

# Letter to our GHM Agency Clients

Dear Valued Client,

We have some exciting news to share: We are changing our name from [GHM Agency](#) to Allen Insurance and Financial.

What remains the same is our dedication to our customers. Your team—the experienced, knowledgeable professionals dedicated to serving your insurance needs—is unchanged.

So while we might have new email addresses and new letterhead, our entire team is as dedicated as ever to offering knowledgeable advice and to providing the great service you expect and deserve.

As a 100% employee-owned company, we are dedicated to doing our very best to help you navigate the complex world of insurance and financial services. We are proud to be part of one company, with one name and six office locations to serve customers in Maine and around the world.

You may know that GHM has been a part of Allen since late 2021. We take great pride in GHM's 100+ year history in Waterville, and as Allen Insurance and Financial we look forward to maintaining the tradition GHM has built over the years by doing business with the same heart-felt dedication to our customers and the community.

We wouldn't be here without you—we're ever grateful for your business and look forward to serving you for many years to come. And remember, whenever you call any of us at Allen Insurance and Financial, you are talking with an owner of the company.

With best wishes,

Arielle Roy, Bill Rafuse, Chad Roger, Cori Cote, Debbie Tracy, Diane Guerette, Gaye Perry, James Sanborn, Jen Graf, Karen Redman, Laura Rowe, Lee Cabana, Linda Garceau, Martha Wentworth, Mary Allmendinger, Melissa Davenport, Melissa Strout, Mindy Maheu, Myranda Dodge, Sasha Rumpf and Wendy VanAntwerp

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## **Theresa Mitchell Earns ACSR Designation**



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Theresa Mitchell, a business insurance account manager at Allen Insurance and Financial, recently achieved the designation of Accredited Customer Service Representative in Commercial Lines from The Institutes, an insurance education organization.

Mitchell joined Allen in 2016. She is based in our company's Southwest Harbor office.

ACSR courses help insurance professionals advance their skills, build knowledge and stay ahead of evolving trends so they can better serve their customers. Allen Insurance and Financial encourages all of the company's employee-owners to include continuing education as part of their professional development goals.

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# Everything You Need to Know About Trusts

You may have heard the term discussed in financial advising or estate planning conversations, but what exactly is a trust? In the most basic terms, a trust is a legal arrangement in which assets are held for the benefit of someone else (the beneficiary). There are many types of trusts for various goals, and complex trust law makes it necessary to hire an experienced attorney to help you establish one. First, though, it's important to understand the basics to help you figure out whether a trust is right for your planning needs; here, your financial advisor can help guide you in the right direction.

## Why Create a Trust?

Trusts are popular estate planning tools because they can be used for many purposes, including:

**Estate planning.** Trusts can provide control and flexibility over the distribution of assets, minimize estate taxes, and preserve assets for your children until they are grown (in case you die while they are still minors). Trusts can also help avoid the

expense and delay of probate because they allow for the seamless transfer of assets to beneficiaries without the need for court involvement.

**Asset protection.** Certain trusts can shield assets from potential creditors or legal claims. Placing assets in an irrevocable trust effectively removes them from your personal ownership, which makes them less vulnerable to financial liabilities or potential lawsuits. Trusts also allow you to set specific rules for distributing your assets, such as how much money a beneficiary can receive each year, an age when they can start to receive funds, or even how the funds can be used (e.g., for education only).

**Tax benefits.** Creating a trust can shift part of your income tax burden to beneficiaries in lower tax brackets. Also, if certain conditions are met, assets placed in an irrevocable trust may be protected from estate tax after your death.

**Protection in case of illness or disability.** Living trusts can be used to help you protect and manage your assets if you become incapacitated. If you can no longer handle your affairs, your trustee steps in and manages your property. Your trustee has a duty to administer the trust according to its terms and must always act with your best interests in mind. Without a trust, a court could appoint a guardian to manage your property.

**Charitable giving.** Charitable trusts allow you to support causes you care about while potentially enjoying tax benefits. These trusts can provide income for you or your beneficiaries during your lifetime, with the remaining assets designated for charitable organizations after your death.

### **What Are the Drawbacks of a Trust?**

Be sure to discuss the pros and cons of setting up any trust

with your attorney and financial professional. Although there can be many advantages of this type of arrangement, consider these potential drawbacks:

- A trust can be expensive to set up and maintain—trustee fees, professional fees, and filing fees may need to be paid.
- Depending on the trust you choose, you may give up some control over assets in the trust.
- Maintaining the trust and complying with requirements can take considerable time.
- Income generated by trust assets and not distributed to trust beneficiaries may be taxed at a higher income tax rate than your individual rate.

### **What Are the Different Types of Trusts?**

The type of trust you choose depends on what you're trying to accomplish. In fact, you may need more than one type of trust to meet all of your goals.

**Living (revocable) trust.** You create a living trust during your lifetime to maintain control over property such as your house, a boat, or investments. Assets that pass through a living trust are not subject to probate—they don't get treated like the property in your will. Instead, the trustee will transfer the assets to the beneficiaries according to your instructions. The transfer can be immediate, or if you want to delay the transfer, you can opt for the trustee to hold the assets until a specific time, like when the beneficiary reaches a certain age.

Living trusts are appealing because they are revocable. You maintain control—you can change the trust or even dissolve it for as long as you live. Living trusts are also private. Unlike a will, a living trust is not part of the public record. No one can review the details of the trust documents unless you allow

it.

Despite these benefits, living trusts have drawbacks. Assets in a living trust are not protected from creditors, and you are subject to taxes on income earned by the trust. In addition, you cannot avoid estate taxes using a living trust.

**Irrevocable trust.** Unlike a living trust, an irrevocable trust typically can't be changed or dissolved once it has been created. You generally can't remove assets, change beneficiaries, or rewrite any of the terms of the trust. Still, an irrevocable trust can be a valuable tool for tax planning, asset protection, and charitable giving.

When you transfer assets into the trust (these must be assets you don't mind losing control over), you may have to pay gift taxes on the value of the property transferred. If you have given up control of the property, all of the property in the trust is out of your taxable estate. That means your ultimate estate tax liability may be less, resulting in more passing to your beneficiaries. Property transferred to your beneficiaries through an irrevocable trust will also avoid probate. As a bonus, property in an irrevocable trust may be protected from your creditors.

**Testamentary trust.** A testamentary trust allows you to specify how your assets should be distributed and managed for your beneficiaries. It is created through a will and only takes effect upon the trustor's death. At that point, selected assets in your will are distributed into the trust. From that point on, these work very much like other trusts. The terms of the trust document control how the assets are managed and distributed to heirs. Since you have a say in how the terms are written, these types of trusts give you a certain amount of control over how the assets are used, even after your death.

As always, we appreciate your trust in us and aim to help you figure out the best financial plan to help you meet your goals. If you have any questions about this article, please reach out to us via phone or email.

Authored in part by Commonwealth Financial Network and Broadridge.

*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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## Welcoming Kristen Baker



Kristen Baker,  
CISR

[Kristen Baker](#) has joined Allen Insurance and Financial as a personal insurance account executive.

Kristen has 10 years of insurance experience and holds the Certified Insurance Service Representative (CISR) designation. She is based at Allen's office on Elm Street in Camden.

She is a graduate of Rockland District High School (now known as Oceanside) and the New England School of Communications.

She and her family live in Washington, where she is a member of the board of directors of the Gibbs Library. In addition to serving her community through its library, Baker enjoys kayaking, spending time with family and attending her son's school and extracurricular events.

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## **Do You Need Health Insurance for Your Trip Abroad?**

Whether you're traveling for business or pleasure, a trip abroad takes a lot of research and planning before the fun (or work) begins. In addition to looking up flights, hotels, attractions, eateries, and how to ask, "Where's the restroom?," in a new language, there's another important topic you should explore before you go: health insurance. There is always a risk of experiencing an unexpected illness or an injury on a trip. And, if you need medical care in another country, you don't want to be on the hook for the full expense if you can avoid it.

You've likely done careful budgeting to figure out how to finance your vacation, so the last thing you want (besides a health-related setback!) is an unexpected medical bill. Travel health insurance can help provide financial protection if you need medical care while abroad. This not only can provide peace of mind, but it can help you avoid potentially devastating financial losses if you become sick or hurt.

### **What Is Travel Health Insurance?**

Travel health insurance can provide coverage for expenses, including hospital stays, emergency medical care, and



transportation costs when you're away from home. The specific coverage and benefits of each policy vary depending on the plan and the insurance provider, so it's important to understand what's covered and what isn't before choosing. Of course, you'll want to keep your costs reasonable, but you'll also want to be covered for the most likely scenarios.

### **Do I Really Need It?**

Your first step in figuring out the answer to this question should be to check with your regular health insurance provider to determine whether your policy provides coverage for medical expenses incurred while abroad. If it's covered and you feel the coverage is sufficient, you may not need to look any further. Keep in mind, even if your regular policy offers some coverage, it may be limited or may not cover certain types of medical care, so ask about specifics. And it's important to note that Medicare isn't accepted abroad. Some credit cards offer travel insurance that may cover medical care, so that can be another option to explore. The cost of medical care can be much higher in other countries, especially if you need emergency care, so if your regular policy doesn't cover that, look into additional coverage.

It's also worth noting that some countries actually require proof of health insurance before they'll allow entry, including Cuba, Antarctica, and the United Arab Emirates.

### **What Types Are Available?**

The kinds of policies you can choose from include:

- Short-term travel health insurance. This provides coverage for a specific trip or period of time, usually up to six months. It can be a good option if you'll be abroad for a short trip.
- Long-term travel health insurance. If you're planning to travel for several months or even a year, a long-term travel

health insurance policy may be a better choice for you. These policies typically offer more comprehensive coverage and may be more cost effective over an extended period.

- Medical evacuation insurance. This covers the cost of emergency medical transportation, such as an air ambulance, if you become seriously ill or injured while traveling. Although this might not be necessary for a standard trip out of the country, you'll want to consider it if you're traveling to a remote location or a country with limited medical facilities.

### **How Should I Choose a Policy?**

When making this decision, consider:

- Coverage. Look for a policy that provides comprehensive coverage for medical expenses, emergency care, and medical evacuation. If you have preexisting conditions, your policy should cover those (some don't, in which case having a preexisting condition would exclude you from coverage). Be sure to read the policy carefully so you know what's covered and what isn't.

- Cost. Travel health insurance can vary widely in price, so shop around and compare rates from different providers. The cheapest policy may not provide the best coverage, so consider the cost-benefit analysis when making your choice.

- Provider network. Check to see if the insurance provider has a network of medical providers in the countries you'll be visiting. An affordable policy that offers comprehensive coverage is of no use to you if it doesn't cover doctors in your destination.

- Policy limitations. Some policies may have limitations on coverage for preexisting conditions, adventure sports such as sky diving, or certain types of medical care.

- Customer service. Look for an insurance provider with good customer service and a 24/7 helpline you can contact if you need assistance while traveling (especially if there is a time

difference to consider).

Once you've purchased insurance, be sure to carry your insurance card and/or a copy of your policy with you during your trip. If you do find yourself in need of medical care while abroad, the U.S. Embassy will be able to provide information about local doctors and hospitals. Even if you don't expect to run into medical issues, a sudden illness or accident can cause a huge financial loss. It's best to be prepared.

As always, we're happy to answer any questions you might have about this topic as you figure out your insurance needs. And we wish you happy and healthy travels!

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## Should You Unretire?

You've planned, saved, and waited for retirement for years. When the time to stop working finally arrives, what will you do? You may be surprised to learn that many people go back to work.

People make this choice for a few different reasons. Some need the money, others crave social interaction, and some miss working for a goal or cause about which they're passionate. Whether your motivation falls into one of these categories or a different one, following are questions to ask yourself before deciding to start working again after you retire.

### **Do You Need the Money?**

Many Americans lack the necessary savings to maintain the same lifestyle in retirement that they had when employed. Others

underestimate how long they'll live after retirement and don't have enough saved to last the rest of their lives. One obvious benefit of going back to work is earned income.

Given the current inflation rate and rising interest rates, it makes sense that many retirees return to work because they need money. But adding income doesn't just affect your bank account and spending capacity. It also has ramifications on your social security payments, health benefits, and pension.

**Social security.** If you've reached full retirement age (66 or 67, depending on when you were born), additional income from a job won't reduce your social security benefits. If you've opted to start collecting social security before your full retirement age, however, there is a limit on how much you can earn without having your benefits reduced. The limit in 2023 is \$21,240. If you earn more than that at your job, you will have \$1 withheld from benefits for every \$2 over the limit. Thankfully, once you reach full retirement age, that money will come back to you in the form of a higher check each month.

**Health benefits.** Once you turn 65, you qualify for Medicare. But earning additional income could push you to a higher tax bracket and, therefore, increase your Medicare premiums. If you're able to get medical coverage through your job, that might provide a more affordable option. You can then reenroll in Medicare later, though that comes with rules and deadlines you'll need to be aware of. The bottom line: Do your research on how working after retirement will affect your health benefits. Speak to a Medicare representative and/or benefits advisor at your company.

**Pension.** If you work for someone other than your original employer, your pension benefit won't be affected—you can work, receive a salary from your new employer, and also receive your pension benefit from your original employer. If, however, you

continue to work past your retirement date for the same employer or you retire and then return to work for that employer, your pension may be affected in various ways.

Different plans have different stipulations regarding working and receiving your pension, so it's best to ask your company's plan administrator what your plan says. It's possible you can still receive your pension even if you continue to work. Other plans might suspend your pension while you work but will increase your payment when benefits resume to make up for the suspension. There are some plans in which you'd forfeit the pension benefits during the time you're working. Find out what the rules are for your company's plan so you don't unexpectedly lose benefits.

### **Do You Miss Your Coworkers?**

Even if you don't need the extra income, you might miss the social interactions that come with a job. Or you might crave the mental stimulation from solving problems and working toward set goals. If your career was a passion, you might have a strong desire to continue working in that field after retirement. In these cases, you should still consider the financial effects of returning to work, but there are also nonmonetary factors to think about.

**Work-life balance.** If money isn't an issue, consider a part-time or flexible-schedule job. Freelancing or consulting will give you control over your time and allow you to maintain a healthy work-life balance. Tap into a hobby or passion to find a job you will enjoy. These types of roles can provide a purpose, activity, and goals—and likely won't feel as demanding as full-time work.

**Health and well-being.** The mental and physical toll of working is worth considering, too. If you've taken a break from your

career due to retirement and you miss it, you might be forgetting stress or physical demands that came with the job. Be sure to assess the psychological and physical impacts of returning to work to ensure that your overall well-being isn't compromised.

Deciding to work after retirement is a personal choice that should be based on individual circumstances and preferences. It offers the opportunity for financial security, mental stimulation, and passion pursuit; however, it also carries the risks of reduced leisure time, potential health challenges, and impacts on retirement benefits. It's important to carefully weigh the pros and cons to make an informed decision that aligns with the retirement lifestyle you seek. As always, we're available to advise you on retirement planning and the best course of action based on your personal goals and financial situation. Feel free to reach out to our office to discuss the option of working after retirement.

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## **The Importance of a Current Marine Survey**



Chris  
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By [Chris Richmond](#) for [WorkBoat Magazine](#).

If you have a commercial hull policy you should expect a request for an updated survey from your underwriter every five years or so. This is done to both confirm the vessel's insured value as well as the current condition. Depending on what this survey states you can expect to see changes in both your coverage limits as well vessel usage.

I always like to tell vessel owners that they know their boats better than anyone else, the good and the bad, so they should not expect any major surprises when they have a surveyor inspect their boat. When an underwriter requests a new survey it can be to your benefit to have a surveyor who has previously inspected your boat to do so again. They are familiar with the boat, with your operations and with you. You can also know what to expect from this surveyor and what sort of report to expect.

When you receive your report, the underwriter will want to know what your plan is with the survey recommendations. Depending on the severity you may not be able to operate until they have been addressed. Some recommendations can simply be noted that you will monitor the condition and take action in the future. One

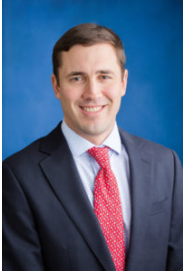
thing to remember though is that if you falsely state that you have addressed a survey recommendation and then have a claim you can potentially have no coverage should it be determined that you falsely claimed to have corrected the survey recommendation.

The survey will also provide both a market value as well as cost to build new value. The underwriter almost always goes with the market value. This recently presented a problem to a client of ours who had a new survey done by a different surveyor. His initial survey stated the value of the boat at \$250,000. A subsequent survey 10 years later (the underwriter missed the five-year request) done by a different surveyor showed the hull value at \$650,000. This proved to be a major increase in hull premium that the insured was not able to absorb. Through some negotiations with the underwriter we were able to insure the boat to 80% of the new survey value. This saved the insured some premium and also satisfied the underwriter's need to insure the vessel to its close enough to its value.

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## **The Impact of Climate Change on the Insurance Industry And What it Means for Maine**





Cale  
Pickford

By [Cale Pickford](#) for [Maine REALTOR® Magazine](#)

Climate change is increasingly causing severe weather events, posing significant risk to homes and businesses and displacing millions of people. In fact, a new Census Bureau tally shows that more than 3.4 million adults were displaced in 2022 by catastrophic weather events, around 1.4% of the U.S. adult population. Most of those displacements were short term but the census figures also show that 16% of those displaced adults never returned home, and 12% were out of their homes for more than six months.

In addition to the social cost that these severe weather events pose, in 2022 the U.S. experienced 18 separate weather and climate disasters costing at least \$1 billion, the third highest number in a calendar year, behind the 22 events in 2020 and 20 events in 2021. Clearly this trend indicates that the high frequency and severity of extreme weather events affecting people's lives and livelihoods represents the new normal creating far reaching economic and social impacts that will indelibly shape the future of where and how we live in our country and the world beyond.

The rise in population and wealth over the past decades is an important factor in these increased costs. This trend is further complicated by the fact that much of the development has taken place in highly vulnerable areas like coasts, wild-land urban

interface, and river flood plains. Vulnerability is especially high where building codes are insufficient for reducing damage to extreme events. This challenge is compounded by the fact that extreme weather events are hitting areas that have not experienced these storms in the past and are therefore far more vulnerable. One example is the deadly tornadoes that devastated parts of Tennessee and Kentucky in 2022, two states historically considered to be well east of tornado prone areas.

Ultimately, this means that climate change and associated severe weather events are, in some ways, destabilizing society, and relevant to this column, most certainly destabilizing the insurance industry. Prices have been driven up and severe storm risk has pushed many insurers out of high-risk markets. Insurance markets are in crisis in Florida, Louisiana, and California and states like Colorado and Oregon are not far behind. As private insurers pull out of these states, homeowners are forced to insure through state-run insurance plans – sometimes called FAIR plans – that cover people who cannot buy insurance from a company. As more people are forced into these plans, the risk that they become insolvent increases dramatically. In California, the state-run FAIR plan is running a \$332 million deficit while it charges premiums that are too low and has limited reinsurance to cover claims. If these plans go broke, it is the responsibility of the insurers operating in the state to pay claims based on an unlimited assessment.

Insurers in Maine haven't been as directly impacted by severe weather-related losses. From the perspective of climate risk, Maine is still seen as a relatively safe place to insure. Our broad selection of high-quality insurers and relatively affordable rates stand in sharp contrast to other parts of the country. With that said, we're not at all immune to the macro trends characterized by increasing rates and an unwillingness of many insurers to cover what is perceived to be higher risk homes

and commercial properties. Reinsurance, the insurance that insurers buy to offset large losses, has increased in cost dramatically in response to 3 years of unprecedented losses. By its nature, reinsurance costs are spread across a broad base and Maine insurance consumers are ultimately footing some of the bill for the large losses in other states. As mega-disasters ultimately force population shifts and disrupt the real estate market in high-risk states through prohibitively expensive or unavailable insurance, Maine will benefit from an influx of new homebuyers. Expect this influx to impact the entire spectrum of the market, from luxury homes to affordable housing. While this is a boon to those in the real estate industry it also has the effect of driving home prices to levels out of reach for many who live and work in Maine. A complicated problem requiring a thousand separate solutions to address.

In the meantime, we can count ourselves lucky to call Maine home, even if it is a home that will look a little different in the years to come.

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## **Mental Health: An Area of Focus in Loss Prevention and Workers Comp**



Dan Bookham

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

We are hearing more and more about mental health in all aspects of daily life these days, and while this new openness about a once taboo subject is to be welcomed it can still cause squeamishness for employers and concerns about intrusion and privacy that a cut or a burn may not. Even so, it is an important enough risk factor for workplace injuries and vessel & yard accidents that it behooves all of us to pay attention to it.

First, the why. Mental health is a workplace safety issue because if issues aren't recognized or challenges aren't addressed, it can lead to a number of negative consequences. Mental health problems can impair an employee's ability to focus, concentrate and make sound decisions. This can lead to terrible outcomes, both for the employee and for others. Mental health problems can result in an increase in injuries and accidents, decreased productivity, absenteeism and turnover. This can cost employers a significant amount of money. In addition, mental health problems can lead to decreased morale and increased stress levels. This can create a negative work environment, which is not conducive to safety. All of these are drivers of stress on people and systems, and in turn these increase a company's risk exposure.

There are several things employers can do to address mental health in the workplace. By taking the following steps, employers can help to create a safe and healthy workplace for all employees.

- Provide proactive mental health awareness training to employees. This training can help employees understand mental health issues and how to identify and support someone who may be struggling. Your workers comp/P&I insurer will likely have resources they can refer you to, as will occupational health clinics and local health care providers.
- Create a culture of open communication about mental health. This means encouraging employees to talk about their mental health and to seek help if they need it. The military are real leaders in this area and offer proven, concrete examples of functioning programs for populations where talking about feelings and mental health may not be a default setting.
- Offer mental health resources to employees. This could include providing access to mental health professionals, offering on-site counseling or providing financial assistance for mental health treatment.
- Promote healthy work-life balance. This means encouraging employees to take breaks, to get enough sleep and to have a life outside of work. Remind your people that toughness is not always analogous to pushing yourself to a breaking point.
- Address workplace stressors. This could include identifying and reducing sources of stress, such as unrealistic deadlines, heavy workloads or bullying.

By taking these steps, employers can reduce the risk of mental health issues driving injuries and accidents, improve quality of life for their people, reduce insurance claims and help to

create a safe and healthy workplace for all employees.

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# Sam Grinnell Completes Liberty Mutual Producer Development Program



Sam  
Grinnell

Sam Grinnell, a business insurance account manager at Allen Insurance and Financial, has completed the Liberty Mutual Business Lines Producer Development Program, a rigorous 10-week program designed to improve insurance skills to meet the complexities of today's insurance marketplace.

Grinnell joined Allen in January 2023. He is based in Camden.

"All of us at Allen Insurance and Financial applaud Sam's commitment, dedication and determination to complete the program – an important step for Sam's burgeoning insurance career," said Jill Lang, marketing director at Allen Insurance and Financial.