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.

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

Not All Marine Surveys are the Same

By Chris Richmond
For July 2022 WorkBoat Magazine.


Chris Richmond, CIC, AAI, CMIP

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.

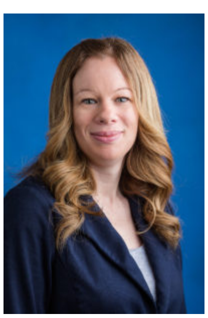
Generally, insurance companies will accept a survey that is within two years old. One thing that companies always ask is if the survey recommendations have been completed. Outstanding recs are not always a show stopper, however. Depending on the severity of the recs you may be able to delay addressing 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.

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

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.

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.

The Status of OSHA's Heat Hazard Protection Standard

A heat hazard protection standard from the Occupational Safety & Health Administration (OSHA) continues to be in the pre-rule stage and is still under consideration. View a PDF update.

Workers most commonly affected by heat-related illnesses are:
- Postal and delivery services
- Landscaping
- Commercial building
- Highway, street and bridge construction workers

Workers who most commonly suffer heat-related fatalities were:
- Landscaping

- Masonry
- Highway, street and bridge construction workers

On Oct. 27, 2021, OSHA published an advance notice of proposed rulemaking to officially start the process of creating a mandatory heat hazard protection standard. Currently, OSHA has only a recommended, not required, workplace heat standard. However, many states have their own heat exposure standard as part of their OSHA-approved state plans.

Maine's state plan covers state and local government workers only. Click here for a map showing all state plans.

A Guide to Benefits When Changing Jobs

If you're changing jobs, you probably have a lot on your mind. As you wrap up work with your previous employer and prepare for your new role, it can be easy to let important benefits-related decisions fall by the wayside. If that happens, you could miss a limited opportunity to sign up for new benefits or miss out on making wise changes to your plans. To stay on track financially during a career transition, be sure to review the status of your retirement accounts and other valuable employee benefits.

Qualified Retirement Plans

Many employers offer qualified retirement plans, such as 401(k) and 403(b) accounts. ("Qualified" means that these plans qualify for tax advantages per IRS rules.) When transitioning to a new job, you're entitled to keep the vested balance in your qualified retirement plan, including contributions and earnings. You're also entitled to keep any employer contributions that have vested according to your employer's schedule.

What can you do with the money? You have several options:

- Leave the funds in your current employer's plan if your vested balance exceeds $5,000. If the balance is less than $5,000, the plan could require that you roll over or distribute your assets.
- Roll over the funds to an individual IRA or, if allowed, to your new employer's plan.
- Withdraw the funds and pay any taxes due along with any applicable penalties. (It's wise to carefully consider any decision to withdraw and spend your retirement savings.)

Accumulation rights. If you wish to roll over the funds, consider the accumulation rights you may be giving up by switching to a different plan. Accumulation rights offer shareholders the potential for reduced commissions when purchasing additional fund shares. If you have such rights with your current plan, they could become important if you plan to purchase a sizable amount of shares.

Potential penalties and fees. It's also important to consider the possibility of premature distribution penalties, as well as any fees and expenses a new plan may impose. If you've separated from service in the year you turn 55, or at any later age, any assets distributed from your old employer's plan aren't subject to the standard 10 percent penalty. Once funds are rolled into an IRA or a new plan, however, the 10 percent penalty may apply to subsequent distributions if you're younger than 59½ at the time, unless you can claim an exception.

Rolling funds over to an IRA. Factors to consider before taking this action include:

Advantages

- IRAs may provide more investment choices than employer plans.
- IRA assets can be allocated to different IRAs. There is no limit on how many direct transfers you can make from one of your IRAs to another IRA in a year. This means you can easily move money between IRAs if you're dissatisfied with an account's performance or administration.
- Although 401(k) distribution options depend on the plan terms, IRAs offer more flexibility.
- IRAs have more premature penalty exceptions than 401(k) plans.

Disadvantages

- When you turn 72, you must start taking required minimum distributions (RMDs) from pretax IRAs, whereas you may be able to defer them in a 401(k) until the year you retire if your employer allows for it. (There are no RMDs from Roth IRAs during the account owner's lifetime.)
- IRA account expenses, such as trading charges or annual fees, may be higher than qualified retirement plans.
- When you roll funds over from a 401(k) to a Roth IRA, taxes will need to be paid on the pretax contributions; however, any future distributions from the Roth IRA may be tax free if IRS requirements are met.

Rolling funds over to your new employer's plan. Employer plans offer the following advantages:

- If you intend to work beyond age 72, participation in the employer's qualified plan means you can typically delay the first RMD until the year you retire if the plan allows. (An exception applies if you own 5 percent or more of the business offering the plan.)

- Employer 401(k) plans may receive greater creditor protection than IRAs. Typically, employer plan funds cannot be used to satisfy most creditors, while the federal protection for IRA funds is more limited.

Stock Options and Nonqualified Deferred Compensation Plans

Prepare a list of any stock options you've received from your employer. Often, vested options expire within a specified time frame when you leave a job. Deciding whether to exercise your options depends on your financial situation and whether your options are "in the money" (i.e., the exercise price is lower than the market value).

Nonqualified deferred compensation plans allow executives to defer a portion of their compensation and the associated taxes until the deferred income is paid. With these plans, leaving your employment may trigger the need to take distributions in lump-sum or installment payments. You should be aware that any distributions will affect your taxable income.

Life Insurance and Disability Insurance

Employer-provided life insurance remains active only while you are employed. Ask if you have the option to convert the policy to an individual policy offered by the same insurance provider. If you do switch to an individual policy, however, the premium will likely increase. In some cases, it may be time to evaluate policy options from other companies. If you're in between jobs, for instance, you may want to consider an individual policy that won't be affected by employment changes.

Health Insurance

Your health insurance will expire once you leave an employer. COBRA may be a good option if you need interim health insurance coverage. Keep in mind, however, that your premium payments will increase when you opt for COBRA coverage. Shopping for an individual health insurance policy that meets your needs could reduce your premiums.

New Benefits Review

Once you start your new job, take time to understand the new benefit options, including health insurance, disability insurance, and employer savings plans. It's important to review how the new employer retirement plan options fit into your overall savings plan, including any employer matches. Remember to fill out beneficiary designations for insurance policies and saving plans—and review those designations periodically. Finally, if your salary has changed, it's a good time to determine whether you should adjust your tax withholding and investment elections.

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.

If you are considering rolling over money from an employer-sponsored plan, such as a 401(k) or 403(b), you may have the option of leaving the money in your current employer-sponsored plan or moving it into a new employer-sponsored plan. Benefits of leaving money in an employer-sponsored plan may include access to lower-cost institutional class shares; access to investment planning tools and other educational materials; the potential for penalty-free withdrawals starting at age 55; broader protection from creditors and legal judgments; and the ability to postpone required minimum distributions beyond age 72, under certain circumstances. If your employer-sponsored plan account holds significantly appreciated employer stock, you *should carefully consider the negative tax implications of transferring the stock to an IRA against the risk of being overly concentrated in employer stock. Your financial advisor may earn commissions or advisory fees as a result of a rollover that may not otherwise be earned if you leave your plan assets in your old or a new employer-sponsored plan and there may be account transfer, opening, and/or closing fees associated with a rollover. This list of considerations is not exhaustive. Your decision whether or not to roll over your assets from an employer-sponsored plan into an IRA should be discussed with your financial advisor and your tax professional.*

The Value of Disability Insurance to Employers and their Employees

By Sherree Craig, CEBS

Sherree L. Craig, CEBS

Companies in Maine and across the country face the challenge of rewarding employees and this struggle rose to the surface significantly during the pandemic. Striking the balance between a workable company budget and the satisfaction of the company's human capital is critical.

One of the most affordable and valuable forms of financial protection for employees is disability insurance. Offering a disability plan emphasizes a company's commitment to the health and financial well-being of its workforce, providing employees with an income when recovering from an accident or an illness. An employee can recover peacefully without the burden of worrying where the next paycheck might be and allows them to place their focus on immediate medical needs.

In addition to being a deductible business expense, this offer could have an impact on the company's workers' compensation status. Once an employer sponsored disability plan is purchased, conversations with business insurance and accounting partners should take place.

Disability insurance is designed as short-term and/or long-term policies.

The short-term disability benefit is paid weekly. Pricing for the group plan is determined by the design of the contract and the group demographics (age, wages, industry). The following are some plan design considerations:

- How many days will the employee be disabled before the payments begin? One frequent plan design option is the first day following an accident and the eighth day following an illness. We see these go as high as two weeks, which would keep the costs exceptionally low, but could come at the expense of the employee’s satisfaction.
- How long will the payments last? Options typically are 13 weeks or 26 weeks.
- What percentage of earnings will be replaced? Disability insurance does not normally cover full replacement. Insurance theory dictates that full replacement might encourage malingering – an incentive to remain disabled and not return to active capacity as soon as they are able.

Like the short-term disability, long-term disability policies are priced on the demographics of the company and design of the plan. The long-term disability benefit is paid monthly rather than weekly, and the elimination period (the length of time from the start of the disability until payment begins) can be dovetailed to start at the end of the short-term disability benefit. The benefit period may depend on the company size but should be designed to last a minimum of five years or all the way to the normal social security retirement age.

A group disability package has the added advantages of group pricing and are free from medical underwriting, making the plan simple to establish and administer.

Curious to see how your benefits stack up against other employers in your industry and community? Principal insurance has a great benchmarking tool. https://www.principal.com/businesses/compare-benefits

Principal Benefit Design Tool | Principal

Building Partnerships for Workplace Safety

Safety in the workplace starts with good information, translated into good practice. Recently the management staff at the Belfast Co-Op joined Sally Miles of Allen Insurance and Financial and Maureen Anderson, an ergonomist from MEMIC, the workers' compensation insurance company, for a safety workshop designed especially for the Co-op workplace.

They discussed sitting, standing, lifting, carrying, material handling and posture. The main theme was the "Power Zone," which is close to the body, between mid-thigh and mid-chest height – where the arms and back can lift the most with the least amount of effort and with a lower risk of injury.

"Preventative measures such as regular safety meetings can make a real difference for our workers in the long run," said Doug Johnson, co-op general manager. "We're pleased Allen Insurance and MEMIC took the time to introduce us to this valuable resource."

Why Do You Need Cyber Insurance?

By [Karen Reed]

This is another in our series of blog posts for business owners.

WHAT IS CYBER INSURANCE?

A cyber insurance policy can help protect your business from the fallout from cyberattacks and hacking threats. Having a cyber insurance policy can help minimize business disruption during and after a cyber incident, as well as potentially covering the financial cost of some elements of dealing with the attack and your recovery from it.

WHO NEEDS CYBER INSURANCE?

If your business stores any form of digital data, you need cyber insurance. These days, this is nearly every business.

WHAT SORT OF ATTACKS RESULT IN CYBER INSURANCE CLAIMS?

Cyber insurance claims can be triggered by many different incidents. Most common are ransomware, fund-transfer fraud attacks and business email compromise scams.

HOW MUCH DOES CYBER INSURANCE COST?

The cost of a cyber insurance policy depends on a number of different factors including the size of your business and its annual revenue. Other factors can include the industry in which you operate, the type of data your business typically deals with and the overall security of your computer network.