

Tool Coverage 101

[By Patrick Chamberlin](#)

Contractors rely on their tools and equipment to get the job done. To protect these tools from theft or vandalism, there's Tools and Equipment Coverage.

Tools and equipment insurance can cover both large equipment and small hand tools.

Most commercial property policies cover buildings and personal property at your premises or within a short distance. Tools and Equipment coverage is designed to cover movable property wherever it may be located.

Smaller items, generally with a value of less than \$1,000 can be covered on a blanket basis. You'll want to list higher-value items (generators, heavy equipment such as excavators) individually. It's also important to keep an inventory (with photos, if possible) and proof of purchase.

As always, there are some exceptions and limits to this type of coverage. Your insurance agent can explain more.

Individual Health Insurance Newsletter – June 2021

IRS Suspends Requirement to Repay Tax Credits

A premium tax credit or subsidy helps pay for health insurance coverage purchased through the Health Insurance Marketplace (www.healthcare.gov). Eligible people can choose to have all, some, or none of the estimated tax credit (subsidy) paid in advance directly to their insurance company on their behalf.

The American Rescue Plan Act of 2021 suspends the requirement that taxpayers repay their excess advance payments of the premium tax credit for tax year 2020. Excess APTC is the amount by which the taxpayer's advance payments of the tax credit exceed the premium tax credit they are in fact eligible for.

If you have questions on how this may impact you, we recommend you reach out to an accountant who understands the tax code and how the American Rescue Plan affects your tax filing

Health Care Sharing Ministries in the News Again

The Boston Globe reported on a woman who now carries \$75,000 in medical debt because her "health care sharing ministry," OneShare, declined to pay for her double hip replacement. She decided to participate because of the cost of her health insurance premiums increased. What she didn't realize is that the decreased costs meant decreased consumer protections.

Health care sharing ministries (HCSMs) are not health insurance.

They do not qualify as minimum essential coverage under the ACA, which means pre-existing conditions can be excluded. What's more, the companies do not have the same legal obligations to its members. Members, who typically share a religious affiliation, do pay a monthly fee, but the fee is not a premium. It is a contribution to a shared fund to pay medical expenses of the members. Some people, have good experiences, while others do not.

In Maine, HCSMs are expressly exempt from the insurance code. Consequently, members have little or no recourse if things with the HCSM go sour. The burden is on consumers to understand precisely what they are “buying” when they participate.

Midcoast Senior Expo

We're excited to announce that we will have a table at the Midcoast Successful Aging Expo, scheduled for June 15 from 9 a.m. to 2 p.m. at the Rockland Elk's Club. This is our first in person event in more than a year and we're looking forward to connecting with our clients and community. This event is free and open to the public.

Medicare Newsletter – June 2021

Medicare & Medicaid Eligible

Have you recently qualified for Medicaid while also on Medicare? Did you know there is a set of special products that are available just for you?

These plans are intended for persons who are eligible for both Medicare and Medicaid and are called “dual eligible.” These dual eligible plans provide coverage above and beyond Medicare, including vision, dental, an over the counter allowance, transportation services, and many value added extras, typically at no cost to the member.

Eligibility requirements for Medicaid are not as straightforward

as are the requirements for Medicare. The big driver here is income and asset limits which determine if you're eligible and if so, what level of Medicaid you qualify for.

If you think you may be eligible for Medicaid, you'll need to contact your local Medicaid agency.

Top 10 Social Security Myths Exposed

Given Social Security's importance, concerns about its current and future state are understandable and widespread. Some of those worries, and the many changes to the program, have given rise to misconceptions about how it is funded and how it works.

Here are 10 of the most stubborn Social Security myths:

- 1) Social Security is going broke
- 2) The Social Security retirement age is 65
- 3) The annual COLA is guaranteed
- 4) Members of Congress don't pay into Social Security
- 5) The government raids Social Security to pay for other programs
- 6) Undocumented immigrants drain Social Security
- 7) Social Security is like a retirement savings account
- 8) You don't pay taxes on Social Security benefits
- 9) An ex-spouse's benefits come out of your own
- 10) You lose benefits permanently if you keep working

[You can read the truth behind these myths.](#)

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Understanding Insurance

Accident

Whether you suffer a concussion falling off a ladder or dislocate your shoulder moving the couch, injuries can lead to costly medical care, loss of work time and various other related expenses. If you don't want to be caught financially unprepared to handle an accident, consider accident insurance.

Regular medical insurance won't cover all the expenses that result from an injury. At the very least, you will likely owe a deductible and copays. Accident insurance acts as a safety net to help you pay out-of-pocket medical and nonmedical costs resulting from an accident or injury. Accident insurance might cover the following occurrences:

- Injuries, such as fractures, burns, concussions, cuts, eye injuries, broken teeth and paralysis
 - Medical services and treatments, such as ambulance rides, emergency care, nonemergency care, hospital stays, physician follow-ups, therapy services, surgery and medical testing
 - Family lodging and travel needs related to an accident and follow-up care
- Call the Allen Insurance and Financial benefits division today for more information.

Commercial Auto 101

[By Sally Miles](#)

A commercial auto policy protects a business against losses incurred through the ownership, maintenance, or use of motor vehicles.

Most businesses need this kind of coverage because whether you drive a vehicle dedicated for business use or drive a personal vehicle for business because your vehicle may not be covered under a personal auto policy.

Commercial auto, as it is called, covers a variety of situations and policies can be tailored to meet the specific needs of a business. Coverage is available for a single vehicle or a fleet of vehicles; there is coverage for trailers or other mobile equipment, and there is coverage for drivers who work for your business.

Each business has its own set of unique exposures. Consult your agent to ensure your commercial auto policy is programmed to meet your needs.

Sally Miles works with business across Maine for all their insurance needs.

Claims: Always Call Your Agent



Chris Richmond

By Chris Richmond

Originally Submitted to [WorkBoat Magazine](#)

Insurance can often be one of your business's larger expenses and one that you hope to rarely use. But please don't think that making a call to your agent to report a claim is going to adversely affect your policy's premium. Even if you think that the incident is minor and not worth reporting, a quick call your agent can save you from some major hassles down the road. Here are a few things to remember to keep a claim hassle-free.

First and foremost, make the call and report the claim to your agent. Alerting your agent does not reflect on you negatively. In fact, insurance adjustors appreciate this kind of reporting because it gives them a baseline right at the time of the claim. Recording the essential facts in a timely fashion helps greatly in case something develops from the incident six months down the road. And, as a bonus you, get to touch base with your agent. This is always a good thing.

Second, should the claim involve damage to property, keep the damaged items secure so they will not suffer any further damage. Should you have to make emergency repairs, document the damage first so an adjustor can see it. You don't want the damage to

get worse due to your inattention.

Third, save receipts. Once repairs start on your vessel or property, the bills will accumulate. Keep all associated receipts and send them to your agent who will then forward them to the adjustor. If you are doing repairs yourself, keep track of your own time.

Were there witnesses to the accident? Record their names and contact information. See if anyone took photos or video with their cell phone. Is there a security camera which could have captured the event? All of these sources of information can help you with your claim.

Finally, we are back to where we started. Report your claim. All too often I hear from a client that something happened six or eight weeks ago. The time to call your agent is right after the incident occurs so the adjustors can start their investigation and document all the facts – with your assistance. Strike while the iron is hot and get all the facts down while they are fresh in your mind, and in the mind of any witnesses. You will be happy you did.

Know Your Benefits: An Employee's Guide to Health Plans

Benefit plans are sometimes confusing and employees might be struggling to understand what is offered to them. The [Allen](#)

[Insurance benefits division](#) has shared this handy chart with definitions and explanations with our clients. [Click for a PDF.](#)

Insurance Question and Answer Speed Round

By [Cale Pickford](#)

Originally submitted to [Maine Realtor Magazine](#) | Summer 2021

Independent insurance agents tend to field questions that follow a familiar pattern. Just as real estate agents with a few years experience under their belt can probably anticipate and questions from buyers and sellers before they are even asked, so it is with insurance. As sales and service professionals, we welcome our client's questions as they show that the client is engaged and working through the details of selling or buying a home. We are advisors and our ability to carefully listen and respond is the value of our service, especially when considered against the back-drop of the click-bait, lead-capture mine field that is the modern search engine. (Have you ever clicked to see what mortgage rate you're eligible for?)

Here are a few excellent questions that independent insurance agents frequently hear.

How do I insure property in self-storage units?

People accumulate an extraordinary amount of property after they have lived in the same home for an extended period of time. Children move out of the nest and leave behind all manner of treasures, things too precious to allow their parents to give or

throw away but not quite important enough to bring along as they begin their own personal quest to accumulate way more than they will ever need. On the other side, prized possessions of late parents and relatives also tend to trickle down to the next generation. It seems people cannot quite bring themselves to throw away that moth-eaten mink stole or home videos that should be converted to digital copies, someday. In response to this mountain of loved but unneeded property are acres and acres of self-storage facilities and pods. In some cases, homeowners' insurance policies will provide world-wide coverage for personal property, including those items held in storage units, but with a limit of 10% of the total amount of coverage on the policy. With some carriers, you need to modify the existing homeowners policy to include property held in storage facilities with a specific limit of coverage. As with most personal property coverage, there are caps for certain high value categories of possessions, such as jewelry, watches, furs and firearms. If someone is between homes. having sold their home and figuring out what is next, they should look to the storage facility or specialized insurers who specifically provide insurance for this category of property. Bottom line: Ask your agent, as each insurer treats this category of property a little differently and never make the assumption that it is insured automatically.

Does my homeowners policy cover outbuildings (garage/sauna/yoga studio/shed) on my property? Almost all homeowners policies automatically provide a certain level of coverage for "other structures." The coverage, generally set at 10% of the dwelling value, insures structures and things that are not attached to your house. Some examples of property that would be repaired or replaced if damaged by a covered peril are garages, guest houses, patios, dining areas, mailboxes and walkways. Limitations and exclusions to this automatic coverage do apply. For example, piers and wharves are covered but most insurers

exclude marine-related loss such as wave action and the lifting and crushing of ice. Also, if a detached structure is tenant-occupied or used to conduct business, the policy will need to be modified to make sure the homeowner is properly insured. If the built-in coverage is not enough, you may have the option to increase the other structures limits. Also, if there is a lot of value in these detached structures, it is wise to have a discussion with your insurance agent to see if guaranteed replacement cost coverage applies, as this coverage mandates that the insurer replace or repair the damaged structure even if the cost to rebuild exceeds the limit of coverage. Depending on the insurer, pools can either be covered under the dwelling or other structures coverage. Above-ground pools are usually considered personal property.

Does bundling insurance really save money?

The quick answer is yes. Insurers hire legions of actuaries to keep a very close eye on the characteristics of the most profitable accounts. The goal is to avoid or charge more for accounts that are predicted to lose money, and be more aggressive with pricing on the accounts where a profit is expected. One of the principles of insurance is spread of risk: Insurers know that if they insure both a home and vehicles they're more likely to turn a profit than if they insured just one aspect of their client's life. The insurers also know that accounts with multiple policies have better retention, which is driven by savings, familiarity of doing business, and convenience (or hassle to switch everything!). From the client's coverage perspective, bundling insurance can also create a more efficient solution, with the potential to close gaps in coverage and eliminate redundancies.

What about deductibles?

With most insurers, the deductible can have a significant impact on both home and auto insurance premiums. Whether you are

shopping for insurance or reviewing your current policies it is a great idea to price deductibles within a range so you can make a cost benefit decision with actual numbers. Often insurers who specialize in covering high value homes will greatly incentivize high deductibles, with some offering deductibles as high as \$100,000. For insurers focused on more typical homes, deductibles ranging from \$500 to \$2,500 are most common. Another benefit of higher deductibles is that they impose some discipline on filing claims. Claims history is a very important part of insurance underwriting and even very small homeowners claims can have a significant impact on insurance eligibility and pricing. If you have a \$1,000 deductible and an \$1,800 loss it might be wise to self-insure (pay out of pocket) the cost of the repair rather than file the claim and risk your loss-free status. Furthermore, there's always a chance that a more significant loss would occur in the near future, and having two claims in a short time span can have a major impact on access to insurance.

Flood Insurance: What's new?

Flood insurance is always top of mind in a state like Maine with vast numbers of fresh and salt water adjacent real estate. York and Cumberland counties still have yet to adopt the new FEMA flood maps so be sure to be looking at both the current and future maps in these counties so your client can be proactive in mitigating the risk of being remapped into a special hazard flood zone. In positive news, the market has come up with some compelling and well-priced private flood insurance options as well as improved diagnostic software and third party websites which more easily allow real estate agents and their clients to determine the impact of the flood plain on a particular property. As always, get out ahead of the question of flood insurance because it takes some time to navigate the process of securing the best priced flood policy available. Also, if you

need to have an elevation certificate done, expect delays greater than you have seen in the past. Like so many real estate tied professions, surveyors are busier than ever.

Socrates is credited with saying “the only true wisdom is knowing you know nothing.” In the world of insurance, this is very good advice. So often there are nuances and variables with in insurance coverage. The best advice is to work with an independent agent you trust and never hesitate to pick up the phone or send an email when you have a question about coverage.

Benefits and Me Newsletter – May 2021

This month’s Benefits and Me newsletter, shared to our clients by the [Allen Insurance benefits division](#) discusses reimbursable PPE expenses, tips for finding medical information and common health insurance terms.

The Internal Revenue Service (IRS) recently announced that amounts paid for personal protective equipment (PPE)—such as masks, hand sanitizer and sanitizing wipes—used for the primary purpose of preventing the spread of COVID-19 are deductible expenses for medical care. Because these amounts are expenses for medical care, the amounts paid for PPE are also eligible to be paid or reimbursed under any of the following:

- Health flexible spending arrangements (FSAs)
- Archer medical savings accounts (Archer MSAs)

- Health reimbursement arrangements (HRAs)
- Health savings accounts (HSAs)

However, if an amount is paid or reimbursed under a Health FSA, Archer MSA, HRA, HSA or any other health plan, it will not be considered a deductible medical expense.

[Click for PDF.](#)

Health Care Reform: Pay or Play Penalty – Special Rules for Educational Organizations

On Feb. 12, 2014, the IRS published regulations on ACA's employer penalty provisions, including methods for identifying full-time employees for penalty purposes. This ACA Overview summarizes the final regulations' special rules for identifying full-time employees of educational organizations. [Read more on this PDF.](#)