

# Maritime Employers Liability – What It Is and Why You Need It

By [Chris Richmond](#)

For [WorkBoat Magazine](#)

Recently we were reviewing insurance coverage with a local marine contractor. Through the course of our conversation, we learned that one of their employees had been operating a crane aboard another contractor's barge for that contractor's project. While this happened only rarely, it did open up a big gap in their coverage. Fortunately, there was a solution: Maritime Employers Liability.

Commercial vessels will carry Protection and Indemnity. As we know, P&I provides coverage for the insured's crew members. But this only applies to crew members who are employed by the vessel owner or operator. Your employees working on board someone else's vessel would be covered under an MEL. The MEL follows your employees while they are on non-owned vessels. Coverage under the policy can include:

- Jones Act
- Death on the High Seas Act
- General Maritime Law of the United States
- Maintenance, Cure and Wages

One important thing to remember is that while an MEL policy will provide coverage for the benefits listed above it does not include a workers compensation policy. You will still need to keep in force coverage under either you state workers compensation policy or your USL&H. One nice thing about an MEL is that you can often have it added to your existing USL&H policy.

MEL is rated differently than typical crew members on your Protection & Indemnity policy. Those crew members are charged per crew for a fixed price, usually between \$750 and \$1,000 per head. MEL not only looks at how many employees you have working on non-owned vessels but also at your total number of employees as well as payroll associated with both wet and dry exposures. Payroll also needs to be broken out between USL&H, state act (workers compensation) and Jones Act.

There is much more underwriting that goes into an MEL quote as compared with crew on an owned vessel. The premium associated with the MEL policy will vary based on the payroll associated with the exposure – but be prepared to pay at least \$5,000 as there is generally a minimum premium with this coverage.

When you send your employees out on a job you want to make sure that they are properly prepared and protected. Do not forget to protect yourself, as well. Without a Maritime Employers Liability policy you could be leaving yourself unprotected against a major claim.

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## **Why It's Important Not to Overlook Cargo Insurance**

By [Chris Richmond](#)

Originally Submitted to [WorkBoat Magazine](#)

I met recently with a client who operates a small water taxi service. I noticed several crates in the bed of his truck and learned he was transporting them to one of our local islands.

While this seemed like an innocent risk to the insured, there was one glaring problem: His policy excluded coverage for cargo.

While marine policies will have limited coverage for passengers' personal effects, there is often an exclusion attached for cargo. This can be added by endorsement with a sublimit of coverage, with premium based on the amount of coverage. Be sure to understand the value of the cargo you are going to be transporting, because your policy will only provide the limits you have paid for. You will also have a separate deductible for cargo claims. A good practice is to have a freight contract with your customer which determines the value of the items to be shipped. This can help avoid any surprises in case of a loss.

Take a look at how the cargo has been packed. We all know things can get rough and wet on the water. You should have an established set of guidelines regarding packaging and you should reserve the right to refuse the right to ship an improperly packaged item. You can't control the weather and you don't want to have to pay for someone else's poor work.

As with all insurance, the cargo endorsement will come with exclusions. Be sure to review these with your agent to make sure everyone is on the same page. Negotiations with an underwriter can often result in more favorable coverage.

Here in Maine, small cargo vessels servicing local island communities are lifeblood to those islands. Often the families operating them have been doing so for many generations. The same is true of many coastal and riverine cargo operations throughout the U.S. As the nature of your business changes and develops, so too should your approach to risk management. Talk to your agent and see if your policy needs to be updated.

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# **AIO's Second Annual FILL THE STRAND Event, Keeping Neighbors Fed and Warm**

On Monday, January 17, 2022 AIO Food and Energy Assistance will host its second FILL THE STRAND food and funds drive to benefit AIO's Food Assistance, Energy Assistance, Weekend Meal, and Diaper Assistance Programs. This event challenges the community to fill every seat in the historic theater with bags of food and funds for AIO's programs.

The 2021 Fill the Strand event raised more than \$27,000 in support for AIO, filling the theater seats nearly 3 times. The goal for the second event is to raise \$30,000. AIO is grateful to its partners and sponsors the Strand Theatre, Allen Insurance and Financial, First National Bank and First National Wealth Management, Rockport Steel and Fletcher and Michael McNaboe of City + Harbor Real Estate Group for their support of the event.

Coordinators would like to encourage community organizations, businesses, and residents to do food and fund drives within their groups, workplaces, and neighborhoods to help with the drive. The food and funds collected will go directly to AIO's programs that support Knox County families. Any individuals or groups interested in holding a food drive within their group is asked to contact one of the coordinators listed below for details.

Monetary donations are welcome – and in fact your dollar goes further since AIO can purchase food through partners at a

competitive price. Individuals can sponsor a bag at \$25, which will fill one seat in the theater. Those interested in sponsoring a bag through a financial donation can make it online at [www.aiofoodpantry.org/strand](http://www.aiofoodpantry.org/strand).

Non-perishable food with a current expiration date is appreciated (no glass please). AIO would be grateful for donations of the most needed items including: ready rice pouches, macaroni and cheese and pasta; cereal & oatmeal; pop-top canned foods and Chef Boyardee meals; single serving lunch items; kid-friendly snacks; 100% juice boxes; shelf stable milk; snacks (granola bars, peanut butter crackers, 6-pack raisins). Whether a monetary gift or food donation – your support will help the people in our community who need it the most.

“At the Strand, we’re thrilled to partner with AIO again in this creative effort! We believe in supporting the good work of other organizations throughout our community, and nothing is more important than helping to make services available to anyone in Knox County with a need for food and heat – especially in these extra-challenging times,” shares Jessie Davis, Executive Director of Friends of the Strand Theatre.

“We are thrilled to continue our partnership with AIO and the Strand Theatre on this unique project. Together, we can make a real difference in the lives of our friends and neighbors,” said Mike Pierce, president of Allen Insurance and Financial.

“First National Bank is proud to support AIO’s Fill The Strand Event,” said Tony McKim, president and CEO. “We are grateful for the critical services AIO provides our neighbors in need in Knox County.”

The impact of this event is significant. “Last year’s event provided a tremendous amount of food when we needed it the most” said AIO executive director Joe Ryan. “Facing an even more

challenging winter this year, we expect the needs within the community to be even greater. The Fill The Strand Event will provide much needed relief at exactly the right time.”

Food collection sites have been established at area businesses, including Allen Insurance & Financial offices (Rockland and Camden), The Strand Theater, First National Bank (Rockland branches), and AIO Food and Energy Assistance (Rockland). On January 17th volunteers will be at the Strand Theatre between 9:00-2:00pm to receive food and funds donations. For more information about the event and how you can participate please contact event coordinator Leila Murphy, leilamurph@yahoo.com. Event information can be found at [www.aiofoodpantry.org/strand](http://www.aiofoodpantry.org/strand).

About AIO Food and Energy Assistance: For over 30 years AIO has provided critical food and heating assistance to Knox County families. Funding for AIO’s programs is needed more than ever as food insecurity in Knox County is projected to increase 46% overall. Knox County ranks among the highest food insecurity rate in the state. Child food insecurity is projected to reach 28% (a 52% increase). In 2021, AIO has supported 1547 individual households and has distributes nearly 400 meal kits each week during the school year. AIO’s Energy Assistance Program helps households with heating assistance or electrical disconnection prevention – which is critical as winter begins. Last winter AIO distributed 450 energy assistance vouchers, totaling \$108,000 in support. The need for assistance is real and is not going away anytime soon given the ongoing pandemic.

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# Debt Management in a Healthy Financial Plan

Wise debt management is a key component of healthy and effective financial planning. Today, most people carry some amount of debt to finance a degree or buy a home or car. Other debts may be incurred out of necessity or as part of an investment plan. Whatever your reasons for taking on debt, you should understand the different types of debt and their risks. This knowledge will help you manage debt wisely as part of your overall financial plan.

## Primary Types of Debt

The two primary types of debt are:

- **Unsecured debt.** Credit card balances and student loans are common types of [unsecured debt](#). Typically (without considering pandemic-related relief), missing one or more of your monthly payments on unsecured debt could result in late fees, increased interest rates, damage to your credit score, and/or action by a collection agency. A [delinquent](#) borrower can also be sued by the lender.
- **Secured debt.** With [secured debt](#), the lender has an interest in an asset, such as a home mortgage or car loan. In the event of default, the lender has a legal right to repossess its interest in the asset.

## Risks to Consider

The distinction between unsecured and secured liabilities should not lead to conclusions about when debt is appropriate. Credit card balances and car loans, for example, are rarely part of a healthy financial plan, in part because assets acquired this way are subject to rapid depreciation. Furthermore, because

unsecured debt is convenient, it can get out of control quickly. So, avoiding credit card debt and car loans is advisable unless you have a strict budget and the discipline to stick to it.

Other types of debt, such as mortgages and business loans, could increase your long-term net worth, provided the asset value increases or remains more valuable than the loan balance. In these cases, you have less risk of the debt getting out of control because secured loans can be fully satisfied by disposing of the secured asset. But the obvious downside is you could lose your home, car, or other valued asset. As a result, even if secured debt has lower interest rates and more favorable terms, you should carefully weigh the potential downsides before taking it on.

### **How Much Debt Can You Afford?**

With any type of loan, lenders decide what level of risk they will accept when making a lending decision. Factors they consider include credit history and the prospective borrower's debt-to-income ratio. But the lender's main concern is answering the question, "What is the maximum amount we can offer this borrower with the least likelihood they will default on the loan?"

It's important to realize that a lender's willingness to loan funds does *not* mean accepting the loan is prudent. When analyzing your ability to carry debt, consider your budget carefully and focus on the following:

**Liquidity.** If you suddenly lost your job, would you have enough cash to cover your current liabilities? It's a good idea to maintain an emergency fund to cover three to six months of expenses. But don't go overboard. 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 noninterest-bearing checking account.

**Current debt.** Your total contractual monthly debt payments (i.e., minimum required payments) should come to no more than 36 percent of your monthly gross income. Your consumer debt—credit card balances, automobile loans and leases, and debt related to other lifestyle purchases—should amount to 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.** Generally, your monthly housing costs—including your mortgage or rent, home insurance, real estate taxes, association fees, and other required expenses—shouldn't amount to more than 31 percent of your monthly gross income. If you're shopping for a mortgage, keep in mind that lenders use their own formulas to calculate how much you can afford. These formulas may not work for your situation. For a mortgage insured by the Federal Housing Administration, your housing expenses and long-term debt should not exceed 43 percent of your monthly gross income.

**Savings.** Although the standard recommended savings rate is 10 percent of gross income, your guideline should depend on your age, goals, and stage of life. You should save more as you age, for example, and as retirement nears, you may need to ramp up your savings to 20–30 percent of your income. Direct deposits, automatic contributions to retirement accounts, and electronic transfers from checking accounts to savings accounts can help you make saving a habit.

### **Debt Pay-Down Strategies**

If you're carrying debt that exceeds what's normal for the average household, we can discuss strategies to pay it down as aggressively as is reasonable. Here are two approaches to consider:

- **Snowball debt elimination.** This involves identifying lowest-balance debts and targeting them for priority repayment while making only the minimum payment on other items of debt. Once the lowest balance is paid off, move on to paying down a new set of lowest-balance debts.
- **Debt avalanche.** This strategy advocates paying off debts with the highest interest rate first. This makes mathematical sense but requires discipline and the ability to stick with the process.

### **Debt and Your Investment Plan**

In some cases, you may believe that holding debt, such as a mortgage or margin investments, is beneficial. This idea is usually based on the potential for your investments to outperform the interest rate on the applicable loan and the investment opportunities you could explore with that extra liquidity.

For instance, you might believe that paying off a mortgage or margin loan could represent a tax-free return on investment essentially equal to the interest rate paid on the debt. But you would enjoy a significant net benefit only if the rate of return substantially exceeds the cost of the interest. And that result cannot be guaranteed. So, though this strategy could potentially yield a monetary benefit, the overall risk involved is significant.

### **Need Additional Information?**

We'll talk through these strategies for managing debt and explore other planning solutions that can help you stay or get on track to financial security. By carefully approaching debt with a detailed plan on how much to borrow and how to repay your debt, you can reach your goals and support your long-term financial success.

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## **Business Income Insurance – What It Is and Why You Need It**

By [Sally Miles](#)

If your business has to stop operations unexpectedly, there would be loss of business income. There is a type of insurance coverage which can help a business owner meet payroll and other operating expenses and replace actual loss of net income during the time required to repair or replace the damaged property after a loss.

There are a few important things to know about business income coverage:

- Business income is defined as net profit or loss before income taxes that would have been earned or incurred if no physical loss had occurred.

- This coverage is triggered by direct physical loss or damage to your property due to a covered loss AND a partial or full suspension of operations.
- Business Income coverage can be programmed to fit the needs of a specific business.

We recommend asking your insurance agent to help you determine whether business income coverage is essential for your operation. It could mean the difference between reopening after a covered loss or closing your doors for good.

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# Rein in Workers' Compensation Insurance Costs

By [Chris Richmond](#)

Originally Submitted to [WorkBoat Magazine](#)

We've spent some time in this space discussing the Jones Act, which covers your crew on owned vessels and USL&H, which responds to your employees who meet the situs and status of the federal act. Now let's talk about another layer of protection for employees: State workers compensation insurance, which for many smaller yards can be a primary coverage for employees.

The action of every employee at a yard can have a dramatic effect on the cost of a workers compensation insurance policy.

Here's why:

A workers compensation base premium is calculated by two things:

Job classifications for each employee (based on the work they are doing) and the payroll associated with each classification. Your premium is multiplied by your experience mod. A neutral experience mod is 1.0. With yards experiencing frequent or expensive claims, the experience mod will increase, as will your premium. For yards experiencing no claims, this number will go down – and so will your premium.

The calculation of an experience mod is based on the prior three years of policy period. When a claim occurs, you can reduce the negative impact of an injured employee on your experience mod by getting them back to work as soon as possible. Medical-only claims are weighted far less than indemnity benefits claims.

Aside from telling your employees to be careful and not get hurt there are other ways to help create a safer work space. For starters, contact your workers compensation company. They will have all sorts of workshops and webinars to assist you, very often if not always, at no cost to you. Schedule a visit with their loss control department and have one of their safety management consultants do a walk thru of your facility. This can turn in to an annual event and can help you track improvements or areas of concern to address. Your state department of labor will also have consultation services available. By getting a new set of eyes on your facility and workforce simple improvements can be made that can have dramatic effects in a safer work environment.

Finally, review your experience mod work sheet with your agent. Mistakes in coding can have a negative effect to your policy. Recently we were reviewing a boatyard's report and noticed a claim that should have been coded as medical-only had been mis-coded as indemnity. This had a dramatic effect to the mod in the wrong direction and once corrected reduced the insured's premium. Have a chat with your agent, it could save you some

money.

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# More Generous Savings Provisions for Retirement Planning in 2022

By [Sarah Ruef-Lindquist, JD, CTFA](#)

In 2022, retirement contribution limits for 401(k) and other types of defined contribution plans (403(b), 457 and Thrift Savings plans) will increase \$1,000 to \$20,500 for those under age 50, and for those 50 and older to \$27,000.

This amount is \$1,000 higher than it has been and is great news for retirement savers. Taking advantage of plans that allow taxpayers to make pre-tax contributions that then are treated as tax-deferred until withdrawn in retirement is a smart part of retirement planning.

Pre-tax contributions reduce your tax liability because the amount of the contribution is deducted from gross income. The retirement account is not taxed on any income or capital gain as long as funds remain in the IRA, with the exception of amounts withdrawn. Those are taxed as ordinary income. Taxes can be delayed to age 72, when annual minimum distributions are required to begin. Then income tax is due on withdrawals.

There is no change in the contribution limit for Individual Retirement Accounts (IRA's). That amount remains at \$6,000 for those under age 50, and \$7,000 for those age 50 and older. The

amount has not changed since 2019.

Other recent legislation allows people to continue to make contributions after age 70, as long as they have income of at least the amount of the contribution.

More workers may now qualify for Roth IRA contributions, based on income phaseouts that are rising \$4,000 (\$129,000 – \$144,000) for single filers and rising \$6,000 (\$204,000 – \$214,000) for married filing jointly.

Be sure to check with your tax preparer or financial advisor about how any changes in the laws regarding retirement savings and planning impact your particular situation.

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## **Financial Guidance for Recent Widows: What Women Should Know After the Death of a Spouse**

In a 2019 UBS Investor Watch Survey, nearly 68 percent of married women from around the world reported they believe they'll outlive their spouse. And it's a belief that's grounded in reality—according to U.S. Census data, women are expected to live longer than men by roughly four years by 2060. What are the implications of this when it comes to money matters? It means that many women will find themselves responsible for making financial decisions on their own—and potentially for several years—if their spouse passes before them.

The UBS study also revealed that 76 percent of widows wish they

had been more involved in making financial decisions when their spouse was alive. The unfortunate reality is that for many women dealing with the devastating grief of losing their spouse, things become even more challenging as they try to process the flood of financial burdens that come their way. While it may be tempting to push money concerns to the back burner if you find yourself in this situation, there are immediate and lasting financial tasks you'll need to navigate. Here are some things to keep in mind.

### **Homing In on Your Finances**

You're in the middle of experiencing a heartbreaking event—it's possible you may find yourself unprepared to handle the torrent of financial matters falling in your lap. This may be especially true if your spouse was the primary financial planner and investment decision maker in your family. If you're feeling overwhelmed by financial planning considerations, start by focusing your attention on these topics.

**Estate administration.** It's important to obtain several copies of your spouse's death certificate. You'll also want to review the status of any existing estate planning documents. Keep in mind, maintaining a list of assets and accounts on an ongoing basis will streamline the estate administration and ultimate distribution of your spouse's assets in the event of their death.

Contacting the appropriate institutions is a good starting point for knowing what documentation is required to transfer and distribute these assets. Additionally, you may want to familiarize yourself with details such as the 50 percent—or, if you live in one of the nine community property states, 100 percent—cost basis step-up on the value of assets.

**Short-term finances.** After you've finalized your spouse's



estate, you'll want to start thinking about short-term finances based on your change in situation. For example, you may need to adjust your monthly and yearly budget as well as spending habits. As you evaluate your income needs, keep in mind the social security survivor's benefit on a deceased spouse's record is available as early as age 60 to widows who are not disabled. Disabled widows can receive a survivor's benefit as early as age 50. This can create an early income stream, even though you may not be eligible to begin your own benefit until age 62. (Note that benefit reductions will likely apply for early claiming.)

There are a few things you should know about the social security survivor's benefit, including that it's separate from one you may be entitled to receive based on your own earnings record. Additionally, as the surviving spouse, you can decide when to take your survivor's benefit versus your own. If your own retirement benefit will be greater than the survivor benefit after the addition of the 8 percent per year delayed claim credit, you could collect the survivor benefit first and then switch to your own benefit at age 70.

If your spouse was the primary wage earner and held life insurance, this can provide another immediate source of income for you. Having a listing of the policies in place can quicken the payout process. If your spouse was still employed at the time of death, be sure to contact their employer about group policies that may also provide a death benefit.

**Long-term finances.** In addition to getting a handle on your immediate financial needs, you'll want to think about planning for your long-term financial stability as well. Be sure to review and update your estate plans and beneficiary designations and understand the various health care options available to you (including Medicare and long-term care insurance). It's important to share your long-term care wishes with those closest

to you. While these discussions may be very difficult, it's important to make loved ones aware of any specific preferences you may have relating to end-of-life medical decisions and funeral arrangements for yourself.

### **Look Ahead and Take Early Action**

Managing your finances can be a complex task under any circumstances, never mind when you're grieving. You can rely on us as a resource to help you talk through your options and find solutions that work best for you. We're happy to help guide you on decisions regarding estate planning, emergency savings, life insurance, and health care, as well as other advanced planning strategies that can protect you against a loss of income. By taking steps to gain a more comprehensive view of your finances, you can position yourself for a stable financial future.

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.

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## **Leann Cailler Earns Safeco Insurance® Award of Distinction**

[Leann Cailler, ACSR, CPIA](#), a personal insurance account executive with Allen Insurance and Financial, has earned the Safeco Insurance Award of Distinction and has been named a

producer of the year for 2021.

This recognition is achieved only by a select group of agents across the country who sell Safeco Insurance.

“Leann takes the time to explain coverages and insurance products so our clients can make the decision to best protects their home, vehicle and family,” said Scott Carlson, manager of the personal insurance division at Allen Insurance and Financial. “Leann and the entire Allen personal insurance team strive to help create great outcomes for our clients. This recognition is the result of a lot of hard work and is well deserved. We’re all very proud of Leann’s accomplishment.”

The Safeco Award of Distinction honors outstanding agents who have developed a solid partnership with Safeco. Only 150 agents nationwide earn this award.

Cailler, of Waldoboro, has been with Allen Insurance and Financial since 2007. She holds both the Accredited Customer Service representative (ACSR) and Certified Professional Insurance Agent (CPIA) designations.

Allen Insurance and Financial is a multi-year President’s Award and Premier Partner agency, recognition given only to the best independent insurance agencies that sell Safeco. Safeco is a Liberty Mutual Insurance company.

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**Timely**

**Insurance**

# Considerations

Cale Pickford, Allen Insurance and Financial  
for Maine REALTOR Magazine

If the past 20 months or so have taught us anything, it is that the one thing we can count on is the fact that we cannot count on anything. It seems as if March 2020 marks a demarcation line, the BCE and CE of our millennia.

Many whose fortunes are tied to the real estate market have done exceedingly well. An equal number of business owners continue to struggle to find employees and products needed to do their work. One family after another has recognized the virtues of life in Maine and, often supported by the realized promise of remote work, have moved to Maine to begin a new chapter of their lives.

The result is an increase in estate prices – up by as much as 35% in some locations – pushing the dream of home ownership out of the reach of many of our fellow Mainers. While there are many causes for economic and public health concern and anxiety, Maine seems poised for continued growth and prosperity.

Through it all, our real estate professionals continue to guide buyers and seller alike through a market that is unlike any other. No two buyer or seller situations are the same and the role that the professional real estate agent plays has never been more important. Knowing that your role extends well beyond the actual real estate transaction, the following represents my top three considerations impacting the insurance industry as we venture toward the early months of 2022.

**FEMA Flood Risk Rating 2.0:** Remember way back when flood insurance was rated by those confusing combinations of letters that seemed like they were an acronym but really were not? VE,

AE, A1, B, C, and X have all been done away with, at least as they relate to the pricing of flood insurance. These designations still apply to construction ordinance and insurance requirements for mortgages, but they are no longer used in the rating of flood insurance. Enter Risk Rating 2.0, where FEMA will no longer use flood zones to calculate flood insurance rates. Instead, an individual property's risk will be used: Foundation type, elevation, structure replacement cost, the frequency of a variety of flood types, and the distance to water, among others. In a stark departure from the past, FEMA has decided to apply actuarial data, common sense and modern technology to the rating of flood insurance.

While major changes are rarely good for everyone affected, it does appear that Maine will see one of the largest average decreases of flood insurance premiums in the country. In fact, New England homeowners, in general, will make out the best with RISK rating 2.0, while Florida, Louisiana, New Jersey, and North Carolina will see the largest increases. Another benefit is that insurance agents will have a much easier time of quoting flood insurance so be sure to reach out to an independent agent to get a quote for sellers and buyers alike.

**Increased Cost of Construction:** Inflation has crept into just about every sector of the economy, but it seems like no sector has been impacted more dramatically than the construction industry. Unprecedented demand, material shortages and thin labor pools have all driven the cost to build, repair or remodel far higher, assuming you can even find a contractor to do the work. Property insurance is squarely impacted by construction costs. Insurance agents use a variety of software products to estimate the replacement cost of a home, or the cost to rebuild the entire structure, including costs associated with demolition and debris removal. In many instances, these estimating tools have not kept up with the cost increases on the ground, leaving

property owners at the risk of being under-insured. In addition to working with replacement cost values that accurately reflect today's costs, homeowners should look for a homeowners insurance policy where the cost to rebuild is not directly capped by the limit of coverage. Extended replacement cost policies will provide up to 25% to 100% more than the limit of dwelling coverage, while guaranteed replacement costs policies have no cap.

**Climate Change and Severe Weather:** Some days it seems as if every single news cycle includes stories about a new catastrophic weather event. Wildfires, hurricanes, tornados, droughts and unprecedented rainstorms are impacting every part of our country. It may feel as if Maine is insulated from the worst of these increasingly severe events, but many indicators show Maine climate change as among the fastest in the country and with that change, we can expect more and more severe weather events. Understandably, insurance accessibility and affordability are directly impacted by the billions of dollars paid out to rebuild following these storms. For now, Maine continues to be looked upon favorably by insurance underwriters but in certain parts of the country, access to affordable insurance is having a dramatic impact on the real estate market. Insurance costs are going up in Maine, as well, as insurers look to squeeze more premium out of states that perform well as a strategy to make up for losses in other regions. Reinsurance, the insurance that insurers buy to offset the risk of large losses, is also getting more expensive, further increasing costs on the retail level. Especially buyers of high value, rural or island homes should be looking to start early on the insurance shopping process, as there will be fewer options and those that exist will be more expensive than in years past.

The role of the real estate agent has never been more important. The idea that your profession might be replaced by a website's

algorithm and artificial intelligence is laughable, especially when viewed in the light of today's market. Your ability to guide a buyer and seller through the emotional ups and downs of the transaction is just as important as your ability to anticipate challenges and recommend professional resources and advisors who add value to your relationship. Make sure that insurance considerations are on your list and that your approach your deals this year and into the next.