

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.

Why Loss Control is Important

By Chris Richmond

for May 2022 [WorkBoat Magazine](#)



Chris Richmond,
AAI, CMIP

A busy ship repair facility we work with recently had a follow up visit from their USL&H insurance carrier. Loss control had visited the client previously and this visit was designed to accomplish three goals: It was a chance for key players to meet in person; facility personnel could provide an update on previously noted deficiencies and the loss control manager could view the yard during the not so kind New England winter.

As you know, the premium for USL&H is based on jobs performed as well as payroll. Generally the more employees a company has the more premium the company will pay. Loss history is also a factor: The more paid claims a company incurs the higher the premium will be. It is in everyone's best interest – from the employee staying safe to the shipyard paying the premium to the insurance company paying the claims – to keep claims to a minimum. This is where loss control comes in.

The visit made clear where safety improvements had been made and where they still needed to be made. Among the deficiencies observed were missing safety guards on machinery, chaffed power cords and cluttered walkways. A key area of improvement to the

yard was the installation of metal grating on gangways to the ships for better grip and to help minimize slips in the winter months.

A follow up report was provided to the client's safety manager with a request for written verification of completion of the safety recommendations within 45 days. An offer to provide safety trainings on site was extended. These visits can be fine-tuned to the client's specific needs. They are no cost and are a great opportunity to remind employees of their stake in the workplace safety. Management can use a training to echo the message that safety keeps claims down, which keeps premiums down, all of which can help make the company more profitable.

A visit from a loss control manager is something to look forward to – not to regret. Input and involvement from your insurance company can help keep your premiums down. If you haven't had a loss control site visit recently, reach out and request one. It's free expert advice, designed to help to improve safety and save you money in the long run. What's not to like?

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.

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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.

Financial Planning Considerations for Single Women

For various reasons, the state of a woman's financial security often depends on her marital status. A study from the U.S. Government Accountability Office says that women's household income [dropped by 41 percent](#) after divorce, nearly double the size of the decline men experienced. In 2020, women earned just [82.3 cents on the dollar](#) compared with men, according to the Department of Labor's Bureau of Labor Statistics, a gap that was more pronounced for women of color. And women earn less than their male counterparts in nearly every occupation. Whether you are newly divorced, widowed, or single by choice, the following tips could help you shore up your financial security.

Be involved in your finances. A Stanford Center on Longevity study found that women tend to be [as confident as men](#) in making routine financial decisions but much less confident—and usually less involved in—making major financial decisions such as saving for retirement or investing.

In many cases, a woman going through a divorce or the loss of a spouse may not be aware of their family's full financial situation. If you are currently married, you should be actively involved in major financial decisions and have access to all financial records.

Plan ahead at work. When you have confidence in your financial status—if you have a strong financial plan in place and you've

built up savings and emergency funds—you may be more confident asking for what you deserve at salary-review time.

Back up your claims for a raise. Support your proposal by documenting any significant accomplishments you've made over the past year, particularly ways you've contributed to your company's financial success.

Explore your career options. Employees tend to earn salary increases when they switch jobs. Exploring job opportunities every few years could confirm whether your current salary is appropriate, give you a reason to negotiate for a raise at your current job, or inspire you to make a career leap.

Don't share your salary. Telling a recruiter your current salary or earning history can result in a lowball offer. When applying for jobs, you can see what comparable positions in your area pay by reviewing popular salary websites. Keep in mind that you can always ask for more after the initial salary offer.

Factor in the cost of caring for others. The National Alliance for Caregiving and AARP 2020 report on caregiving in the U.S. found that [61% of caregivers are female](#), and that female caregivers are less likely to work while providing care. When working on a financial plan with your advisor, incorporate the cost of childcare, including after-school support if your work hours require it. Consider long-term care and disability insurance coverage so that you won't have to leave the workforce to care for a spouse experiencing a health event.

Revisit your beneficiaries. A change in marital status triggers the need to see who will inherit your assets. At least 26 states have statutes that automatically revoke beneficiary designations naming a spouse in the event of a divorce—which may not be what you want. You may also need to revisit who you have designated to help with your estate, such as your attorney-in-fact, health

care proxy, and executor.

Tips for New Divorcées and Widows

In addition to understanding your own retirement benefits, you should know about any spousal benefits you may be entitled to. If the marriage lasted for at least 10 years and you haven't remarried, you could be eligible for half of your ex-spouse's social security benefit amount at their full retirement age, even if they're not actively collecting it. The total amount you are owed and when you should start collecting will depend on your age, your personal earnings, your life expectancy, and whether you remarry.

For retirement benefits, you would need at least a 10-year work history to qualify for your own social security benefits. To maximize these benefits, you may want to delay when you start collecting until age 70, depending on your life expectancy.

Tips for Women Who Are Single by Choice

If you don't have a spouse or a child, an estate plan can ensure that your wealth is effectively distributed. Generally, this means that assets would go to a parent or sibling if there's no surviving spouse or child and more remote family members if there are no surviving parents or siblings. If you have a large extended family, you may prefer that your wealth go to nieces, nephews, and charities.

Taking Charge

Whether it's by necessity because of a life change or you just want to become more involved in your finances, you can take charge of your financial security by staying fully informed of your options—and the many considerations that go into solidifying your current financial situation, maximizing

retirement benefits, and properly planning your estate.

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Kellie Doolen has Earned a Maine Property and Casualty Insurance License

Allen Insurance and Financial is pleased to announce that [Kellie Doolen](#) has obtained her license to sell property and casualty insurance in the state of Maine.

Doolen joined the company in November 2019 as a scanning associate and receptionist, filling these key roles on the company's support staff. Kellie is a graduate of the University of Maine; her previous career was in retail management and customer support.

To Our Customers and Community

Updated July 29, 2024

Masks are no longer required to visit our offices.

The safety and good health of our clients, employee-owners and our community continue to be our top priority.

We know that comfort levels will vary and regardless of our individual vaccination status we are happy to wear a mask when meeting with you if you prefer.

We are happy to meet with you in person, talk by phone or set up a video call. Our office hours are 8 a.m. to 4:30 p.m., Monday through Thursday. Fridays through Aug. 30, our offices closed at 3:30 p.m. We look forward to seeing you soon!

Additional information:

[AllenIF.com/contact](https://www.AllenIF.com/contact)

[AllenIF.com/claims](https://www.AllenIF.com/claims)

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