Jane Harford Earns State Insurance License

Jane Harford

We are pleased to announce that Jane Harford has obtained a license to sell property and casualty insurance in the state of Maine.

Jane is a member of the support staff at the agency's Camden office. A resident of Belfast, she joined the company in 2018.

The state-issued study guide for insurance licensing is 400+ pages. The state exams are comprised of 150 questions drawn from a pool of 2,400 questions on a complete range of subject areas, including business and personal insurance, workers' compensation, maritime insurance and Maine insurance law.

As Financial Advisors, We are

Not Afraid to Use the F-Word: “Fiduciary”

Several years ago there was a lot in the news about a fiduciary rule that was going to change how advisors worked; the imposition of a fiduciary standard of behavior meant that advisors would have to make decisions and recommendations for their clients in their clients’ best interests, and not their own.

Sarah Ruef-Lindquist, JD, CTFA

Otherwise, advisors could charge commissions and earn fees on investments and other financial products that were perhaps questionably in their client’s best interests, but were definitely in the advisor’s best interests.

‘Fiduciary’ means essentially making decisions based on the best interests of someone beside yourself. While this isn’t a foreign concept to most people, it is not necessarily human nature. After all, survival instincts naturally tend toward self-preservation, not altruism. However, as advisors, we are in the unique position of helping others with decisions that require not only objectivity to understand available options, but professionalism and expertise to advise and recommend the best course of action for a particular individual’s circumstances.

Even though the fiduciary rule was not ultimately enacted as part of the regulatory scheme for financial advisors, some of us have always made it our practice to only make recommendations in our clients’ best interests. It is easier to do that when your income is not based on commissions from sales. Fee only planners are compensated solely by the client with neither the advisor nor any related party receiving compensation that is contingent on the purchase or sale of a financial product. Fees are usually paid through the investment management of one or more portfolios based on a percentage of their value, or in some cases for consulting work done on an hourly basis.

A question to ask yourself if you have a financial advisor would be are they acting in a fiduciary capacity for you?

Doing Well by Doing Good? The Increasing Practice of Socially Responsible Investing

There are many ways to be well. Most people consider wellness to include physical health and well-being. Some would also consider emotional, financial and spiritual wellness as worthy of their attention, and devote time and resources to addressing issues to promote those types of wellness.

Sarah Ruef-Lindquist, JD, CTFA

For many investors, this approach aligns with their desire to support business that are “doing good” in the world either in terms of what social or environmental issues they are addressing, and perhaps in terms of how they govern themselves and treat the employees within their companies.

In recent years, greater emphasis has been placed on the intersection of financial wellness and emotional or spiritual wellness. The world of investing has begun to focus attention on ways in which capital can be invested to support businesses that are promoting social or environmental welfare, and/or govern themselves in a way that promotes diversity and inclusion of those historically marginalized in corporate leadership, either by virtue of gender, race or other suspect criteria.

What has come to be known as Socially Responsible Investing (SRI) or Environmental Social Governance investing (ESG) involves using criteria like environmental, social, governance and employment practices to choose what investments will be held in a portfolio. According to Commonwealth Financial Network's website:

Sometimes referred to as environmental, social, and corporate governance (ESG) investing, Socially Responsible (SRI) is a broad-based strategy in which **corporate responsibility** and **societal concerns** are factored into investment decisions. In short, an SRI strategy seeks to **maximize both financial return and social good.**

Companies that deal in tobacco, gambling, fossil fuels, weapons, or involve child labor, employee discrimination, or lack board diversity are the kinds that get attention in SRI/ESG screening. Mutual funds will screen out companies that don't measure up in those areas.

This has broad appeal for many investors, but for some time there have been concerns that one could sacrifice market performance for social benefit. For example, removing fossil fuel stock from a portfolio could exclude some of the top performing companies during certain market periods. That is a difficult choice to make. Over time, the index that measures the performance of mutual funds that screen for SRI companies has shown that the gap has narrowed significantly between the general mutual and exchange-traded fund world and SRI-screened funds.

According to a US News and World Reports June 7, 2018 blog post entitled S*ocially Responsible Investing Delivers*:

Research and performance history imply that socially responsible investors receive superior absolute returns and risk-adjusted performance, while also addressing sustainability concerns. Dollars invested in sustainable and socially responsible strategies provide companies with better ESG metrics easier access to capital, which reduces the cost of equity and supports higher stock prices.

https://money.usnews.com/money/blogs/the-smarter-mutual-fund-investor/articles/2018-06-07/socially-responsible-investing-delivers-for-investors

So when you're thinking about your own wellness, consider whether a more socially responsible approach to investing makes sense for you. Would knowing that your investments were supporting companies working to improve the environment, or address social causes, or include women and minorities in executive leadership add value to your experience as an investor? As with all investment choices, you should consult with your financial advisors before making any changes to your portfolio or investment strategy.

Socially responsible investing involves the exclusion of certain securities for nonfinancial reasons. This may result in the investor forgoing some market opportunities that may have been available to those not subject to such criteria. There is no guarantee that any investment goal will be met.

Helpful Info: Health Savings Account Contribution Rules

Many employers offer high deductible health plans (HDHPs) to control premium costs and pair this coverage with HSAs to help employees with their health care expenses. Due to an HSA’s potential tax savings, federal tax law includes strict rules for HSA contributions. [Click here for a Compliance Overview summarizes the contribution rules for HSAs. (PDF, new window)]

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
Want to subscribe? Email newsletter@allenif.com

Our AgencyDoes Not Make Robocalls

We have had a report of a customer receiving a robocall from (207) 596-2038, identifying as from “Allen Agency” and offering a free health exam. We would like to let you know that we are not making any such calls.

Making the Case for a Three- to Six-Month Reserve Fund

The news has been full of stories about the fallout from the federal government furlough while congress and the administration iron out a budget for 2019.

Sarah Ruef-Lindquist, JD, CTFA

Federal employees missing two paychecks as of this writing have reported that are not able to take a planned vacation, close on a house purchase or car, pay rent or mortgage, buy heating fuel or food, attend a loved one’s funeral, and the list goes on and on.

For people living paycheck to paycheck, life can become difficult very quickly with just one missed paycheck. Their plight reminds us all of advice someone may have given us as we were getting our financial lives started: “Always have 3 to 6 months of living expenses set aside, just in case!” but yet how many of us do?

You don’t need to be a federal employee to face this kind of interruption in your income. A lay-off, illness that keeps us from working, illness of a loved-one who needs our care are situations that can all prevent us from getting a pay-check and put our financial lives in jeopardy. If you are injured on the job, even worker’s compensation will usually only pay a percentage of your regular income. How would you make up the difference?

For those who are age 59 ½ or older, there is the option of dipping into retirement funds and paying any resulting income tax without an early withdrawal penalty, although we would always prefer to see those funds left alone that are in “qualified accounts” that are tax deferred. But for the rest of us, it would mean seeking deferral of loan or rent payments, forbearance from creditors, borrowing, and likely a significant curtailing of our lifestyle.

But it’s not too late to start saving for that possibility. Make a point of putting at least 5 or 10% of each paycheck into a savings account, and if this can be done by your payroll service automatically, all the better. Once you get into the habit, you will find the account will grow and when you prepare your tax return each year, you can revisit whether those funds should remain in your “reserve” or if some may go into retirement funds and grow tax-free. And of course, paying off your credit cards every month is a good habit, too. An interruption in income will be much less painful if you can cover bills until your income resumes again.

As always, consult your financial and tax advisors before making any decisions concerning your investments or financial plans to be sure they fit within your overall, long-term financial and estate planning goals.

ATV Info – Is there an age limit for operating an ATV in Maine?

Whenever you own and operate a motor vehicle, regardless if it is for recreation or normal transportation, it is critical to follow all of Maine’s legal requirements, both for insurance coverage and for who rides (and operates) the vehicle.

With regards to ATVs, there are unique requirements specific to Maine, so if you’ve moved from out of state, or if you recently purchased such a vehicle, it is necessary to stay up to date on the latest regulations.

Age Requirements for Operating ATVs

In Maine, no person under the age of 10 may operate an ATV. Anyone younger than 16 must first successfully complete a training course approved by the state. They must also be accompanied by an adult.

Anyone under the age of 16 is not allowed to cross any public way outside of the purpose of crossing as directly as possible while ensuring it does not interfere with traffic approaching from either direction.

Insurance

It is important to have ATV insurance coverage. With potential roll overs, damaged fenders or vehicles submerged in water during operation, you do not want to be forced to pay for costly repairs on your own. ATV insurance may also cover theft, whether on your property or if you are towing it to a recreational location.

Registration

Just like with your automobile, you need to have an active registration on any ATV you own and operate.

Some costs to consider include:
• Resident registration is $33 annually
• Nonresident registration is $68
• Nonresidents may apply for a 7-day $53 ATV registration

There is also a free ATV weekend currently scheduled for Aug. 16-18, 2019.
To make sure you and your vehicle are properly protected, make sure to contact Allen Insurance and Financial for insurance quotes on your ATV.

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.