Individual Health Insurance Newsletter – April 2021

Special Enrollment Period Update

The 2021 special enrollment period for individual health insurance has been extended to Aug. 15, 2021.

This means anyone – Americans without health insurance as well as those who have already enrolled in a HealthCare.gov plan for 2021 – have a chance to check out their health insurance marketplace options offered through the Affordable Care Act, also known as Obamacare, outside the regular Nov. 1 through Dec. 15 period.

If you have questions about if this would apply to you, please feel free to reach out to us.

Extra Tax Credits

The American Rescue Plan (ARP) – the recently passed federal stimulus legislation – may help you save additional money if you're already receiving federal aid for your individual health insurance. Here are some things you should know:

▪ The new law will lower premiums for most people who currently have a Marketplace health plan and expand access to financial assistance for more consumers.

▪ An enhanced tax credit is available beginning on April 1. Financial assistance is retroactive to Jan. 1, 2021 via 2021 tax filing reconciliation for individuals and families that received their health insurance through the Marketplace.

▪ Premiums after these new savings will decrease on average by

$50 per person per month, or by $85 per policy per month.

To take advantage of the increased tax credits, we encourage you to call the Health Insurance Marketplace at (800) 318-2596 or visit healthcare.gov. The Marketplace call center is open 24/7 and can be accessed round the clock. If you don’t take action to update your Marketplace application, you will receive the additional tax credits when you file your 2021 tax return.

Moving to a Marketplace Plan

If you are currently enrolled in a health plan outside of HealthCare.gov (directly enrolled with the insurer) and paying full price for your policy, you may now qualify for federal aid to help pay your premiums because of changes implemented under the American Rescue Plan (stimulus bill).

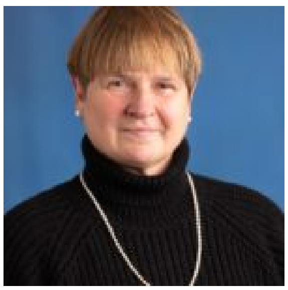
If your health insurance premiums are more than 8.5% of your household income, federal aid may be available to lower your insurance costs. To see if your estimated 2021 income is in the range to qualify for a premium tax credit, please visit https://www.healthcare.gov/see-plans.

If you do think you’ll be eligible for federal aid, please contact us so we can discuss next steps with moving your health insurance from a direct enrollment without federal aid to a Marketplace plan with federal aid. We have until Aug. 15, 2021 under the Special Enrollment Period to make a plan change.

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.

Strategies for Financial Wellness: Managing Debt, Cash Flow and Savings



Sarah Ruef-Lindquist, JD, CTFA

In the Spring 2018, I wrote about Financial Wellness in general, and how good financial planning and cash-flow management can support overall health and well-being. A lot has changed in the past two years, and the topic is more relevant than ever.

Given what many are calling the most severe economic downturn since the Great Depression in the wake of the pandemic, I would like to explore what often become the most significant issues for people facing a financial crisis – and how to build resiliency to downturns – drawing on material published by our colleagues at Commonwealth Financial Network (CFN).

Debt. Generally, people carry some amount of debt: a student loan, mortgage, or car loan. It can be financially smart to make a large purchase using someone else's money. Borrowing allows one to purchase big-ticket items with less out-of-pocket cash. And, with today’s attractive interest rates, at a relatively low cost. Taking on any amount of debt comes with risk; A financial setback can reduce your ability to repay a loan, and debt may prevent taking advantage of other financial opportunities.

How Much Debt is OK?

Take a close look at your personal finances, focusing on the following factors:

Liquidity. If there is anything many people have learned in 2020 is that it’s a good idea to maintain an emergency fund to cover three to six months’ worth of expenses. CFN warns us to guard against keeping more than 120 percent of your six-month expense estimate in low-yielding investments. And don’t let more than 5 percent of your cash reserves sit in a non-interest-bearing checking account.

Current debt. CFN also stresses that total monthly debt payments like mortgages should not exceed 36 percent of monthly gross income. Consumer debt payments—credit card balances, automobile loans and leases, and debt related to other lifestyle purchases—they also say should total less than 10 percent of your monthly gross income. If your consumer debt ratio is 20 percent or more, avoid taking on additional debt.

Housing expenses. Monthly housing costs—including mortgage or rent, home insurance, real estate taxes, association fees, and other required expenses—shouldn’t amount to more than 31 percent of monthly gross income, according to CFN. Lenders use their own formulas to calculate how much home you can afford based on your gross monthly income, your current housing expenses, and your other long-term debt, such as auto and student loans. For a mortgage insured by the Federal Housing Administration (FHA), your housing expenses and long-term debt should not exceed 43 percent of your monthly gross income. With mortgage interest rates dropping to historic lows, many are refinancing or considering refinancing. If you are in the first few years of your existing mortgage, this can make sense, or if you would like to reduce payments to improve cash flow, this can be a great strategy. If you’re close to paying off your mortgage, however, it may not make sense given how the interest portion of payments are smallest as the mortgage reaches maturity.

Evaluating Mortgage Options. If you’re in the market for a new home, the myriad of mortgage choices can be overwhelming. Fixed or variable interest rate? Fifteen- or thirty-year term? If it were merely a question of which mortgage provided the lowest long-term costs, the answer would be simple. In reality, the best mortgage for a particular household depends on how long the homeowner plans to stay in the house, the available down payment, the predictability of cash flow, and the borrower’s tolerance for fluctuating payments.

How long will you be in that home? One rule of thumb is to choose a mortgage based on how long you plan to stay in the home. If you plan to stay 5 years or less, consider renting. If you plan to live in the house for 5 to 10 years and have a high tolerance for fluctuating payments, consider a variable-rate mortgage for a longer term, such as 30 years, to help keep the cost down. If the home is a long-term investment, choose a fixed-rate mortgage with a shorter term, such as 15 or 20 years.

Is a variable-rate mortgage worth the risk? Keep in mind that it’s generally not wise to take on a variable-rate mortgage simply because you qualify for one. With interest rates at historic lows, the direction they are likely to go is up. Although these mortgages offer the lowest interest rate, they’re also the riskiest, as the monthly payment can increase to an amount that may prove difficult to meet. Selecting a shorter loan term, such as 15 years, can help lessen this risk.

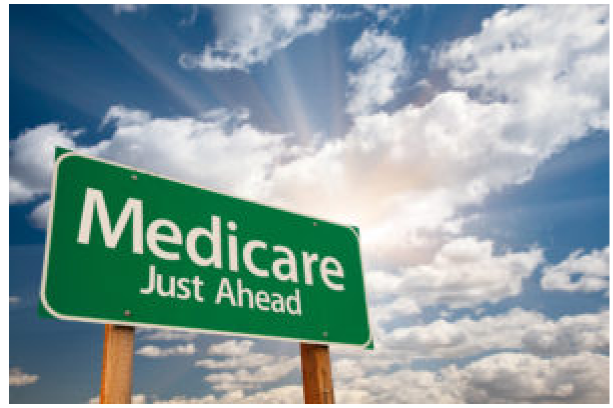
Remember, when it comes to taking on debt, the loan amount you qualify for and the amount you can comfortably afford to repay may not be one and the same. Be sure to consider your special circumstances before taking on debt to buy a home or make another major purchase.

Savings. A standard recommended savings rate is 10 percent of gross income, but your guideline should depend on your age, goals, and stage of life. For example, as retirement nears, you may need to ramp up your savings to 20 percent or 30 percent of your income. Taking full advantage of tax-deferred retirement savings and employer match programs are almost always good ideas. Direct deposits, automatic contributions to retirement accounts, and electronic transfers from checking accounts to savings accounts can help you make saving a habit.

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.

You’re New to Maine. Did You Know Your Medicare Coverage May Not Travel With You?

Original Medicare, Parts A & B, travel with you, no matter where you go in the U.S.



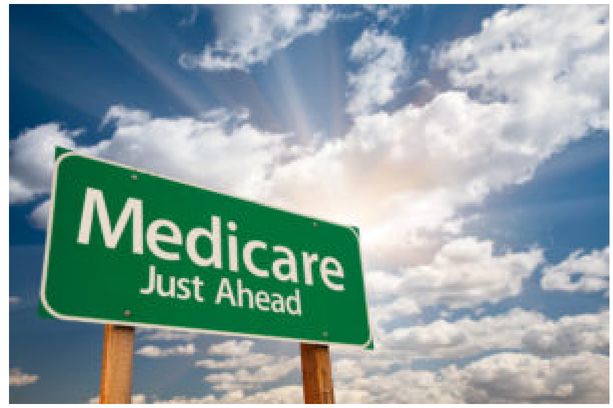
On the other hand, Medicare Part C (advantage plans) and Medicare Part D (drug plans) don’t travel so well – you will want to make sure your plans will work for you in your new service area.

If you have moved from one state to another, you are eligible for what the Centers for Medicare and Medicaid Services (CMS) calls a Special Election Period. This SEP typically lasts two months but we recommend quick action to be sure costs you incur are covered when you need them to be.

Questions? Ask Allen. We’re here to help. Anna Moorman and Jo-Ann Neal of Allen Insurance and Financial are licensed insurance agents specializing in Medicare and are appointed with many of the major insurers in the State of Maine to help you find a product that’s the right fit for you.

Upcoming Medicare Workshops –

Register Today!



Allen Insurance and Financial is holding a series of free Medicare 101 workshops in September. All are Zoom presentations with specific meeting information provided by email.

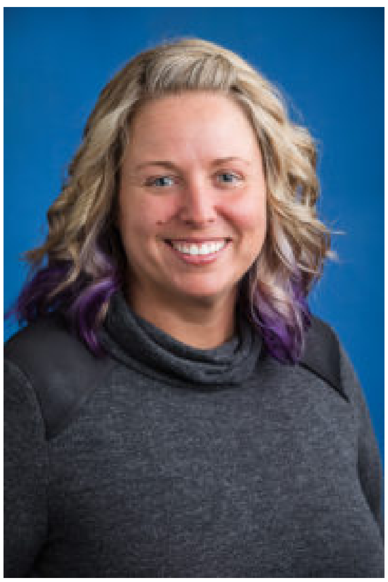
- Thursday, Sept. 10, 5 to 6:30 p.m. Register with Belfast Area Adult Education: 338-3197
- Monday, Sept. 21, 5 to 6:30 p.m. Register with Five-Town Adult Ed: 236-7800 x3274
- Thursday, Sept. 24, with the Bremen Public Library, 7 to 8 p.m. Rregister with Jo-Ann Neal via email: jneal(at)allenif.com.
- Wednesday, Sept. 30, 5 to 6:30 p.m. Register with Medomak Valley Adult Ed: 832-5205.

Anna Moorman and Jo-Ann Neal 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.

Amy Bowen Earns Customer Service Designation



Amy Bowen

Amy Bowen, a business insurance account manager at Allen Insurance and Financial recently achieved the designation of Accredited Customer Service Representative in Commercial Lines from the Independent Insurance Agents & Brokers of America.

Based in the company's office at 94 High St. in Belfast, Bowen has been with Allen Insurance and Financial since 2013.

The ACSR designation program was developed to recognize the contribution made to each customer by the service they are provided through independent insurance agencies such as Allen Insurance and Financial.

Independent Insurance Agents & Brokers of America is the nation's oldest and largest national association of independent insurance agents & brokers with more than 300,000 members. Find them online at independentagent.com.

Planned Giving Topic of Workshop for Local Non-Profits

Allen Financial of Camden advisors and wealth managers Abraham Dugal and Sarah Ruef-Lindquist, JD, CTFA, were the featured speakers for United Midcoast Charities at Allen's offices in Camden in early February. They spoke about issues surrounding how to grow endowments through planned giving, when donors seek to provide long-term support through gifts that can be more complex than cash or marketable securities.

Participant groups at the presentation included Trekkers, Wayfinder Schools, Watershed School, Waldo CAP, Belfast Soup Kitchen, Speaking Place, Pen Bay YMCA, Ripple Initiative, Rockland District Nursing Association, Ecology Learning Center, Knox County Homeless Coalition, Window Dressers, AIO, Big Brothers Big Sisters, and Coastal Children's Museum.

Dugal and Ruef-Lindquist spoke about the policy foundations and recognition practices they view as necessary to have fiscally-sound and successful planned giving programs. Their backgrounds

– hers as an attorney, financial and philanthropic advisor, trust officer – his as an investment manager – and both as board members contribute to their unique perspectives as advisors and fiduciaries and how they approach potential gifts through clients' estate and financial planning.

Given the unprecedented intergenerational transfer of wealth taking place in the United States, and the projections for gifts to non-profit organizations during the next 30 to 40 years in the trillions of dollars, organizations are well-served to pay greater attention to this area of resource development to build their long-term financial sustainability.

The Financial Advisors of Allen and Insurance Financial are Registered Representatives and Investment Adviser Representatives with/and offer securities and advisory services through Commonwealth Financial Network, Member FINRA/SIPC, a Registered Investment Adviser. Allen Insurance and Financial, 31 Chestnut Street, Camden, ME 04843. 207-236-8376.

Enews for Non-Profits, February 2019

The impact of 2017 tax reform on charitable giving and the rise of donor-advised funds. That and more in Sarah Ruef-Lindquist's latest enews for non-profits. http://ow.ly/xDjv30nHIEo

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What to do in Case of an Auto Accident

You’re involved in an auto accident. It’s a stressful time but it’s important to remain focused and attentive or find someone who can do that for you.

It is imperative to attend to the injured first, move out of the right of way if possible, call 911 and wait for help.

As your insurance agency, we’d like to remind you about the importance of collecting information and documenting the scene. Here are some recommendations for steps to take in the time immediately after an auto accident.

Call the police, even if the accident is minor. A police report can be invaluable to the claim process and help establish who’s at fault.

Gather information from others involved in the accident:

- Drivers and passengers (names and contact information)
- Vehicle descriptions (make, model, year)
- Driver’s license numbers
- License plate numbers
- Insurance companies and policy numbers
- Eyewitnesses: names and contact information
- Accident scene location or address
- Police officer’s name and badge number

Also:

- Take photos of all vehicles involved and the accident scene, if it is safe to do so.
- Do not sign any document unless it’s for the police or

your insurance agent.
- Be polite, but don’t tell anyone the accident was your fault, even if you think it was.

Later:

- Call your insurance company to start the claim process (even if nothing is ever filed).
- Notify your insurance agent as soon as possible.
- If a report is written, get a copy from the police department as soon as possible.