How AI Is Reshaping Commercial & Marine Insurance – And What It Means for You

Dan Bookham

By Dan Bookham
For WorkBoat Magazine

You can’t escape the flood of articles on Artificial Intelligence (AI) and its impact across industries – so here’s my contribution. All kidding aside, AI is poised to transform commercial and marine insurance in profound ways, from underwriting and claims to customer service and risk management. For insurance buyers, understanding these changes is key to securing the best coverage and navigating the evolving landscape.

AI enables insurers to analyze massive datasets – claims history, sensor data, weather patterns, and even vessel inspection reports – to deliver more accurate and granular risk assessments. This leads to tailored, dynamic pricing that can benefit well-managed operations with lower exposure to adverse conditions.

On the claims front. AI is streamlining claims by automating key steps, from first notice of loss to damage assessment using image and video analysis. It also enhances fraud detection and speeds up settlements. In marine insurance, AI can analyze onboard CCTV footage in near real-time to determine causes of incidents and even predict risks like equipment failure or hazardous routes using sensor and weather data.

There’s also a huge operational efficiency play for insurers. Insurers are increasingly using AI for customer service – think chatbots and virtual assistants – as well as for fraud detection and automating repetitive tasks. This frees up human staff to focus on strategic work and improves overall efficiency.

All of this has pros and cons for you, the insurance buyer. However, the best way to take advantage of this massive industry-wide investment by insurers comes from being prepared to embrace change vs. taking a reactive (or reactionary) stance on what will be an inevitable revolution in the use of technology by your insurance company and- often- your broker.

But what does that mean for insurance buyers in practice? Simply, to benefit from AI-driven insurance, you’ll need to take a proactive approach.

Firstly, don’t be afraid to ask questions. If your premiums or coverage terms change, ask how AI influenced the decision. Understanding the factors behind AI-driven assessments is crucial. Alongside this, understand AI usage. When shopping for insurance, ask how the insurer or broker uses AI. This can reveal potential benefits like faster service or tailored pricing, but also areas to watch regarding data usage and privacy.

Regardless of technological changes, run a tight ship or a well-kept yard. AI’s ability to analyze risk in detail may lead to more precise pricing. Businesses with strong risk management and good data may benefit from competitive premiums, while those with higher risks may face tougher terms.

Above all, know your data. Understand what data your business collects (e.g., telematics, sensor data, operational metrics), ensure its quality, and be ready to share it with insurers. Provide context to highlight your strengths as a risk. At the same time, protect your data! As more data is shared and analyzed, ensure your business has strong data security and privacy measures. Make sure your insurer's data handling policies align with your standards and regulatory requirements.

Finally, as always, seek expert advice. Allen Insurance and Financial – and other leading agencies – are closely tracking how these technologies are being deployed and what they mean for insurance customers. Working with knowledgeable brokers who understand AI's role in the market can help you navigate changes, interpret new policy terms, and advocate for your best interests.

EPLI: Essential Protection for Today's Workplace

By Chris Richmond
For WorkBoat Magazine

As a business owner your employees are an important part of your operation. Depending on their job description, your employees are covered under your workers compensation, USL&H or Jones Act policy. But what protects you as the employer when one of your employees makes a claim against you? Unless you have Employment Practices Liability Insurance (EPLI), you may be left with no coverage.

EPLI is used to cover claims made against an employer by an employee for discrimination, wrongful termination, sexual harassment or retaliation. While these are the most common types of claims, other claims could include failure to promote, invasion of privacy, defamation or negligent evaluation. One of the more important parts of this type of coverage is defense costs, which, as you can imagine, can mount quickly. Unfortunately, most EPLI policies have defense costs within the limits. In other words, your defense can eat up a good part of your total liability limits before any judgement is awarded. Because of this, you should look at higher limits; often the premium is not a huge jump to add an additional $1 million of coverage.

Those covered under an EPLI policy are your employees, management and your directors and officers. An endorsement can be added to the policy to also include third party coverage. This provides coverage for claims made against you by non-employees.

One area that employers need to keep in mind is the potential for claims against accessibility to their websites. Your EPLI policy could have some coverage here but only if you have third party coverage. This provides coverage for potential claims made under the Americans with Disabilities Act.

EPLI can often be attached to a workers compensation policy, a directors and officers policy or written as a stand alone. Limits can vary so be sure to compare coverages. Whichever way you get it written, EPLI is an important part of your risk management and one that can prove to be very useful in our ever-growing litigious society. If your agent has not brought this up, be sure to give them a call and ask them for a quote.

Staying Safe with Lithium-Ion Batteries: Risk Mitigation for Boats, Yards and Industrial Facilities

Dan Bookham

By Dan Bookham for WorkBoat Magazine

Lithium-ion batteries have become so prevalent in our lives that it's almost hard to imagine life before they came along. From electrical vehicles to hand tools to our ubiquitous mobile phones, lithium-ion batteries are everywhere, every day. But while this technology offers numerous benefits, it also poses several significant hazards that vessel operators, industrial facilities and boat yards must address proactively.

It will come as no surprise that there are multiple hazards related to li ion batteries that can cause all manner of damage and injury. Thermal runaway is the most significant but there are also electrical, chemical and other physical hazards galore. It is imperative that operators on shore and on the water have plans in place for the various 'what ifs' that could happen.

Much like other potentially hazardous materials on board or in the yard, clear SOPs and ongoing training are the key to a successful risk mitigation strategy. Best practices include conducting thorough risk assessments to identify where lithium-ion batteries are used, stored, charged and disposed of; evaluation of potential hazards associated with each stage; designation of areas for charging and storing batteries, away from flammable materials, high-traffic zones and sensitive equipment and procedures for regularly inspecting batteries and devices for signs of damage, such as swelling, leaks, cracks or unusual odors. Damaged batteries should be immediately removed from service and quarantined for safe disposal. Put together a plan for the safe disposal and recycling of batteries according to local regulations and emphasize that damaged or end-of-life batteries should be handled as hazardous waste. Perhaps most importantly, follow proper charging guidelines (the user manual or manufacturer's instructions are your friends here) and do not leave chargers plugged in and unattended overnight: A simple outlet or power strip timer that automatically shuts off at the end of shift or other designated time can literally be a life saver.

The marine environment can be particularly hard on lithium-ion batteries. Water, salt and the propensity for vessels and yards to sometimes encounter rugged conditions that can damage batteries during every day operations. Onboard, ensure that lithium-ion battery installations on boats are done by qualified professionals and adhere to marine-specific safety standards and regulations. Additionally, implement safe storage practices for batteries removed from vessels during maintenance or off-season storage, considering temperature fluctuations and potential for damage. Set up strict protocols for charging batteries onboard, ensuring proper ventilation, using approved chargers and avoiding unattended charging, especially overnight. Finally, be aware of employee, crew and guest devices: recently we narrowly avoided a significant claim on a vessel due to a crew member's rechargeable vape pen overheating thanks to a captain's vigilance.

By implementing comprehensive mitigation strategies, you can significantly reduce the risks associated with lithium-ion batteries and ensure a safer working environment, a much lower risk of a potentially business ending incident and the health and lives of your team. You'll look like a star in the eyes of your insurance company, too!

How Much Should You Spend on Aging in Place?

Aging in place—the idea of staying in your own home as you grow older—offers both independence and comfort. But while the idea sounds appealing, the financial reality of making it happen can be more complicated than many anticipate. From home modifications to in-home care, there are a variety of costs to consider and plan carefully. Let's break down the key costs associated with aging in place, and how you can manage them to stay on track with your financial goals.

Home Modifications: Preparing Your Home for the Long Term

As you get older, your home needs to be safe and easy to navigate. If you're noticing that everyday tasks, such as walking up stairs or stepping into the bathtub, are becoming more difficult, now is the time to think about home modifications.

Key Modifications to Consider:

- **Stairs and entryways:** If you have trouble with stairs or walking, adding ramps or installing a stairlift can improve safety and mobility.
- **Bathroom updates:** Consider a walk-in shower, grab bars, or a raised toilet seat to reduce risks.
- **Wider doorways:** If you use a walker or wheelchair, widening doorways can make it easier to move around.

These updates could cost anywhere from a few hundred to a few thousand dollars, but they're far less expensive than medical bills from accidents caused by unsafe living conditions. Fortunately, there are financing options such as home improvement loans and grants specifically for seniors, and some modifications may even be tax deductible.

Financial Tip: Look into financing options early to avoid unexpected financial strain. Research grants, loans, and tax benefits to help cover the cost.

Home Maintenance: Planning for Ongoing Costs

As you age, maintaining a home becomes more difficult. If you've lived in a large house for years, you might find that tasks such as mowing the lawn, cleaning gutters, or even managing repairs are becoming overwhelming. At some point, you'll likely need help with these tasks.

Maintenance Tasks to Plan For:

- **Lawn and yard care:** Lawn mowing, snow shoveling, and landscaping
- **Routine repairs:** Plumbing issues, fixing appliances, roof repairs
- **Cleaning services:** Regular cleaning to keep the home tidy and safe

For many older homeowners, these costs add up quickly. The expense of hiring help for even basic upkeep can reach thousands of dollars annually, depending on your location and the services you need. Planning for these ongoing expenses now can help prevent surprises down the line.

Financial Tip: Set up a dedicated maintenance fund specifically for these types of expenses. This allows you to manage regular costs without tapping into your retirement savings.

In-Home Care Costs: How to Prepare for Assistance

As time passes, most people will need some help with daily activities, whether it’s preparing meals, managing medications, or getting dressed. These costs can add up quickly, so it’s important to plan for them in advance.

Types of Care to Consider:

- **Personal care aides:** These professionals assist with daily tasks such as bathing, dressing, and meal preparation. They usually charge an hourly rate.
- **Skilled nursing care:** If you need more specialized medical help, such as physical therapy or medication management, a nurse may be required. This is generally more expensive than personal care aides.

The cost of hiring an aide for even a few hours a day can run into thousands of dollars per month, depending on your location and the level of care needed. If you don’t already have long-term care insurance, now is the time to consider it to offset these future expenses.

Financial Tip: Check whether your health insurance covers any part of in-home care, or if Medicaid is an option in your state. And if you don’t already have long-term care insurance, look into options that might suit your needs.

Financial Sustainability: Making Sure You Can Cover the Costs

Aging in place requires long-term financial planning to ensure that you can cover all these costs without depleting your savings. You may need to explore different strategies for funding your home modifications, maintenance, and care needs.

Options to Consider:

- **Downsizing:** If your current home is large or costly to maintain, selling it and moving to a smaller, more

affordable property can free up cash.
- **Long-term care insurance:** This can help cover the cost of in-home care, helping protect your savings when your care needs increase.

Financial Tip: Downsizing is a significant financial decision. Speak with a financial advisor to fully understand its long-term implications before moving forward.

When Aging in Place Becomes Too Costly

At some point, you may find that the costs of aging in place—or the physical demands of maintaining your home—become too great. If your care needs increase or home maintenance becomes too difficult, it’s time to reassess whether staying in your home is still the best choice.

For example, you might start with part-time in-home care, but as your needs grow, you may find that full-time care is necessary. The costs of full-time care and maintaining your home could exceed your budget, making other options, such as assisted living, more appealing.

Financial Tip: Regularly reassess your needs and expenses. If aging in place becomes unmanageable, consider speaking with a financial advisor to explore other options, such as transitioning to assisted living, before you reach a crisis point.

Plan for the Long Term

Aging in place is a great goal for many, but it requires thoughtful financial planning. From home modifications to in-home care and regular maintenance, understanding the full scope of the costs involved will help you set realistic expectations. By budgeting carefully, exploring financial options, and reassessing your needs periodically, you can ensure that aging in place remains a viable option that allows you to live comfortably in your own home for as long as possible.

Why Loss Control is Your Friend

By Chris Richmond
For WorkBoat Magazine
Recently, a local shipyard we work with was visited by the loss control manager from the insurance company that writes their USL&H coverage. This was a good visit all around. Although the yard and the insurance company have had a longstanding relationship, recent losses required the insurer to make several large payouts, resulting in a premium increase for the shipyard. This is not good all around.

USL&H premiums are based on payroll and the types of work employees perform. The larger the workforce, the more a company pays. Then, loss experience is factored in. The more claims you have, the higher your premium will be. It’s easy to forget about past claims – until you experience a serious case of sticker shock when the premium notice arrives.

For many years, the mindset at many yards has been to “get the job done”– a phrase often seen as a mark of strong work ethic. But it’s just as important to include the word “safely.” And the expense of a claim does not stop at medical bills. The indirect costs a yard incurs from a claim due to work stoppage, extra paperwork, corrective actions, lost time worked by injured, etc., can add up to an additional 66% of unseen costs to your business.

At our local shipyard, the loss control manager presented a spreadsheet covering five years of claims. It detailed the injured body part, the job being performed, and the cost associated with each incident. A subsequent tour of the yard found spots for the safety director to focus on to help prevent future accidents. Suggested changes were made and a follow-up visit in four months was scheduled.

The insurance company’s loss control manager recognized this long-term relationship and provided valuable (and free) guidance to our insured to help reduce injuries at the workplace. The hope is that a safer work environment will lead to fewer accidents, fewer claims, and ultimately, lower USL&H premiums. The money saved can be invested elsewhere. Clearly a win all around.

Welcoming Kristin Alley to Team Allen

Kristin
Alley

Kristin Alley of Vinalhaven has joined Allen Insurance and Financial as an account manager in the company's business insurance division.

A Vinalhaven native, Kristin brings 10 years' experience as a licensed Maine insurance agent, along with administrative and client relations experience at both a medical clinic and an eldercare facility in Vinalhaven. She is a graduate of the University of Maine in Machias, where she studied business and accounting.

Nick Pucello Completes Liberty Mutual Producer Development Program

Nick Pucello, a business and marine insurance producer at Allen Insurance and Financial, has successfully completed the Liberty Mutual Business Lines Producer Development Program – a rigorous 10-week course designed to sharpen technical knowledge, strengthen sales expertise and enhance the ability to navigate the complexities of today’s insurance marketplace.

Nick joined Allen in January 2025 and has quickly demonstrated a strong commitment to professional development.

“Nick’s dedication to completing this intensive program reflects both his work ethic and his focus on building a strong foundation for long-term success in our industry,” said Dan Bookham, Allen’s senior vice president for business development and commercial lines. “All of us at Allen are proud of this important step forward in his career.”

Allen Insurance and Financial is an employee-owned insurance, employee benefits, and financial services company with offices in Rockland, Camden, Belfast, Southwest Harbor and Waterville. For more information call 236-4311, or visit AllenIF.com

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What You Should Know Before Naming a Minor as a Beneficiary

If you have young children, grandchildren, or other little ones in your life who are dear to you, you might consider including them in your estate plan. One component of that estate plan may include naming them as a beneficiary on your financial accounts, insurance policies, or other assets via a will. While leaving assets to minors may seem like a simple solution, it can lead to unintended complications. In this article, we’ll explore the challenges minors face when inheriting assets and provide practical strategies to help ensure that your wishes are carried out smoothly.

What Challenges Do Minors Face as Direct Beneficiaries?

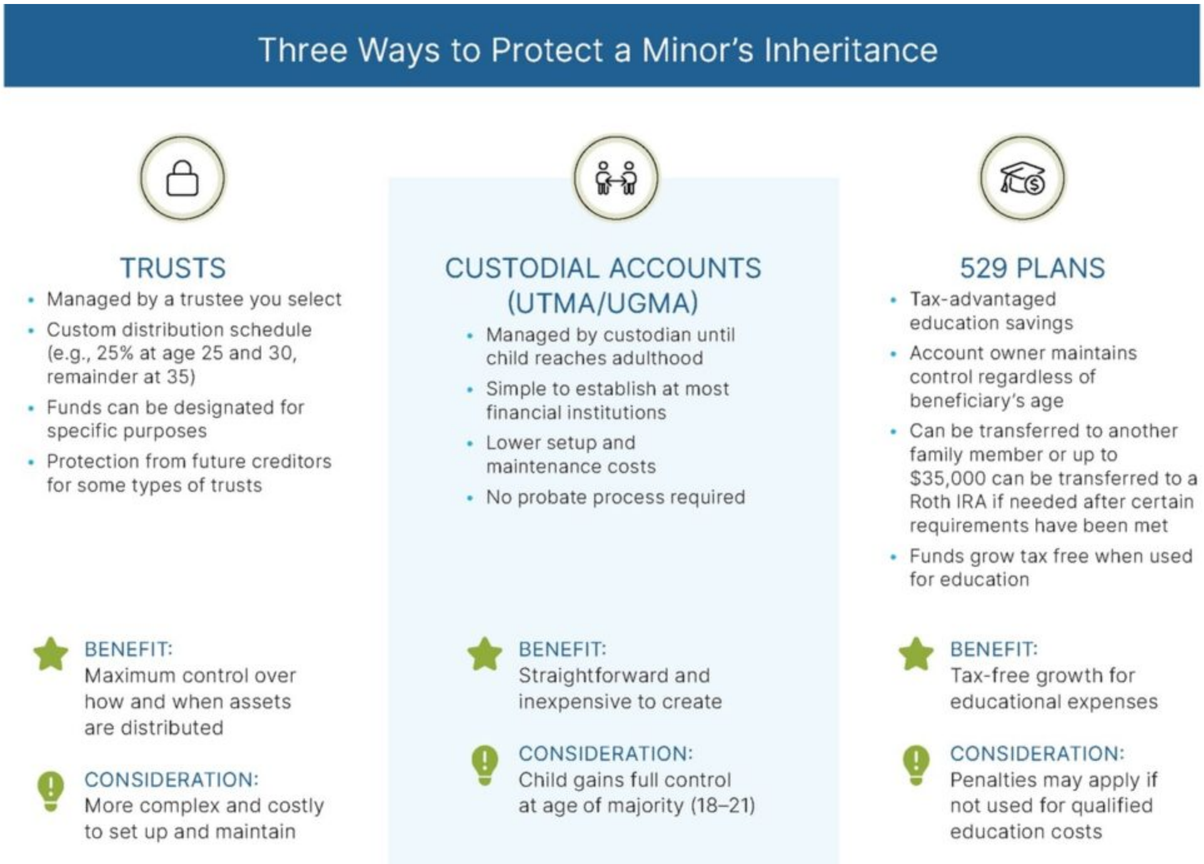
Minors legally cannot own or manage significant funds or property without a custodian. Here are the potential challenges when leaving assets directly to a minor:

- **Custodianship:** When a minor inherits assets outside of a trust, they will usually need a custodial account to manage the funds until they reach the age of majority. This account requires a designated custodian, who may be a parent, legal guardian, or another trusted person. If no custodian is named, then most often a natural parent or legal guardian will typically take on this role. Speak to your financial advisor or attorney for more information about how to elect a custodian.
- **Lack of control:** In almost all circumstances, control of custodial accounts must be transferred directly to the minor once they reach the age of majority as defined by state law (often either 18 or 21). This may not align with your original intention if the child isn’t ready to handle the inheritance responsibility.
- **Probate:** When leaving assets to a minor via a will, they could go through probate, a costly and time-consuming process that validates your will and distributes the assets. To avoid delays and complications, it’s important that all accounts have named beneficiaries, and you consider using a trust to bypass probate.

How Can You Establish a Trust to Protect a Minor’s Inheritance?

A trust is often the most flexible and effective way to ensure that your child’s inheritance is distributed according to your wishes. However, it is also often the most expensive. Here are some of the features of a trust:

- **Control over distribution:** You can set specific terms, such as distributing funds at milestones like graduating from college or reaching a certain age, ensuring that your child is prepared to manage their inheritance.
- **Protection from mismanagement:** A trustee (either an individual or institution) will manage the funds responsibly, ensuring that they are used appropriately, such as for education or housing, until the child is mature enough to take control.
- **Extended control beyond age of majority:** If you don’t want your child to have full control at 18 or 21, a trust allows you to distribute assets over time (e.g., 25% at age 25, 25% at 30, and the remainder at 35). This approach helps ensure your child’s financial maturity before receiving large sums.



When Might Custodial Accounts Be Appropriate?

If you're looking for a simpler option, custodial accounts under the **Uniform Transfers to Minors Act (UTMA)** or the **Uniform Gifts to Minors Act (UGMA)** might be a good choice. These accounts allow you to transfer assets to a minor while appointing an adult custodian to manage them until the child reaches the age of majority (usually 18 or 21, depending on the state) via a beneficiary designation.

Key features of custodial accounts:

- **Simple and cost-effective:** Easy to set up with no complex administration. There are typically no ongoing fees or tax filings.
- **No probate:** Funds in a custodial account avoid probate via a beneficiary designation, ensuring a quicker transfer.
- **Automatic control at age of majority:** Once the child

reaches the age of majority as defined by the state, they gain full control over the account, which may not be ideal if they aren't ready to manage it. For this reason, custodial accounts may be best suited for smaller amounts or simpler needs.

Why Is Choosing the Right Trustee or Custodian Critical?

Whether you choose a trust or a custodial account, selecting the right person to manage the funds is essential. This person will be in charge of handling the money and making decisions, so they must be financially responsible, trustworthy, and likely to outlive you. It's also a good idea to name a backup trustee or custodian in case your primary choice is unable or unwilling to take on the responsibility.

For larger sums or more complex situations, you might want to consider naming a professional trustee, such as a financial institution or estate planning expert, to ensure that the trust is managed according to your wishes. Speak with your financial advisor to determine if a professional trustee is the best option for you.

What Circumstantial and Tax Implications Should You Consider?

Leaving money or property to a minor can have tax implications that should be considered. One important factor is the kiddie tax, which applies to any unearned income (such as investment earnings) a child receives. If the amount exceeds a certain threshold, it will be taxed at the parent's rate instead of the child's, which could lead to a higher tax burden. Also, trusts are often taxed at higher rates than individuals, so if you set one up, it may quickly reach the highest tax bracket, even if the income is relatively low.

Additionally, retirement assets left to minors could affect their eligibility for student aid, and naming special needs beneficiaries could affect their government benefits. Always consult with your financial advisor and a tax professional to structure the inheritance in a way that minimizes tax consequences and aligns with your overall financial goals.

Have You Considered 529 Plans for Education-Specific Inheritance?

For those who want to leave funds specifically for a child’s education, a 529 college savings plan can be an excellent option. These state-sponsored accounts provide tax advantages when funds are used for qualified education expenses. The benefits include:

- **Tax advantages:** Contributions grow tax free, and withdrawals for education expenses are not taxed.
- **Control:** The account owner maintains control of the funds, even after the child reaches adulthood.
- **Flexibility:** If the child doesn’t need the funds, you can change the beneficiary to another family member. Additionally, starting in 2024, you can transfer a certain amount of funds into a Roth IRA for the beneficiary, offering additional flexibility for long-term savings.

Some estate planners recommend using a 529 plan alongside other inheritance tools, such as trusts, to create a comprehensive financial plan.

While naming a minor as a beneficiary is a thoughtful gesture, it requires careful planning to ensure that your assets are used responsibly and in the best interests of your child or grandchild. Consulting with an estate planning attorney, tax professional, and your financial advisor is key to creating a plan that aligns with your goals, minimizes tax implications, and helps avoid unnecessary complications in the future. By taking proactive steps today, you can ensure that your loved ones are supported when they need it most.

The fees, expenses, and features of 529 plans can vary from state to state. 529 plans involve investment risk, including the possible loss of funds. There is no guarantee that an education-funding goal will be met. In order to be federally tax free, earnings must be used to pay for qualified education expenses. The earnings portion of a nonqualified withdrawal will be subject to ordinary income tax at the recipient's marginal rate and subject to a 10 percent penalty. By investing in a plan outside your state of residence, you may lose any state tax benefits. 529 plans are subject to enrollment, maintenance, and administration/management fees and expenses.

This material has been provided for general informational purposes only and does not constitute tax, legal, or investment advice. Although we go to great lengths to make sure our information is accurate and useful, we recommend you consult a qualified professional regarding your situation. Commonwealth Financial Network does not provide tax or legal advice.

The Growing Role of Biosimilars in Employer Health

Plans

As the potential for biosimilars continues to grow, it’s important for employers to consider how these drug alternatives may impact health care plans, coverage, and formularies. We are sharing an article,”Biosimilar Market Trends,” exploring key developments in 2025 and provides insights into what employers can expect this year and beyond. We encourage you to review this content for valuable information on navigating these changes. [Click here to read the article.](#)

AIO Food and Energy Assistance awarded $10,000 through Make More Happen Awards

Thanks to the support of the community, Allen Insurance and Financial has officially awarded a $10,000 donation to AIO Food & Energy Assistance (AIO), a nonprofit organization that provides low barrier access to food, energy, and diaper assistance with compassion and respect to households across Knox County, Maine.

AIO plays a vital role in the community, assisting over 10% of Knox County residents in Maine. Each week, more than 450 families rely on the AIO food market, while 750 students benefit from the weekend meals program. In 2024, AIO provided 526 energy assistance gifts, easing the burden for households so they don’t need to decide between “heating or eating”. The $10,000 donation would provide food for 450 families coming to the AIO market, Weekend Meals for 750 students, diapers for 35 families, and energy payments for approximately 15 households.

“Helping to make our community a better place has always been important to our team, and AIO has given us a way to make a real difference,” said Jill Lang, marketing director at Allen Insurance and Financial, in a news release. “We are grateful to Liberty Mutual and Safeco for providing much-needed funds to continue their impactful work and thrilled at the opportunity to double the donation just by calling on the community to show their support.”

Allen Insurance and Financial has supported AIO for years through volunteer efforts, fundraising campaigns and community outreach. Since 2020, the Allen team has mobilized volunteers and provided significant sponsorship each year. In 2025 alone, AIO, with the support of Allen Insurance and Financial and others in the community, has collected nearly 2,400 pounds of food and raised $39,000 in donations—enough to sustain AIO’s essential programs through the harsh winter months .

“Recognizing independent agents’ dedication to their communities and nonprofit partners is what the Make More Happen Awards are all about,” said Stephanie Davis, Safeco Insurance Senior Territory Manager. “Allen Insurance and Financial is an outstanding example of how agencies can make a real difference, and we hope sharing their story inspires others to give back as well.”

Throughout 2025, Liberty Mutual and Safeco Insurance will select up to 36 independent agencies nationwide for a Make More Happen Award, donating up to $360,000 to nonprofits they support. Agencies become eligible for the award by submitting applications showcasing their commitment to a specific cause.

For more information, visit www.agentgiving.com.