

The Top 6 Things to Know About Workers Compensation Insurance

By [Karen Reed](#) and
[Krissy Campbell](#)

1. Workers' compensation insurance covers your employees' medical expenses if they are injured on the job.
2. Workers' compensation can reimburse the employee for their lost wages.
3. Workers' compensation can provide disability benefits.
4. Maine law requires you to carry it.
5. Workers' compensation can provide death benefits.
6. And the most important thing about workers compensation coverage? Having a knowledgeable local agent who can help you with managing the costs and your exposures.

When you have questions, Ask Allen. We're here to help.

Commercial and Mixed-Use Real Estate

How to balance property owner's dreams with insurance reality



Cale Pickford

By Cale Pickford

Originally submitted to [Maine REALTOR Magazine](#)

The effects of the COVID-19 pandemic have been far-reaching in all industries, but it seems clear that 2020 and 2021 have fundamentally changed the way business is conducted and, in turn, left an indelible mark on the commercial real estate market.

Demand for warehouses and distribution centers for e-commerce, self-storage facilities, affordable housing and certain retail spaces for grocery and pharmacy businesses is at an all-time high, while occupancy rates for hotels, retail, restaurant and traditional metro downtown office space have weakened significantly. Many of these struggling sectors were buoyed by federal stimulus money, and many of the changes to the way people work will remain for the foreseeable future. The impact

of this is being felt right here in the Pine Tree State.

Through both economic studies and anecdotal evidence, we know that Maine is getting a massive influx of new residents. Many are bringing their jobs with them and working remotely for employers elsewhere, while many others will be looking to start new small businesses in our state. Maine welcomes these entrepreneurs – but it is important that dreams intersect with reality before the purchase to bring about an understanding about how insurers look at mixed-use real estate. This knowledge can help you guide your clients in making a decision that will set them up for long-term success.

We can all agree that remote working is here to stay. While there is no question that many employees and business still find value in shared office space which facilitates professional and social interaction, it is clear that the idea that one has to be in a traditional office in order to be productive has been entirely debunked. As a client who recently moved from Massachusetts to Midcoast Maine told me, he could do his job from the moon if there was an Internet connection there.

For the most part, employees of larger companies who work from home do not have any unique insurance needs and a standard homeowner's policy will accommodate their professional use of the home. However, it seems like an equal number of people are bringing their professional expertise to Maine and are looking to work as freelancers or consultants.

Depending on the business sector, these independent professionals need to insure their business in many of the same ways that larger companies do. As with remote employees, so long as they do not have client traffic or employees in their home, they often can rely on a traditional homeowner's policy to insure their home, though it is important to note that that

policy will still exclude any business property or liability exposure. In order to close that gap, these independent professionals will need to secure a commercial insurance package policy, which provides general liability, business personal property (think of that expensive laptop and Zoom lighting set up) and most importantly, professional or errors and omissions liability insurance. Knowing the costs of this insurance program up front is an important component of a sound business plan.

How about those occupations where business cannot be conducted via phone, email and Zoom? Maine has produced and attracted artisans and craftspeople for generations and many of these creative and skilled people take advantage of the low cost, short-commute synergy that home-based businesses provide.

As with work-from-home professionals, the unmodified homeowner's policy excludes coverage for business activities and property. However, unlike use of a room at home for the new traditional office space, many other business activities will disqualify one from homeowner's coverage altogether. In instances such as these, usually the home or outbuilding where business is conducted (i.e. where the product is made) will need to be insured on a commercial policy and then the owner needs to be insured as a tenant of the commercial building.

This kind of hybrid solution picks up the personal property and liability protection which is excluded on the commercial insurance policy. Examples of businesses which might compromise eligibility for homeowners programs would be woodworking, boat building, commercial food products manufacturing, ceramics manufacturing with kilns, farming, and many others.

Historians and economists suggest that the pandemic-inspired paradigm shift will propel Maine to a transformational chapter characterized by sharp gains in property values, a younger and

growing population and economic growth. No doubt this current trend will continue, with many individuals and families making the leap of faith to move to Maine and following their dream. As a central advisor in that transition, make sure these dreamers and doers are considering all of the practical challenges that their move entails. And as always, a critical component of that advice is for your buyer to call a local independent insurance agent who understands your client's dreams and can suggest insurance and risk management solutions that will protect their future.

To Buy or Not to Buy . . . When Do You Need Life Insurance?

Whether you need life insurance depends partly on your stage of life. If you're younger, you may have less need for coverage. As you move along the path in life, you'll likely have more of a need. And, as your responsibilities lessen, your need may decrease.

Here's a look at how your phase of life affects your life insurance needs.

Young and Single

As a young adult, you likely don't depend on others for financial support. In most cases, your death wouldn't create a financial hardship for others, making life insurance a low priority.

You could argue that you should buy now! The cost of life insurance factors in several things, including your health. At this point in your life, rates will probably be low. Now, while this may be a valid argument if you're at higher risk for medical conditions (e.g., diabetes) later in life, for now, you may want to consider investing the money you'd spend on premiums.

Some exceptions to this include:

- You have a mortgage or other loans with a cosigner. Your death would leave them entirely responsible for the debt, so you may want insurance to cover this.
- You have a child or you're supporting your parent/grandparent. As they depend on you, life insurance could provide support for them if you were to die.

Married . . . with Children (Or Without)

Married couples without children have little need for life insurance, especially if you both contribute equally to the household and don't have a mortgage.

Once you buy a home, though, it's a different story. Even if you both have well-paying jobs, the mortgage debt may be more than one person can handle on a single salary. And other debts, such as credit cards, can add to financial worries. In this situation, both of you should consider buying a modest amount of life insurance to provide financial support.

If you start a family, your life insurance needs are at their peak. In most cases, it's appropriate for both parents to have life insurance.

If your family has a single income, it is completely dependent on that salary for financial security. In this case, both parents should carry enough life insurance to cover lost income

or the economic value of lost services—like having to pay for childcare if the stay-at-home parent dies.

Dual-income families need life insurance, too, because it's likely the surviving spouse will suffer financial hardship keeping up with household expenses and childcare costs.

Separation Anxiety

If you get a divorce, you'll need to decide what to do about your life insurance, both from a beneficiary and coverage perspective. Add in dependents and it becomes more complex.

Keep it simple. If you don't have children, it may be as simple as changing your beneficiary and adjusting your coverage.

Work it out. If you have children, the custodial and noncustodial parents will need to work out the details of your life insurance. You'll want to make sure your children—and not your ex-spouse—are provided for in the event of your death. This may mean purchasing a new policy or changing the beneficiary to your children. If you and your ex-spouse can't agree, the court will decide for you.

Climbing the “Corporate” Ladder

So, how do career changes affect your life insurance needs? It's important to review your coverage whenever you leave your employer or start your own business.

When you leave your job, any employer-sponsored group life insurance coverage typically ends. Find out if you'll be eligible for group coverage with your new employer or look into purchasing coverage yourself. You may also be able to convert your group coverage to an individual policy; it may be more expensive, but it's a good choice if you have a preexisting medical condition that may prevent you from buying life insurance coverage elsewhere.

You should review your coverage amount, too. Your policy may no longer be adequate, especially if you've incurred more debt and expenses. If you own a business, consider your business debt. If your business isn't incorporated, your family could be responsible for those bills if you die.

The Golden Years

Ah . . . retirement! Once you hit these golden years, your life insurance needs may change again. If fewer people depend on you financially, your debts have been paid, and you have substantial financial assets, you may need less coverage than before. But it's possible that your life insurance needs will remain the same. The proceeds from your life insurance can be used to pay for your final expenses or to replace any lost income for your spouse (e.g., social security or a pension). Proceeds can even be used to pay estate taxes or as a charitable donation.

No matter what phase of life you're in, it's a good time to review your options and decide whether you need coverage and, if so, how much. If you'd like to discuss options, please reach out to me or my office.

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Commercial Hull Policy Coverage & Equipment On and Off Your Vessel

By Chris Richmond

Originally Submitted to [WorkBoat Magazine](#)

Your commercial hull policy provides coverage for more than just your hull. A policy may extend coverage to the “hull, tackle, apparel, engines, boilers, machinery, appurtenances, equipment, stores, boats and furniture.”

But what happens when you have a claim involving any one of these items? If the claim is covered, then you will first have to pay the deductible. Depending on the amount of hull coverage you have, this can be rather sizable and may well exceed the value of what was damaged. Let’s look at some ways to help improve your coverage

Do you have a tender? Have it listed separately on the policy with its own hull limit and a smaller deductible. The liability from your vessel still extends to the small boat but when the tender has its own hull value listed, you can have a much more manageable deductible. And don’t forget to tell your insurance agent when you buy a new outboard for the tender. This can greatly increase its value and quickly exceed the value for which you have insured the tender.

Do you store items ashore during the off season? Some policies will reduce the coverage on these items while off the boat by covering only claims based on fire. Be aware: Should an item be stolen then your boat’s policy will not react.

Have you installed special equipment on your vessel to perform specific work? They can be scheduled on your policy with a stated value along with an appropriate deductible.

Do you operate equipment overboard? Good luck getting that added to your commercial hull policy. If you have ROV units stored on board your boat you may be able have them scheduled on your hull policy but as soon as they go overboard coverage would cease. Obtaining a stand-alone policy specifically written to cover your ROVs is the proper way to provide coverage. This policy will react to claims from incidents both on the boat as well as in the water.

Take a moment to look at your boat and the equipment that you have on board, then give your insurance agent a call and discuss the current limits you for the vessel and everything on it, especially what can be stored (or is stored) on land. You will be happy you did should you need to file a claim.

President Biden Announces COVID-19 Vaccine Mandates for Federal Employees and Large Employers

On Thursday, Sept. 9, 2021, President Joe Biden signed executive orders requiring federal workers and contractors to get vaccinated against COVID-19. Biden also directed the Occupational Safety and Health Administration (OSHA) to draft a new emergency rule requiring all businesses with 100 or more employees to ensure all of their workers are either tested for COVID-19 once a week or fully vaccinated. [This News Brief explains further.](#)

Employee or Independent Contractor? It Makes a Difference!

By [Sally Miles](#)

Have you ever thought about the difference between an employee and independent contractor?

The answer can be found through a series of questions created by the [Maine Department of Labor.](#)

Paying someone using a 1099 not does automatically make them an independent contractor.

The facts of the relationship between the business and individual conducting work determine whether you have an employee or independent contractor.

When it comes to insurance, this distinction is important because a business's payroll (the people who are true employees and not independent contractors) will impact both their workers compensation insurance and general liability insurance policies, in terms of both cost and risk exposure.

When you have questions, Ask Allen. We're here to help.

Why Contractors Should Consider Errors & Omissions Coverage

By [Krissy Campbell, CIC , ACSR](#)

Contractors face several potential hazards in today's competitive and litigious society; customers are sometimes quick to allege negligence in a contractor's work.

Contractors Errors & Omissions insurance, also referred to as E&O insurance, provides coverage for things such as damages arising out of unintentional faulty workmanship, installed products, recall of their work and impaired or defective property.

Questions about contractors E&O insurance? Ask Allen. We're here to help.

Maintenance, Cure and Wages – and Your Insurance

By Chris Richmond

Originally Submitted to [WorkBoat Magazine](#)



Chris Richmond

Commonly referred to as The Jones Act, coverages under the Merchant Marine Act of 1920 provide broad benefits for your crew. It is always important to review what your crew are entitled to and what insurance you should have for this.

Under the MMA of 1920 if a crewmember is injured or falls ill while in service to the ship then they are eligible for maintenance, cure and wages.

Maintenance is lodging and meals should an injured crewmember have to find alternative accommodations due to the claim; the cure is doctor's visits and medical treatment until maximum medical cure has been reached and wages are the pay the affected crewmember would have earned had they not been laid up. Your protection and indemnity policy will respond to this if you have crew coverage.

Be sure to keep your crew count accurate as you can. If you have more crew on board than you have listed on your insurance policy, you may suffer a co-insurance penalty. Insurance companies generally don't like to cover something (or someone) who isn't specifically written in a policy.

It is also important to remember that maintenance, cure and wage claims are no-fault. This means a crew member only has to establish that they were in service to the ship at the time of their injury or illness and then these benefits are available to them.

Though this can vary, the standard to establish seaman status as a crewmember is generally seen as spending 33% of one's time in service to the ship.

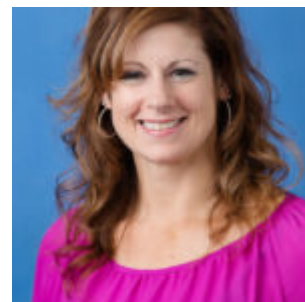
I always tell my clients to let an adjustor determine whether or not a claim is valid. If you know of an incident or a crew member reports one, turn in the claim and let the insurance company decide. Otherwise, you may face suit under the Jones Act.

The Jones Act allows for crewmembers to sue the vessel for damages resulting from injuries they may have suffered aboard the vessel either because of negligence or unseaworthiness. Should the claim be successful the crewmember would be entitled to future lost wages as well as damages for pain and suffering. Again, the crewmember must establish seaman status – but again, let the insurance adjuster make that call.

You P&I insurance can be one of your vessel's larger expenses but a claim that is not handled properly can cost you much more. Don't be afraid to let your agent know what is happening on board involving injuries. You're paying for your insurance to cover you when you need it in cases like these.

Why You Need Employment Practices Liability Insurance

From [Karen Reed](#):



Employment practices liability insurance (EPLI) provides coverage to employers against claims made by employees alleging discrimination, wrongful termination, harassment, or other employment-related issues such as failure to promote.

All businesses, regardless of size are vulnerable to employment claims regardless of the number of employees and statistics tell us the average cost for legal defense and compensation for this type of claim can quickly add up to \$70,000.

Protect your business by calling us today to obtain a quote for this very important coverage.

Start With the Exclusions



Chris Richmond

By Chris Richmond

Originally Submitted to [WorkBoat Magazine](#)

When a boatyard or builder makes an investment in purchasing a building most likely they will want to have the structure insured. But just because you purchase property coverage does not mean that your building is insured for all potential hazards. Two big exclusions on property insurance forms are flood and earth movement, both of which can pose a significant threat to your building.

First things first. (This is a long sentence, but an important one.) The insurance definition of a flood is a general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or two or more properties from overflow of inland or tidal waters, rapid accumulation or runoff of surface waters from any source, mudflow, collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents or water exceeding anticipate cyclical levels that result in a flood as defined as above.

If you have a bank loan on your property, most likely the bank will require you to have this flood coverage for at least the amount that is on the loan. Coverage can be provided through The National Flood Insurance Program. Your premium will vary depending on what flood zone the property is in.

While people talk about earthquake coverage, in the insurance world it actually is referred to as "Earth Movement," with earthquake being just one of many categories. Besides earthquakes being excluded the Earth Movement list includes landslides, man-made mines, earth sinking and volcanic eruption. Depending on your location, coverage for this can be either bought back from your carrier or as a stand-alone coverage through a specialty broker.

Sage advice when looking at your insurance policies: Start with the exclusions. While it is important to know what you are covered for, it is equally important to know what your policy does not cover. Don't think that just because you have an insurance policy that everything is covered. Have a conversation with your agent about your coverages to make sure you have what you need.