihood requires you to hold a valid USCG license. When you are involved in a claim involving your license, having professional liability coverage to fall back on can both help alleviate the headache of defending yourself and help take care of some defense costs. Have a talk with your marine insurance agent before you need this kind of protection.

# ACA Pay or Play Rules: Penalties Updated



This month's Benefits Buzz discusses updated penalties under the ACA's pay or play rules, as well as the health reforms that are included in the Inflation Reduction Act.

On Aug. 16, 2022, the IRS updated its FAQs on the Affordable Care Act's (ACA) employer shared responsibility (pay or play) rules to include updated penalty amounts for 2023. The adjusted \$2,000 penalty amount is \$2,880 and the adjusted \$3,000 penalty amount is \$4,320.

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

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# How to Read Your Insurance Policy



By [Dan Bookham](#) for [WorkBoat](#) magazine, August 2022

After being an avid reader of Workboat for many years it's my distinct honor to be joining my colleague Chris Richmond as a contributor to the monthly "Insurance Watch" column. For my first go around I figured it makes sense to start with revisiting a basic topic: How to read your insurance policy.

Once you get past various legal notices, billing options and marketing messages, insurance policies have five parts: Declarations, insuring agreements, conditions, exclusions and endorsements. The smart mariner will take the time to review each of these in order, as they define the rights and responsibilities that come with the coverage you purchase.

**Declarations.** This is the what, where, when, by whom and for whom, price and coverage period of the policy. Check to make sure the named insureds are correct, any lenders are shown and that the right coverage lines are in place.



**Insuring agreements.** These explain the coverage you've bought in detail. An "open perils" policy covers everything except those areas covered in the exclusions (more on that below) while a "named perils" policy is for a list of specific things. Depending on the appetite of the insurer, certain additional perils can be agreed to and listed, usually by endorsement (again, more on this below).

**Conditions.** The insurer uses this section to outline what you must do to collaborate with them and in turn what they will do to help you get paid or to defend you in the event of a loss. This section also lays out how to file a claim. Pay close attention to the conditions, ideally before you are scrambling to file a claim, as following the 'rules of the road' in the policy will expedite claims handling and ordinarily lead to a smoother resolution of any call on your insurance coverage.

**Exclusions.** While the word itself fits certain stereotypes of insurance, this section is actually driven by logic and common sense. You can't deliberately sink your boat or burn your warehouse and expect to get paid, and you can't expect your Hull and P& I coverage to respond to an automobile accident. Exclusions exist to ensure your policy remains affordable, that it covers reasonable risks associated with the appropriate operations and that exposures outside the realm of insurability aren't subject to your policy.

**Endorsements.** These can be used to expand or limit coverage, either at your request or at the discretion of the insurance company. Because a policy is a contract these serve as customized amendments that allow the coverage you buy provide a better fit to your unique operations. Here's where your agent can really earn their salt and why working with agents or brokers with marine experience can make a real difference in the coverage you call on when the chips are down.

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# Schedule of Medicare 101 Workshops – September 2022

Allen Insurance and Financial is offering a series of Medicare 101 workshops in September. We hope you can join us.

All workshops are free and open to everyone, though registration is required. All will be offered via Zoom and run from 5 to 6:30 p.m. Zoom information will be send upon registration. Here is the schedule, which is also available online at [AllenIF.com/Medicare](http://AllenIF.com/Medicare).

- Tuesday, Sept. 13: Register via email with Hope Library at [hopelibrary04847@gmail.com](mailto:hopelibrary04847@gmail.com).
- Wednesday, Sept. 14: Register with Medomak Valley Adult Education; register at [msad40.coursestorm.com](http://msad40.coursestorm.com).
- Thursday, Sept. 15: Register with Belfast Adult Education; [belfast.maineadulted.org](http://belfast.maineadulted.org).
- Wednesday, Sept. 21: Register with Five-Town Adult Education (Camden Hills): [fivetowns.maineadulted.org](http://fivetowns.maineadulted.org)
- Wednesday, Sept. 28: Register with Medomak Valley Adult Education; register at [msad40.coursestorm.com](http://msad40.coursestorm.com)

During these workshop, [Jo-Ann Neal](#) and [Anna Moorman](#) of Allen Insurance and Financial's Benefits Division will help answer questions, including:

- What does Medicare cover?
- What does Medicare NOT cover?
- When can I enroll in Medicare?
- What is a Medicare Advantage Plan?

- What is a Medicare Supplement Plan?
- What plan is best for me?

Anna Moorman and Jo-Ann Neal specialize in Medicare and will be available for a question and answer session following the presentation. [Meet Anna and Jo-Ann in this YouTube video.](#)

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# Not All Marine Surveys are the Same

By Chris Richmond

For July 2022 [WorkBoat Magazine](#).



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Whether you are interested in purchasing a new vessel or have owned the same boat for years chances are at some point you will need a marine survey. Depending on the circumstances and who is requesting the document the survey you receive can vary greatly.

In terms of insurance, when purchasing a new vessel you will almost always need a survey in order to get an underwriter to provide you with coverage. And don't try to use the seller's **pre-listing survey**, because the underwriter most likely will not accept it. The surveyor is working for the party paying him or her to perform inspection, and underwriters want that surveyor to be working for the client who is purchasing the boat. That is why a **pre-purchase survey** is in your best interest.

Also known as a **condition and value survey**, this will be more comprehensive and the surveyor will have your best interests and concerns in mind. You do not want surprises after you have purchased the boat and a condition and value survey will provide more detail on equipment, amenities and will provide a list of recommendations of areas that need to be addressed.

Generally, insurance companies will accept a survey that is within two years old. One thing that companies always ask is if the survey recommendations have been completed. Outstanding recs are not always a show stopper, however. Depending on the severity of the recs you may be able to delay addressing them for a while. If you do have some that are significant and could affect the safety of the vessel, see if the underwriter will still provide coverage but no navigation. You can then have insurance on your vessel while she is laid up and problems are being addressed.

Should you have an accident and the insurance company gets involved, then the adjustor will most likely request a **damage survey**. The surveyor becomes the eyes and ears for the insurance company and is tasked with assessing the extent of damage to the vessel and attempting to determine what happened and why. This becomes very important when the adjuster decides on the payout of the claim – because the surveyor will assist in determining if the claim is covered or not.

A **fit for trip survey** can be requested by an underwriter to determine if a vessel is sound enough to make a voyage from one port to another. We had a client who was in the midst of a refit. The vessel needed to travel to another yard in a neighboring state to complete the job. The underwriter wanted some reassurance that the boat was capable of making the trip, hence the call for this type of survey.

The survey is one of the most important documents that an underwriter will review for your boat. If the insurance company requests and pays for the survey, don't expect to see the complete document. The company owns the survey and most likely will not give it to you. This can save you some money in the short run but if you want to shop your boat to other markets you will need to pay for a new survey. If you have a surveyor you like, stick with him or her. He or she will be familiar with your vessel and will be more efficient in future surveys, saving you money. And finally, have a conversation with your surveyor before they step on board your boat to make sure you are both on the same page with what you are asking them to report on because you don't want any surprises after they are done.

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## **Busy Season is Here: A Quick Insurance Checklist**



By [Krissy Campbell](#)

Summer is just here! Restaurants are open, shops are full and traffic is backed up. For local businesses of all sorts, this is good news: Whether you're a contractor taking on new projects, restaurants coming out of hibernation, shops stocking your shelves or hotels & motels bringing on seasonal staff. If you're one of the many businesses with seasonal influxes, let's make sure all that prep work you've done is covered as it should be. Be sure to call your insurance agent about:

- New employees
  - Increases in current payroll
  - Increase in sales and/or inventory
  - New equipment
  - New vehicles or drivers
  - Seasonal operations
  - New operations or projects
  - Newly rented or leased locations
  - New construction or acquisitions
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# Anna Moorman Now Licensed as an Insurance Consultant in Maine



[Anna Moorman](#), a member of the benefits team at Allen Insurance and Financial specializing in individual health insurance and Medicare, is now a licensed life & health insurance consultant in Maine.

“Anna’s efforts demonstrate her deep commitment to continuing professional development,” said Mike Pierce, company president. “This commitment is important to all of our insurance divisions but it is especially so in the always-changing field of employee benefits.”

Moorman has been with Allen Insurance and Financial since 2012. She lives in Thomaston with her family.

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## Rental Car Reimbursement

# Coverage Today

Just like many industries, supply chain issues are making it hard to find car parts. So, you should expect longer wait times if your car is in the shop. Additionally, car rental prices have been increasing. If being able to pay for a rental car for an extended period of time is a concern, you may want to consider rental reimbursement coverage.

## **What is Rental Reimbursement Coverage?**

Rental reimbursement coverage, also known as extended transportation expenses coverage, is an optional coverage that helps cover the cost of a rental car if your insured car is in an accident and needs repair. This helps keep you driving even while your vehicle is in the shop getting fixed.

## **And: Rental Car Prices Are Up**

Just like many industries, the car rental industry is experiencing inflationary pressures. If being able to pay for a rental car for an extended period of time is a concern, you may want to consider increasing the limits of your rental reimbursement coverage.

Your Allen insurance representative is here to help.