

# 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 on 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 Cailler 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.

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# Mindy Maheu and Jennifer Coffin Earn Safeco Insurance® Award of Excellence for Superior Underwriting Skill



Mindy  
Maheu

Mindy Maheu and Jennifer Coffin, personal insurance account executives with Allen Insurance and Financial, have been honored with the Safeco Insurance Award of Excellence, an honor recognizing superior underwriting skill.

This recognition is achieved only by a select group of agents across the country who sell Safeco Insurance. This is Maheu's fourth year and Coffin's third year earning this recognition.



Jen Coffin

“Excellence in underwriting means bringing exceptional customer service together with a deep understanding of the complexities of insurance coverage to create great outcomes for Allen customers,” said Scott Carlson, personal insurance division manager at Allen. “Mindy, Jen and the entire Allen personal insurance team do that daily by ensuring customers get the insurance coverage that works best for them. This recognition is well deserved and all of us at Allen are especially proud of the number of consecutive awards they have earned.”

Maheu holds the Certified Insurance Service Representative (CISR), and Certified Insurance Counselor (CIC) designations. She joined our company in 2002 and is based in Waterville. Coffin has been with Allen Insurance and Financial since 2004 and is based in Camden. She holds both the Accredited Customer Service representative (ACSR) and Certified Personal Risk Manager (CPRM) designations.

The Safeco Award of Excellence recognizes outstanding agents who have developed a solid underwriting relationship with Safeco and whose agencies have qualified for the Safeco Insurance Premier Partner Award, the company’s top recognition program. Fewer than 10 percent of agencies who sell Safeco have agents who receive this award.

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## **Caitlin Harrington Joins Allen Financial**



[Caitlin Harrington](#) of Appleton has joined Allen Insurance and Financial as a retirement plan coordinator, a newly-created position. She will be assisting Allen Financial advisors on client retirement savings plans.

Cait's career in finance and non-profit management in Midcoast Maine spans 20 years. She has a degree in accounting from the University of Maine and holds the Certified Professional designation from the Society for Human Resource Management (SHRM-CP).

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## **Your Year-End Financial Planning Checklist for 2023**

As 2023 winds down, your focus may begin turning to holiday planning, family gatherings, and delicious food. You might even entertain the idea of getting your tax documents in order. Consider going a few steps further and preparing for a yearly check-in with your financial advisor to start 2024 with your money matters in good shape.

After all, it's been a year of changes that will likely affect your finances in one way or another. The passage of SECURE 2.0 in late December changed many retirement plan rules, interest rates have continued rising, and the Supreme Court struck down the Biden administration's proposed student loan forgiveness program.

How can you get a clear picture of what all of this means for your financial planning? By scheduling time to connect with your trusted financial advisor, of course. So, before you head to your annual meeting with your financial advisor, read over these questions and use them as a helpful guide for your conversation.

### **1. Can I Contribute More to Retirement Funds?**

Although the state of the economy might make you hesitant about setting additional income aside, consider whether you're financially able to maximize (or increase) contributions to your workplace retirement plan. At the very least, find out whether you're contributing the minimum to take full advantage of any employer match benefit. Increasing your contributions to a traditional IRA is another option, though you should be mindful that those with higher incomes may not qualify for a tax deduction.

### **2. Do I Have FSA Dollars to Spend or Carry Over?**

Use what you can from your flexible spending account (FSA) and check your employer's plan to see whether unused funds can be carried over to the next plan year. Although the rollover option applies to your employer's plan year rather than the calendar year, this year-end assessment is a good reminder to ensure that you're on track. If permitted, the maximum FSA carryover amount is \$610. If you have a dependent care FSA, you can save as much as \$5,000 (family limit) or \$2,500 (married filing separately) in 2023.

It's also a great time to discuss maximum health savings account (HSA) contributions if you have a high-deductible health plan (HDHP). This can be a complex topic, so it's a great idea to tap into your advisor's knowledge to learn more.

### **3. Should I Consider Roth Conversions?**

If you have some room in your current tax bracket before reaching a higher federal income tax rate, you may want to consider doing a Roth conversion. This would involve converting some of your pre-tax retirement savings, like in a traditional IRA, into a post-tax account, like a Roth IRA, so you'd never have to pay taxes on future earnings. Taxes would be paid upfront on the conversion amount, and you'd enjoy tax-free growth in the future. If this interests you, discuss this strategy with your advisor, who can help determine whether it's an ideal time to do a conversion. Your advisor can also run projections to see whether you would pay less in taxes over time with this strategy.

### **4. What Is Tax-Loss Harvesting?**

If some investments in your portfolio have suffered a loss, the end of the year is a common time to consider whether it makes sense to harvest losses by selling them. Doing so can offset gains you have realized in your portfolio as well as up to \$3,000 of your earned income. Tax-loss harvesting can get complex, so this is a great topic to seek professional help on. Be aware: Investments can be repurchased only after a certain period; selling a security for a loss and buying back within 30 days does not qualify.

### **5. Do My Charitable Donations Qualify for a Tax Deduction?**

Charitable contributions donated directly to a qualified charity or a donor-advised fund can help you get a federal tax deduction. Keep in mind, however, that this is often beneficial only if you're itemizing. It's worthwhile to discuss with your

tax professional whether your charitable contributions, in addition to other deductions, will surpass your standard deduction. For those older than 70½, a qualified charitable distribution (QCD) may be a viable option. In addition, 2023 is the first year QCD distributions (up to certain limits) are allowed to be gifted to charitable remainder trusts or charitable gift annuities, which could provide you with a right to income.

## **6. What Should My Strategy for Stock Options Be?**

If you have vested stock options included in your compensation package from your employer, now may be a good time to consider whether it would be more beneficial to sell them in January 2024 as opposed to this year. Review your stock option statement and plan document with your tax professional and discuss which year offers the best opportunity from an income tax perspective.

## **7. Do I Need to Think About RMDs?**

Some retirement accounts are subject to required minimum distributions (RMDs). This means once you near age 73, you may be required to start taking distributions from your retirement accounts, owing taxes on the way out. It's common for people to forget to take RMDs. What's more, recent legislation has made them a bit more complex, so RMDs for retirees and their beneficiaries are best planned with your advisor to be sure that you're following the rules.

## **8. When Do I Need to Resume Repaying Student Loans, and Do I Qualify for Student Debt Relief?**

As a result of the Supreme Court overturning the Biden administration's proposed student loan forgiveness program, federal student loans resumed accruing interest on September 1, 2023, with payments resuming in October 2023. Those payments are subject to a 12-month on-ramp transition period during which default will be waived for nonpayment. The Biden administration

has launched a new, income-driven student loan repayment plan—the Saving on a Valuable Education (SAVE) plan. A website for that plan can be found [here](#). To get the latest information, consult this helpful factsheet and sign up for updates on the U.S. Department of Education website.

## **9. Should I Update My Estate Plans?**

It's always a good idea to review estate plans as part of year-end financial planning. As life events happen, such as marriage or the birth of a child, your estate plan should be updated with your attorney. At the end of each year, discuss with your family how life events over the past year might affect your estate planning. When you meet with your advisor, be sure to update and review beneficiary designations, trustee appointments, power-of-attorney provisions, and health care directives. Also, the amount that may pass free of federal estate tax is scheduled to be reduced by approximately half in 2026, so you may need to plan for that.

## **Take Advantage of Your Advisor's Knowledge**

Although this year-end financial planning checklist covers a lot of ground, it's intended to serve as a springboard for planning conversations with your financial advisor. This checklist provides an excellent starting point to discuss issues and deadlines most relevant to you. New strategies becoming available (e.g., rollovers from a 529 plan to a Roth IRA for the 529 beneficiary, subject to certain time restrictions and requirements) may also be worth discussing. Beyond that, be sure to add anything else you want to know to this list so you don't forget to inquire. An annual planning meeting is a great time to ask questions you need answered regarding your financial plans for the coming year.

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# **How to Ensure That You're Financially Prepared for an Emergency**

When you're starting a business, a family, or any other major life endeavor, you try to think of every risk so you can plan a strategy to put yourself on a path to success. Unfortunately, hardships aren't always predictable, and certain ones, such as man-made or natural disasters, can wreak havoc on well-laid plans. According to FEMA's 2019 Emergency Financial First Aid Kit brochure, roughly 40 percent–60 percent of businesses affected by major disasters never reopen.

Natural disasters, man-made disasters, and business disruptions have at least one thing in common: time is never on your side when you're reacting. Remember Murphy's law: anything that can go wrong will go wrong. During a crisis, you're lucky if you have a few seconds to take a breath and react, so it's critical



to consider your financial readiness. As the Roman philosopher Seneca said, “Luck is what happens when preparation meets opportunity.”

### Why Financial Preparedness Matters

Financial preparedness is much more than storing extra cash under your mattress. It’s about creating a plan to help you navigate unexpected financial challenges, which can help you:

- Remain calmer. Knowing that you have a plan to cover immediate needs and recover financially can alleviate stress and anxiety in times of crisis.
- Recover more quickly. Quick access to funds can speed recovery following an emergency or disaster. This can be especially important when a repair or medical attention is urgently needed.
- Prevent debt. Without proper financial preparedness, you might be forced to rely on high-interest credit cards or loans to cover expenses. This can lead to debt accumulation.

### Steps to Becoming Financially Prepared

The nonprofit organization Operation HOPE has partnered with the Federal Emergency Management Agency (FEMA) to create the Emergency Financial First Aid Kit (EFFAK) to help people and businesses organize financial, medical, and household contact information that is often necessary to begin the recovery process after a disaster. The EFFAK provides lists of vital documents in categories such as household identification, financial and legal documentation, medical information, and household contacts. Having this information in one place, in a safe and accessible location, will set you on the road to recovery as soon as possible.

FEMA also offers recommended steps for financial preparedness. Unsurprisingly, the first one involves completing and dating all EFFAK forms. Learn how to prepare yourself.

- **Assess and compile:** Gather important financial documents and contacts and complete all EFFAK forms. Be sure that you have original versions of your documents; otherwise, reach out to the proper agency to request a copy.

Consider switching from paper checks to electronic transfer or direct deposit wherever possible. You can do this for federal benefits through Go Direct. Contact your employer to have your paychecks deposited directly into your bank account. In addition, it's wise to print or download copies of autopay bills, such as rent or mortgage, utilities, loan payments, or membership fees.

Store cash in different denominations in a safe location where you'll keep your EFFAK forms. In case ATMs aren't working or banks are closed, you should have enough money (at minimum) for gas, food, and other daily necessities. Think about how many days or weeks during a crisis you'd like to sustain your current lifestyle and keep enough cash on hand for that period.

- **Review:** Go over your insurance policies and financial paperwork to ensure that they remain accurate and current. This includes verifying that your current homeowners' insurance, auto insurance, and/or renters' insurance policies are up to date. The EFFAK will help you clearly see any personal documents or insurance policies you might need or want to set up.

- **Safeguard:** Store paper copies of your documents in a fireproof and waterproof box or safe, in a bank safe deposit box, or with a trusted friend or relative. If you're using a safe deposit box, you may want to confirm who can and cannot access the safe deposit box if the owner dies or cannot access it due to illness. Electronic copies of important documents should be stored in a password-protected format on a removable flash drive or external hard drive in your fireproof and waterproof box or safe.

You may want to provide your lawyer, financial advisor, or trusted family member or friend with a paper copy of your EFFAK in a sealed envelope. Provide instructions that they should open the envelope only with your approval or the approval of someone you have chosen in the event you cannot make decisions on your own.

- Update: Revisit your EFFAK on a regular basis to determine whether any information needs updating. Suggested times to review it include tax preparation time, the beginning or end of daylight saving time, your birthday, and the start of a new year. Any of the following events should prompt you to change your EFFAK as soon as possible:

- o Change of insurance
- o Change of residence
- o Purchase of new home or rental of new apartment
- o New bank account
- o Change in marital status
- o Birth or adoption of child
- o Change in your child's school
- o Retirement planning
- o Death in household

### How to Stay Safe from Scams

Unfortunately, natural disasters and other emergencies inspire fraudsters to take advantage of those in difficult or desperate situations. In addition to being financially prepared to handle the aftermath of an unexpected crisis, you should be aware of red flags that might indicate a scam, including:

- Up-front fees. Help with claiming services, benefits, or loans should not require payment in advance.
- Door-to-door repair sales. These types of salesmen should be thoroughly vetted and should trigger suspicion, especially if

they ask for advance payment or offer steep discounts.

- People asking for personal information or payment without credentials. Never give out personal information to people you don't know, including over the phone. Con artists may attempt to pose as government employees, insurance adjusters, or bank employees. Call these agencies back at a verified number before disclosing any information.
- A sense of urgency. Be suspicious of those who claim to want to help but warn that there is a limited-time offer or pressure you to sign on the spot. You need time to thoroughly review and process anything presented to you. Consult a trusted friend, relative, lawyer, or advisor.

Of course, we hope you never find yourself in a situation where you need to reference these tips, but it's best to be prepared. If you have questions about financial preparation for an emergency or the information in this article, please reach out to us by phone or email.

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# Management's Key Role in

# Workplace Safety



By Daniel Bookham for [WorkBoat](#) Magazine

We have all heard it a thousand times: Management engagement is essential for the success of any safety program. I dare say we all agree, at least conceptually, but like many noble ideas it doesn't always survive first contact with the buzzsaw of daily operational priorities. What if we took this statement out of the ongoing grind and put it on the pedestal where it belongs? What if instead of treating management's role in safety as an operational question we made it central to the values of the organization?

Elsewhere in our businesses we know that the captain, owner, CEO or senior management team define the desired culture of a company and cultivate it through leadership actions including setting objectives, strategies and key results that prioritize culture-building; these same people design the organization and its operational processes to support and advance the company's purpose and core values. The mindset shift for those who have yet to put management's role in safety front and center is therefore simple: Make it a core cultural value.

When management is engaged, it sends a clear message to employees that safety is a top priority. This can lead to

several benefits, including reduced accidents and injuries, increased productivity, improved morale, reduced costs and – often overlooked – an enhanced reputation for safety and quality among peers, customers, regulators and insurance companies.

The philosophy and culture aspects are all well and good – but what about the how? To that end, here are some specific examples of how management can engage in safety programs.

Management can:

- **Set a clear safety culture** by consistently communicating the importance of safety to employees. This can be done through regular safety meetings, safety posters and other communication channels.
- **Provide regular safety training to employees** to help them learn about the hazards in their work environment and how to prevent accidents. This training should be tailored to the specific hazards that employees face.
- **Ensure that safety is a part of performance reviews** by including safety goals in employee performance plans. This will help to ensure that employees are held accountable for their safety performance.
- **Hold employees accountable for safety** by enforcing safety rules and procedures. This will help to ensure that employees are aware of the importance of safety and that they are taking steps to prevent accidents.
- **Create a culture of open communication** by encouraging employees to report safety concerns. This will help to identify and address potential hazards before they cause accidents.
- **Reward employees for safe behavior** by recognizing them for their efforts. This will help to encourage employees to continue to practice safe behavior.

By taking these steps, management can create a safe and healthy

workplace for all employees.