

# The Significant Implications of the Dali Bridge Accident Have Only Just Begun



By [Dan Bookham](#) for [WorkBoat Magazine](#)

As I sit down to write this, I'm still shaking off the jet lag from a week of meetings at Lloyd's of London. Lloyd's was buzzing with a range of issues: the pending North Atlantic hurricane season, tensions in the South China Sea, the potential for increased interference with shipping off Iran, and the ongoing conflicts in Ukraine and Gaza and the implications thereof for coverage in the Black- and Red Seas. The number one topic- by a country mile- was the Dali bridge accident and the significant ramifications that are already falling into place following the collision between the 9,971 TEU container ship and Baltimore's Francis Scott Key Bridge.

Anyone with even a rudimentary grasp of how my industry works can guess the first issue: this incident will result in substantial insurance claims. Experts estimate that insurers may face claims of up to \$3 billion. This figure is double the largest-ever protection & indemnity (P&I – liability relating to vessels) claim to date, which was the \$1.5 billion collective

loss from the 2012 Costa Concordia disaster. One excess P&I underwriter I met with put the potential loss in context by pointing out \$3 billion would wipe out 20 years of underwriting profit across Lloyd's.

Another big topic was the complex insurance structure around this incident. The marine insurance sector operates with a complex and layered structure of insurance and reinsurance designed to minimize, transfer, and offset financial risk. While it's too early to definitively say whether this structure will be breached, the Dali incident has raised concerns about its limits.

Something else that cannot be ignored is the incident's location and our well-deserved reputation for aggressive and expensive litigation here in the States. The collapse of the bridge, the loss of life, and impact on US East Coast trade and the Port of Baltimore all contribute to the complexity of the situation once it reaches the courts.

Operational impacts and trade disruptions continue also, even with the impressive (and often innovative) efforts underway to clear debris, channels, and terminal backlogs. The collapse of a vital regional transport link will continue to affect trade for some time to come, and as we've seen in recent memory with the Ever Given incident in the Suez Canal and general disruptions caused by COVID a supply chain rupture only exacerbates existing pressures and can have an outsized influence on regional and national economies.

The incident is also prompting a lot of searching questions about ship maintenance, tug assist, and why the bridge wasn't better protected. These are broader than Baltimore. I don't pretend to have any of the answers (my armchair NTSB investigator badge never being issued) but I do know that any

incident causes underwriters to break out the microscopes and examine impacted industries and sectors in fine detail.

In summary, the Dali bridge accident poses challenges to the marine insurance system, and its impact will reverberate for many years. And in what won't be a surprise to anyone, marine insurance rates are likely to increase as a result.

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# Why Every Business, in Every Industry, Needs Cyber Coverage



By [Chris Richmond](#)

For [WorkBoat Magazine](#)

Today's marine industry relies on computers, smart phones and the Internet to operate and is just as vulnerable as any other industry for cyber attacks. An attack can have a significant impact on your employees, your customers, your reputation and can bring you serious financial loss. A cyber liability policy can provide risk management services useful to you before, during and after a data breach.

There are two important types of cyber liability to know about: First party and third party.

A first party cyber liability occurs when your own data is stolen. This can include your own employees' personal information or information about your customers. A cyber liability policy will provide credit monitoring services to assist the affected individuals which could help minimize the risk of identity theft. Included in the category of first party cyber liability are:

- **Funds Transfer Fraud** is an intentional, unauthorized instruction transmitted via email to a financial institution to transfer funds. If your computer system is compromised, a hacker can have access to your banking information and initiate fraudulent electronic wire transfers.
- **Lost Business Income** due to cyber theft, (a hack or data breach), is not covered unless cyber coverage is in place. Your regular business insurance policy covers you for things like fire, theft and wind, but not anything cyber-related.

Third party liability coverage can provide protection for damage caused by your business to third parties due to a hack. This could be confidential client information that you store in your system. Coverage included in this category are:

- **Breach of Privacy:** A client's personally identifiable information has been accessed by an unauthorized party.
- **Misuse of Personal Data:** Personal data is stolen or misused and they suffer financial damages.
- **Transmission of Malicious Content:** Failure to stop the transmission of virus, malware or other malicious content.

Computers, smart phones and the Internet are as important as any other business tool. They also leave you vulnerable to losses. It is very easy to sit back and say your facility is too small and assume no one would ever want your data and think a hack

could never happen to you. But since that is exactly what the hackers want you to say, best to consider adding cyber coverage to your insurance policy. Have a talk with your agent and learn more about this important coverage.

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## **Jeremy Pickford Earns Certified Professional Insurance Agent Designation**



Jeremy Pickford

[Jeremy Pickford](#), an account manager on the business insurance team at Allen Insurance and Financial has earned the Certified Professional Insurance Agent designation from the American Insurance Marketing and Sales Society.

The CPIA designation emphasizes critical skills in insurance underwriting, coverages marketing and client services.

Pickford, a member of Allen's private client group, [known as Compass](#), has been with the company since 2015. He also holds the Accredited Adviser in Insurance designation.

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# How to Prioritize Financial Goals as Your Life Becomes More Complex

Some people are savers, some are spenders, some live carefully within their means, and some live life to the fullest, even if that results in accumulated debt. You likely won't remain solidly in one category throughout your life, as circumstances, income, and expenses change. So, even if you saved diligently during your youth, at some point, you may suddenly be faced with a combination of financial obligations that require decisions about what to prioritize. When juggling day-to-day expenses, debt (student, credit card, or other types), saving for retirement, and saving for your child's college education, where should you focus? Here's a guide to help you decide the priority order these obligations should take, and why.

## Establishing Priorities

1. **Emergency fund.** Before shifting your focus to long-term savings or debt repayment, your priority should be building an emergency fund to provide a safety net. These funds should be available to cover unexpected financial difficulties like job loss, car or home repairs, or medical emergencies. Do your best to save at least three to six months' worth of living expenses in an account that you can easily access whenever necessary. Building this buffer before you put money toward other obligations will keep you from deeper debt and additional financial trouble caused by an emergency.

**Helpful tip:** Set up automated transfers to your emergency savings account, treating it like a monthly bill. This way, the funds will grow consistently, and you'll be able to build a safety net without constant effort.

- 2. High-interest debt.** Since credit card debt and personal loans often come with high interest rates, paying those off should be your next priority. This will help free up money for other financial goals and eliminate the interest payments that are costing you more money than you actually owe. You can also call credit card companies and ask if they can lower your interest rate. They might not agree, but it's worth trying.

**Helpful tip:** Choose a debt repayment strategy that works best for you. Consider the snowball method (paying off debts from smallest to largest) or the avalanche method (paying off debts with the highest interest rates first). Then, stick to the plan until all your high-interest debts are cleared.

- 3. Retirement savings.** Your retirement may seem too far in the future for you to think about now, but this should come next on your list of financial priorities. Why should it come ahead of saving for your child's college tuition, which is likely to be a huge expense? Because, unlike retirement, there are various options for funding a college education, including scholarships, grants, and student loans. There are far fewer options for funding your living expenses after retirement. Also, since more Americans are living longer, maintaining your standard of living will require more money. You don't want to outlive your financial resources.

**Helpful tip:** Take advantage of individual retirement accounts (IRAs) or employer-sponsored retirement plans like 401(k)s. Try to contribute at least enough to receive any company matching

contributions because that's essentially free money for you. Thanks to compound interest, even a small contribution now can result in significant savings as it grows over time.

**4. Children's college education.** The reason this financial obligation falls last on the list of priorities is certainly not because it's less important. College costs are high, and it makes sense to start saving early. But, if you must sacrifice this goal to focus on others, you can fund your child's education in other ways. Scholarships, grants, and part-time student employment opportunities may be available for supplementing education expenses if you haven't saved enough to cover costs.

**Helpful tip:** Explore the option of a 529 savings plan or education savings account (ESA). These accounts offer tax benefits and can help you save money to use specifically toward educational expenses. If you can manage to automate contributions, you'll maintain consistency and enable your fund to build steadily over time.

This priority order can serve as a good guide, but changing financial goals, income, or other circumstances might cause you to reassess and refocus from time to time. The key is to find a balance between the financial obligations you have now and making sure your financial future is secure, too. As always, your financial advisor can help you determine the best strategy to maintain stability, maximize your benefits, and minimize your costs and penalties based on your individual situation and goals.

*This material is intended for informational/educational purposes only and should not be construed as investment advice, a solicitation, or a recommendation to buy or sell any security or investment product. Please contact your financial professional for more information specific to your situation.*



*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.*

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# **Kristina Campbell Earns Workers Compensation Professional Certification**



Kristina Campbell, a commercial lines producer at Allen Insurance and Financial, has completed the Workers Compensation

Professional certification through the American Society of Workers' Compensation Professionals.

The WCP® certification provides a strong educational foundation in the various aspects of the workers compensation industry. Campbell completed the program in a nine-week virtual program offered through the University of Southern Maine.

The program highlighted history of workers compensation, statutory provisions, benefits, claims administration, cost containment strategies, methods for determining rates, exclusive remedy challenges, federal legislation and the availability of insurance.

“Achieving the WCP® certification required a significant commitment – this is the kind of dedication and professional development that helps our clients and our team, and shows why Krissy is an outstanding agent,” said Dan Bookham, senior vice president at Allen Insurance and Financial.

Campbell has been with Allen Insurance and Financial since 2005.

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## **An Update From Our Benefits Division About the Maine Paid Family and Medical Leave Program**

The benefits team at Allen Insurance and Financial continues to monitor the progress of the rulemaking process on the Maine

PFML, working with both legal and insurance company experts.

With the recent release of the draft rules for public comment, one previously unclear aspect of the rule has come to light and we are encouraging employers to comment.

Draft rules indicate that an employer may not submit an application to exit the state plan and substitute with a private plan until January 1, 2026, with an effective date not earlier than April 1, 2026.

Regulations towards private plan entry also note the employer as responsible for premiums under the state program until the effective date of the private plan, which would be April 1, 2026. *What this means, as currently outlined, is that employers seeking private plan administration will be required to pay into the state plan starting January 1, 2025, without a refund of those contributions.*

**The regulations are not final and are open to public comment.** We want to make you aware of the opportunity to express any impacts the proposed regulations may have on your business.

For additional background, in a number of other PFML states, a Declaration of Insurance process was utilized for employers seeking to use PFML private plans. Declarations of Insurance, effective as of the date state plan contributions begin, administratively assure states the employer is complying with PFML requirements through a private plan. This process also avoids state plan pre-funding as the state plan would not bear the cost of private plan claims. If Maine is amenable to this approach, a Declaration of Insurance process would allow time for rulemaking and for a state plan opt-out process for employers interested in private plan solutions.

To submit your comments, you may do so here: [MDOL Proposed](#)

[Rulemaking](#). Select **12-702** Department of Labor, Paid Family and Medical Leave Program and within this dropdown identify the applicable section within which you would like to comment.

The public comment period for PFML rulemaking will end on July 8, 2024.

For more information about the benefits team at Allen Insurance and Financial and the services we offer, click over to [AllenIF.com/benefits](https://AllenIF.com/benefits).

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# Closing the Door Behind You...After You're Gone, Do You Still Want Some Privacy?



By [Sarah Ruef-Lindquist](#) for [Pen Bay Pilot](#)

For the past 36 years, I have had countless conversations with people engaged in their planning trying to understand options for how to structure their estates. A primary question is always “Do you care if it’s public?”

This question is often met with some level of astonishment.

“Why would it be public?” And of course, the answer is that wills are public documents filed in the Probate Registry as the initial step in probate of an estate. In fact, the word ‘probate’ derives from the Latin word that means ‘to prove’ which is the intent of the probate process: To prove a will is the intent of the decedent and is presented to allow for its administration.

This means that to begin the process of proving the will and administration of the estate, the will is filed and made a public document. Nowadays, that means the will is not only physically available at the registry of probate but also electronically available through on-line records portals used by most states and open to the public.

Recently, there was an unusual case in Knox County, Maine: A request from the person seeking appointment as administrator of an estate to seal a will. In other words, the person making this request wanted the will to be administered, but not publicly available. Over her 40+ years in office, the county’s Registrar could not remember a request for a will to be sealed in the county. Subsequently, a probate judge denied the request to seal the will.

It is possible that such a request to seal a will from public view indicates there are controversial, or perhaps embarrassing, dimensions of family dynamics articulated in the will itself. A disinheritance and perhaps an actual memorialization of the reason therefor might be best kept out of public records.

How could this be accomplished? For centuries, our legal system has recognized that people who use a trust to administer their estates may do so privately and with little or no involvement of probate. A trust can be created during lifetime and include a pour over provision such that if there is any property owned by

the decedent but not already in the trust at the time of death it will pass into the trust and then be administered according to the terms of the trust, which remains private.

People utilize trusts for a variety of reasons: Tax efficiency, creditor issues, remarriage, spendthrift issues – and the list goes on. In my experience, this is the most-often cited reason for folks here in Maine: Privacy. No one will be able to look up in one place what was owned and to whom it was given after their death. However, using a trust does require that one has absolute trust and confidence in their trustee – the person who will be responsible for carrying out unsupervised administration. Sometimes this is a professional, such as a lawyer or accountant, instead of a friend or family member.

Each situation is unique. Consult your own legal and financial advisor to learn more about whether yours warrants consideration of trust planning for privacy or other reasons.

*Allen Insurance and Financial does not provide legal or tax advice. You should consult a legal or tax professional regarding your individual situation.*

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**Brandy Schofield      Named  
Benefits Division Director**



Brandy Schofield has been named Director of the Benefits Division at Allen Insurance and Financial.

Schofield has been a benefits account manager at Allen since 2007.

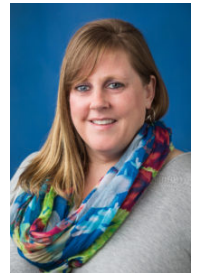
“As an account manager, Brandy has long brought hands-on experience to the challenges faced by our clients responsible for human resource issues and their company’s health insurance plans. She is well-suited to take on this leadership role in our benefits division,” said Susan Howland, senior vice president for human resources at Allen.

Schofield is a graduate of Husson College where she studied business administration. She holds a Consumer Directed Health Care certification from the National Association of Health Insurance Underwriters.

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**Jen Fifield and Valerie  
Robinson Earn Certified**

# Professional Insurance Agent Designation



Jennifer  
Fifield



Valerie  
Robinson

[Jennifer Fifield](#) and [Valerie Robinson, ACSR](#), of Allen Insurance and Financial have each earned the Certified Professional Insurance Agent designation from the American Insurance Marketing and Sales Society.

The CPIA designation emphasizes critical skills in insurance underwriting, coverages marketing and client services.

Robinson, an account manager with Allen's business insurance team, also holds the Accredited Customer Service Representative Designation. She has been with the company since 2007.



Fifield is the interface associate at Allen. She has been with the company since 1995.

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# Inheritance Can Mean a Brighter Future: What to Do When it Happens to You



Sarah  
Ruef-  
Lindquist,  
JD, CTFA

By Sarah Ruef-Lindquist for [Pen Bay Pilot](#) WAVE, Spring 2024

We are in the midst of the largest intergenerational transfer of wealth in the history of the United States. It is estimated that by the year 2045, more than \$84 trillion will be left to the Gen X, Millennial and Gen Z generations by the Silent Generation and Baby Boomers. This is more than at any other time in US history. [\[1\]](#)

The long and the short of it is that those born between 1946 and 1964 – Boomers – have created an extraordinary level of wealth

that combined with what the Silent Generation left to them will result in an unprecedented amount of assets transferring by the middle of this century. Over the next 20 years or so, many who have never had to manage or plan for any level of wealth could have more than they ever imagined.

And it's already begun. Many of the clients I work with have been 'surprised' to become beneficiaries of parents and other relatives' estates and are confronted with the need to manage and steward these assets in a way that fits into their lives or in some cases, is transformational. Having never planned to have more than they needed to live on modestly brings a whole new set of challenges and decisions to be made.

For instance, some have been helped in the past during financial difficulties and want to do something for those who helped them, even if they have already paid back anything they borrowed. It's a natural emotional response in the face of generosity, but does it make sense?

Some want to give some or even all of the money to charity...but again, is this in their best interests when having a "nest egg" is the difference between living in retirement solely on social security or having the ability to even modestly increase their standard of living in their older years?

Others are so unaccustomed to having any excess income or assets than they need to live on that they assume that they will have a significant tax bill for accepting the funds or, if they have received appreciated securities or assets, that they cannot liquidate or reinvest those securities into something more appropriate for their life goals and risk tolerance because of the capital gains tax involved when in fact, most of the time this is not the case.

For most, they have never had a financial advisor because they

didn't think they needed one. What becomes immediately apparent is that they do and will do well to find someone who can help navigate the choices and complexities of managing wealth and build the right amount of discipline around spending to fit into their lives in a way that makes the most sense for them.

A careful analysis of risk tolerance, retirement and estate planning goals in light of new circumstances is required that also takes into consideration longevity, living expenses and other assets and income sources available. Because stock, real estate or other assets held more than a year by the decedent often give heirs a tax basis that is the value as of date of death, not the basis or cost of the decedent, very tax efficient opportunities are available to allow heirs to make choices that are more aligned with their financial plans.

Anyone faced with inheriting assets should seek the services of a financial advisor with experience, knowledge and skills to help plan for and manage inherited assets. It can often mean a brighter future for you and your loved ones.

[\[1\]](#)

<https://www.forbes.com/sites/jackkelly/2023/08/09/the-great-wealth-transfer-from-baby-boomers-to-millennials-will-impact-the-job-market-and-economy/?sh=58fbb0e03e4a>

<https://www.fastcompany.com/91016524/great-wealth-transfer-explained-how-some-gen-x-millennials-gen-z-are-getting-rich>