

# Market Outlook for 2024



By [Daniel Bookham](#)

For [WorkBoat Magazine – January 2024](#)

As we dive into 2024 it is time for me to break out the crystal ball once again and offer up my predictions for the shape of the insurance market for this coming year. I have been talking to a lot of fellow agents and brokers as well as folks on the insurance company and reinsurance side of the equation, and several broad trend lines have emerged.

First, the good news (at least from a risk management and broader economic perspective). The marine insurance market is expected to continue to grow in 2024. The cargo market is predicted to show some modest growth and when coupled with continued increases in property and vessel values and increasing demand for marine insurance products from emerging markets, the increased premium generated should help shore up insurers' balance sheets against continued claims turbulence.

However make no mistake, we are not out of the woods yet. The inputs that drive concern among insurers show no signs of slackening or decreasing in potential severity. The increasing value of global trade, the growing complexity of global supply chains, the rising frequency and severity of natural catastrophes, potential broader economic instability, the ongoing conflicts in Ukraine and the middle east, and what will

likely be turbulent election campaigns in the US, the UK, Mexico, Taiwan, and India among others could lead to uncertainty and instability that bleeds over into the insurance markets.

Additionally, the hard market that hit with full force last year is likely going to continue well into 2024 if not into 2025 (the smart money is on at least a three-year cycle). As a reminder, a hard insurance market is characterized by higher premiums, stricter underwriting standards, and reduced availability of coverage, and comes about because of a combination of historical underpricing of risk, increased frequency and/or severity of losses, underperforming investments, increased reinsurance expense, and broader economic pressures.

With that noted, the marine insurance market is expected to be characterized by several trends in 2024 that echo those we saw in 2023, including a continued hardening of rates, an increasing focus on underwriting profitability, an increased demand for new and innovative marine insurance products, and the increasing use of technology to improve (or at least rationalize) underwriting and claims handling.

In my market predictions for last year that were published in February 2023, I noted that companies that focus on the fundamentals of risk management, claims management, and safety culture would be best positioned to ride out the tightened underwriting and higher rates of a hard insurance market. This remains true, but it is important to be aware that as we head into the second year of this hard market good risks can get caught up with the bad as insurers push to either return to or increase profitability. Good companies can still usually hold their insurance costs down but be aware that this wave ultimately breaks over all of us.

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# Maine's New Retirement Plan Mandate

You may have heard recently that the State of Maine is instituting a mandatory, state-wide retirement plan program. Beginning in January 2024, all Maine businesses with five (5) employees or more will need to either offer their staff a company sponsored retirement plan (SIMPLE IRA, 401K, etc), or accept the state's Roth IRA (MERIT) retirement option for their staff. [This PDF](#) is a brief summary of the state requirements. For additional questions, you can reach out to [Cait Harrington](#) of Allen Financial at [charrington\(at\)allenfg.com](mailto:charrington@allenfg.com).

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## Food in every seat. Help for every family.

On Monday, January 15, 2024, AIO Food and Energy Assistance will host its fourth 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. AIO has raised over \$85,000 in the first three Fill the Strand events. The goal for the fourth event is to raise \$30,000.

“Fill The Strand has become AIO’s signature event of the year, providing food and money at the most critical time” says AIO Executive Director Joe Ryan. “Powered by Allen Insurance and Financial and hosted by The Strand, this event is a powerful testament of a community that cares for one another. As many families face greater challenges making ends meet, AIO continues to keep pace with the need for food and energy assistance. In the past year, we have provided over 975,000 pounds of food through more than 10,000 visits to our pantry market.

“That is a 40% increase over last year’s record-setting number of visits! Fill The Strand is vital to keeping food available for those who need it.”

Monetary donations are welcome – and in fact your dollar goes further since AIO can purchase food through partners at a competitive price. Individuals can fill one theater seat with a bag of food or sponsor a bag at \$25. Your \$25 monetary donation can buy up to \$100 worth of food. 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 and 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.

Food collection sites have been established at area businesses, including Allen Insurance and Financial offices (Rockland and Camden), The Strand Theater, First National Bank (Rockland

branches), Main Street Market (Rockland) and AIO Food and Energy Assistance (Rockland).

On January 15th volunteers will be at the Strand Theatre between 9 a.m. and 2 p.m. to receive food and funds donations. Drive-up and drop-off service will be available or come in the Strand Theatre to deliver your food and funds donations.

AIO is proud to partner with two business leaders who are instrumental in making the Fill The Strand event possible – The Strand Theater who hosts the event and Allen Insurance and Financial who helps power the event, through their financial support as well as team of employees who volunteer during the day of the event in greeting donors, collecting and organizing donations. .

AIO is grateful to the generous support of its sponsors. Leadership level sponsors include First National Bank and First National Wealth Management, Maine Sport and Rockland Plaza. Partner level sponsors include Gartley & Dorsky, The Inn at Ocean's Edge, 250 Main Hotel, Lyman Morse and North Haven Inn & Market. Champion level sponsor is Journey's End Marina. Business level sponsors include Hundred Acres, Plants Unlimited, and Jess's Market. A list of all sponsors can be found at [www.aiofoodpantry.org/strand](http://www.aiofoodpantry.org/strand).

“Supporting an organization like AIO is a part of our company's commitment to community well-being,” said Michael Pierce, president of Allen Insurance and Financial. “Lending people-power to the Fill The Strand event fosters a sense of shared responsibility among our employee- owners and enriches lives beyond the workplace.”

“We look forward to hosting this terrific event each winter! “Fill The Strand” brings our community together in a fun and exciting way as we do the important work of supporting Midcoast

families in need. It's a thrill to watch those seats fill up, and the Strand is proud to be the place where the action happens," shares Jana Herbener, Communications Relations Manager at the Strand Theater.

For more information about the event and how you can participate please contact event coordinator Leila Murphy, [murphy.leila@gmail.com](mailto:murphy.leila@gmail.com).

### **About AIO Food and Energy Assistance**

AIO has provided nutritious food and heating assistance to Knox County families. Funding and access to AIO's programs are more critical than ever as food insecurity in Knox County is projected to continue to increase. Knox County currently has the 4th highest food insecurity rate in the state. Child food insecurity is estimated at 28%. During the past year, AIO has supported 5,896 households, 15,672 individuals, and distributed 12,325 weekend meals packages for elementary school students throughout Knox County. AIO's Energy Assistance Program helps households with heating assistance or electrical disconnection prevention – which is critical as winter begins. Last winter AIO distributed 691 energy assistance vouchers, totaling \$208,000 in support. AIO provides a direct path for donors to assist our community by putting your donation to work immediately.

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## **To Roll Over—or Not to Roll Over—Your 401(k)**

As you advance in your career and hold jobs at various companies, you may discover at some point that you've left

behind valuable cookie crumbs: a trail of employer-sponsored retirement accounts. Leaving previous plans with former employers saves you from having to take any action, and you still have the ability to roll them over later. If you prefer the investment choices with your old plan or that plan has lower fees than a new 401(k) or IRA, you might want this option. Also consider that you won't pay a tax penalty for taking a distribution from your employer's 401(k) after you turn 55, which you would pay on an early withdrawal from an IRA.

So, while there can be benefits and it may feel easier to leave them as they are, managing and keeping track of those cookie crumbs could become burdensome. Consolidating or rolling them over into one account is one way to alleviate that burden. Here is helpful information to help you decide whether a rollover is the best choice for you.

## **Benefits of a Rollover**

**Simplicity and streamlining.** One major benefit of consolidating your retirement accounts into one account is that there's less information to track. You'll receive one statement, have only one retirement account to manage (with one password and one account number), and be able to see your overall financial picture more clearly by reducing multiple savings sources to one.

**Avoiding overlap and easier rebalancing.** When you have multiple retirement savings accounts, you might assume your investments are sufficiently diversified, but this may not be true. Over time, as portfolios shift due to market movement, rolling all of your accounts into one allows you to properly analyze asset allocation in one place instead of many.

**Keeping track of RMDs.** Starting at age 73, you must withdraw minimum amounts, called required minimum distributions (RMDs),

from your retirement accounts each year. With multiple retirement accounts, it's more difficult to calculate accurate RMD amounts and there are steep tax penalties for underestimating RMDs and missing the deadline. Combining accounts can help reduce these risks.

Potentially fewer fees. 401(k) plans incur various fees, including administrative, management, investment, and service charges. By combining accounts, you may pay fewer fees. In addition, you may be able to avoid certain fees altogether if fee reductions are dependent on the total account balance.

Estate-planning convenience. Thinking about your death isn't pleasant, but it's important to consider the responsibilities your loved ones and beneficiaries will have when you're gone. With all of your retirement funds in one place, there will be less work for your family to do when tracking down your assets.

## **Your Rollover Options**

Roll into your new employer's 401(k) plan. If you have a new job and establish a retirement plan with your new employer, one option is to roll your previous account balance into your new plan. Requesting a direct rollover of funds from previous employer to new employer is a nontaxable transaction that retains creditor protection.

Roll into an IRA. Whether you're switching jobs or retiring, rolling your retirement savings into an IRA might give you more flexibility in how you manage the money you've saved. IRAs often have a wider range of investment options that might not be offered by an employer's 401(k) plan. In this type of account, your investments continue to grow tax deferred, meaning you'll pay taxes upon withdrawal. Please note: You can't borrow from an IRA as you can with a 401(k), and RMDs are still required at age 73.



Roth IRA. Withdrawing traditional, pretax assets from a 401(k) into a Roth IRA is known as a Roth conversion. By doing so, you will owe income taxes on the amount converted in the year of the transaction. One benefit of this strategy is that any additional earnings in the Roth IRA can grow and be withdrawn at retirement age tax free (as long as the withdrawal occurs at least five years after the Roth account was created).

Take a cash distribution. Although this option might seem appealing if you have debts or major expenses, there are many reasons not to withdraw your funds. One major drawback is potentially not having enough money to retire or maintain your lifestyle in retirement. In addition, you could pay significant penalties and taxes for early withdrawal.

## **Rollover Tips to Keep in Mind**

Whether you roll over to a 401(k) or an IRA, these are trustee-to-trustee transfers where the money moves directly from one provider to the next. If you receive a check in your name, you may have inadvertently requested a withdrawal, which would result in owing income tax on the amount and additional penalties if you have not yet reached retirement age. If this occurs, contact the recordkeeper immediately to discuss a correction.

When considering a Roth, note that your 401(k) could have Roth or after-tax dollars already within it, and these assets will transfer to a Roth IRA without additional taxes. Contact the recordkeeper to determine if the dollars in your 401(k) are on a pretax or post-tax basis—or a mix of both.

If you are considering rolling over money from an employer-sponsored plan, you often have the following options: leave the money in the current employer-sponsored plan, move it into a new employer-sponsored plan, rollover to an IRA or cash out the

account value. Leaving money in plan may provide special benefits including access to lower-cost investment options; educational services; potential for penalty-free withdrawals; protection from creditors and legal judgments; and the ability to postpone required minimum distributions. If your plan account holds appreciated employer stock, there may be negative tax implications of transferring the stock to an IRA. Whether to rollover your plan account should be discussed with your financial advisor and your tax professional.

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## **4 Questions Adult Children Should Ask Their Parents Over the Holidays**

It's beginning to look a lot like Thanksgiving . . . and then Hannukah, Christmas, Kwanzaa, and New Year's Eve will follow. These are prime holidays for family gatherings, which can offer in-person opportunities to have important conversations. You may be inclined to keep the chats light and stick to topics like television shows and the weather to avoid conflict, but there's one subject you should be discussing, even though it might be uncomfortable: estate planning.

Of course, the thought of your parents or relatives passing away is not a pleasant one. Still, if their wishes aren't discussed beforehand, there are a lot of sticky legal and financial messes that you'll be left to clean up—and you could potentially lose

money or assets as a result. It's ideal to talk about plans openly and early, while your parents can make these decisions for themselves and tell you what they want. Make sure anything that needs to be in writing and signed is taken care of and ask where to find key documents. A holiday gathering with your parents and siblings present might be a rare chance to make sure everyone is on the same page.

Estate plans are a good idea regardless of your age. So, while you're discussing your parents' wishes and possibly arranging for an estate planning consultation for them, think about having one for yourself, too. This is especially important if you have young children and wish to designate a guardian for them in case you die before they turn 18. Not sure how to broach these subjects with your family? Bring this article to share and start with these key questions.

**1) Do you have a will, DPOA, or trust?** A will is often considered the main document you need for estate planning, but there are others to help ensure that everything goes according to plan. The main purpose of a will is to make two designations, specifically who:

- The recipients of your property will be after your death
- The executor, the person who will take care of the administration of the estate

If someone has minor children, they can also use their will to designate a caregiver in the event of their death. If your parents don't have a will, those determinations will be left to state law and the courts and may not be what they want.

Another helpful document to have is a **durable power of attorney (DPOA)**. This allows your parents to choose someone to act on their behalf in financial matters if they become physically or mentally unable to do so.

Finally, a **trust** is an optional—but potentially useful—separate legal entity allows your parents to manage their property and designate someone to manage it for them after their death. One major benefit of a living trust is that it keeps their assets out of probate, so their beneficiaries can avoid court intervention. It may also help your loved ones avoid paying some taxes on an inheritance.

If your parents confirm that they have a will, it's a step in the right direction. Ask them where it is, and what you should know about their wishes. The people who are appointed as executor, trustee, and power of attorney should know what will be expected of them.

**2) Do you have a health care power of attorney (HCPA) or living will?** Just as a durable power of attorney designates a trusted person to take care of financial matters, an HCPA allows someone to make decisions about medical care. For example, they can authorize life support, hydration, and other medical treatments and make health care decisions for your parents if they are incapacitated. That person should know what your parents' wishes are and be trusted to carry out those plans.

A **living will** is another health care document that is authorized in some states and grants their health care provider permission to take specific action in the event that there is no reasonable hope of recovery.

**3) Where are your important papers stored?** Even if your parents have taken the steps to establish a will; create other estate planning documents; compile their financial statements; and keep a record of their accounts, assets, debts, passwords, and other sensitive information for you, that won't do much good if you don't know where they're located or can't get access. Many financial advisors can provide a document for their clients to

record this information so everything is in one place. Just be sure you know where it is—whether it’s a fire-safe box, a desk drawer, or under a mattress.

**4) Are you working with an estate planning professional, or do you need help connecting with one?** Regardless of how complicated your parents’ situation is, if they want to be sure their wishes are recorded and carried out correctly and according to legal requirements, it’s wise to seek out an attorney and/or financial advisor for guidance.

As always, we aim to help keep you informed and prepared about financial matters that affect you and your family. If you—or your relatives—have any questions about the information in this article, please feel free to reach out to our office via phone or email.

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## The Hazards of Tug Operations



Dan  
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By [Daniel Bookham](#)

For [WorkBoat Magazine – November 2023](#)

It almost goes without saying in the pages of WorkBoat that the nation's tugboat crews are the sinew and muscle that bind the body of maritime and inland waterway trade together. An indispensable part of marine commerce, tugboat operations also present a range of dangers and hazards that can lead to significant insurance claims. An awareness of those hazards can go a long way towards mitigating the risks to vessels, crews, tows, and other folks on or near the water.

Even for old hands and experienced operators, a review of risks can be a good jumping off point for both preventative planning and mitigation of loss should one occur.

**Collisions.** Tugs often operate in crowded and congested waters, which increases the risk of collisions with other vessels. Collisions can cause significant damage to both vessels involved, as well as to any cargo or property on board.

**Groundings.** Going aground can cause damage to the boat's hull and propulsion system and can also lead to spills of fuel or other hazardous materials.

**Fires and explosions.** More frequent than you'd think, fires and explosions can occur on tugboats for a variety of reasons, such as electrical malfunctions, fuel leaks, or welding accidents. Fires and explosions can cause significant damage to the tug and its crew and can also lead to environmental damage.

**Mechanical failures.** As many of us know too well, even on a well-maintained vessel mechanical failure can occur at any time.

**Crew injuries.** Tugs have the potential to be dangerous workplaces if we aren't careful, and crew members can be injured in a variety of ways, such as falls from heights, slips and trips, or exposure to hazardous materials.

**Theft and vandalism.** Tugs and their equipment can be targets for

theft and vandalism. Theft and vandalism can cause significant financial losses to the tugboat owner or operator.

**Cargo damage.** If a tow is not properly secured, it can be damaged or lost during transport.

As I've highlighted in past columns, a strong and organic safety culture that runs from the greenest crew member to the company leadership is the key to minimizing claims and potential financial loss and injury that can have significant business and emotional impacts on your company and its people.

Communication, training, the ability of anyone to flag a potential issue, and a commitment to "catch people doing something right" and celebrating smart behavior makes the difference. You also need to ensure that your barges, tugboats and docks are outfitted with the right tools and gear to support your safety culture; staying abreast of industry best practice and not cutting corners is key. Finally, owners and operators should purchase adequate insurance coverage to protect themselves against the financial losses that can result from claims, as even the best managed vessels and fleets can find themselves with a claim on their hands. They call them accidents for a reason.

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## **Death, Taxes and Change...What's in Store for 2024**



Sarah  
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By [Sarah Ruef-Lindquist, JD, CTFA](#)  
For [Pen Bay Pilot](#)

We've all heard the adage that the only things that are sure in this life are death and taxes...we need to be mindful of change, at least as it pertains to taxes.

### **Retirement Savings**

It's important to maximize saving for retirement and take advantage of the provision of the tax law that allow taxpayers to save funds in tax-deferred accounts...for 2024, the limit or most plans (401(k), 403(b) and 457 plans) increases from \$22,500 to \$23,000 with another \$7,500 for those age 50 and over. That means that taxpayers age 50 and over can add \$30,500 to their plans in 2024, the highest amount ever allowed.

Similarly, SIMPLE plans will have new elective deferral limits: \$16,000 up from \$15,500 and a catch-up amount of \$3,500 for those 50 and over. IRAs will have a 2024 contribution limit of \$7,000 up from \$6,500 this year, with an unchanged catch-up amount of \$1,000 for those 50 and older.

There are other changes for SEPs, ESOPs and cash-balance plans in store for 2024. For those who participate in them, taxpayers should consult their accountants and financial advisors for more



details. Why maximize savings in these types of plans and accounts? Earnings in these plans are tax free until withdrawn, which for many is not required until age 73 or if born in 1960 or later, age 75.

### **Gift and Estate Tax**

Taxpayers can make gifts or have an estate of over \$13 million in 2024 without having a federal gift or estate tax imposed. The maximum amount that may be given as a gift without having to report it to the IRS to count against that credit – what is known as the annual exclusion amount – is going up to \$18,000 for 2024 from \$17,000 in 2023. This amount has been increasing steadily over the past several years.

### **Corporate Transparency Act**

Taking effect in 2024 is a new federal law to help the Financial Crimes Enforcement Network (FinCen) uncover criminal activity through corporations, LLCs and the like. It requires certain types of existing entities to report beneficial ownership information by December 31, 2024 and for new entities formed after this year, to make such reports within 30 days of formation. If you are an owner or have a beneficial interest in a corporation or LLC or other entity that is formed by filing documents with the state, you may be required to make reports. For more information, go to <https://www.fincen.gov/boi>.

Please remember that financial and tax situations differ widely from person to person, and there is no one size fits all for most of these situations. Consult with your financial and tax advisors for how any of these or other provisions that are changing in 2024 may affect you.

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# **Martha Wentworth Tapped to Work with Maine Bureau of Insurance's Continuing Education Advisory Board**

[Martha Wentworth](#), CIC, CRM, CPRM, business insurance producer in Allen's Waterville office, has been asked to work with the Maine Bureau of Insurance's Continuing Education Advisory Board, where she joins [Sally Miles](#), Operations Director at Allen, as part of the group shaping the professional development of insurance agents in Maine. To have two members of our team serve on this body is recognition of both their personal experience and skillsets, as well as the regard the agency is held in by peers, carriers, and regulators alike. Their contributions will undoubtedly make a significant impact, benefiting not only the committee but also all our insurance industry colleagues across Maine.

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**Leann Cailier and Joella Rossignol of Allen Insurance and Financial Earn Safeco**

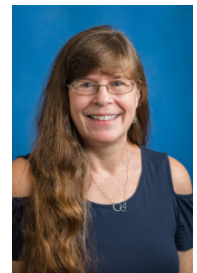
# Insurance® Award of Distinction



Leann  
Cailler,  
ACSR, CPIA

[Leann Cailler](#) and [Joella Rossignol](#), personal insurance account executives with Allen Insurance and Financial, have earned the Safeco Insurance Award of Distinction for 2023.

This recognition is achieved only by a select group of agents across the country who sell Safeco Insurance. Winners represent a select group of the highest-performing Safeco agents in the country – less than 1% of producers nationwide win each year.



Joella  
Rossignol,  
CIC

The Safeco Award of Distinction honors outstanding agents who

have developed a solid partnership with Safeco. Only 150 agents nationwide earn this award.

Cailler 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. Cailler is based at Allen's Rockland location.

Rossignol has been with Allen since 1999. She holds the Certified Insurance Counselor (CIC) designation and is based at Allen's Belfast location.

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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## **Randi Morse Joins Allen Insurance and Financial**



Randi  
Morse

Randi Morse has joined Allen Insurance and Financial as an

account manager in the company's benefits division.

Randi is a graduate of Everest University with a degree in accounting. Before joining Allen, with her first insurance job, she worked for a decade in the information technology field in accounting and administrative support.

She received her accident & health producer license in Maine shortly after her arrival at Allen and she is looking forward to supporting the agency's benefits clients with top-notch service for their accounts.

Outside of work, she volunteers with the American Legion, helping those veterans in need because her husband is a military veteran. She also enjoys spending time with family.