

Q2 2021 NEWS AND VIEWS

Heffernan's Quarterly

News & Views



Because You're Different

COMMERCIAL LINES

Cyberattacks and ransom demands grow. [Insurance Journal](#) reports that JBS, a meat producer, paid a ransom of \$11 million. A few weeks earlier, Colonial Pipeline paid nearly \$5 million to ransomware attackers, according to [Bloomberg](#).



COVID-19 exacerbates medical malpractice woes. [Risk & Insurance](#) reports that prices, limitations and exclusions are up, and the anticipation of claims related to COVID is making matters worse.

Social media is creating new liability concerns. According to [Insurance Journal](#), privacy rights violations are a common risk for employers; examples include healthcare workers posting medical information.

PERSONAL LINES



Auto insurance shopping increased during pandemic. According to [InsuranceNewsNet](#), a J.D. Power survey found that shopping surged as people drove less and struggled with unemployment.

California braces for another bad wildfire season. [The Sacramento Bee](#) says that the wildfire season is getting an early start because of widespread drought. In 2020, more than 4 million acres burned, the largest amount in modern history.

Two in three homeowners admit to fibbing to get better rates. According to [Property Casualty 360](#), a study also found that many people also think it's OK to exaggerate claims, and most consumers think insurers try to avoid paying claims.

EMPLOYEE BENEFITS



COVID has increased interest in employee benefits. According to [InsuranceNewsNet](#), 56% of workers say health and wellness benefits are more important to them now. Interest in mental health benefits, paid family and medical leave, and other benefits has also increased.

Employers are offering more voluntary benefits. [HR Dive](#) reports that identity theft, hospital indemnity and pet insurance are becoming more popular.

Employee benefits are expensive but necessary for talent recruitment. Pointing out that more than half of employees say benefits are the biggest factor in job satisfaction, [HR Morning](#) provides six ways to reduce costs.

LIFE INSURANCE

Life insurancesalesareup 11%inQ1. According to [InsuranceNewsNet](#), LIMRA's CEO thinks this might be the early sign on a record-breaking year.

Tax proposals may make life insurance more compelling. [CNBC](#) reports that Biden has proposed higher taxes on inheritance, and financial experts say this could make life insurance strategies more attractive in estate planning.



COVID vaccine won't jeopardize life insurance benefits. Despite social media rumors stating otherwise, experts say that getting the vaccine won't cause life insurance benefits to be denied, according to [USA Today](#).

HEFFERNAN INVESTMENT SERVICES

Annuity products expected to rebound. According to [InsuranceNewsNet](#), the Secure Retirement Institute predicts that individual annuity sales will increase in 2021, and the market could grow by 30% by 2025.

People consider adding cryptocurrency to investments. [Fortune](#) reports that Coinbase and a 401(k) provider have created a new way to add crypto to retirement plans.

Retail investors increase interest in "short squeeze" strategy. After GameStop (GME) stock surged in January, interest in short squeezes has increased. [Kiplinger](#) explains how the strategy works.





HEFFERNAN RETIREMENT SERVICES

Long-term care costs set to rise. According to [Think Advisor](#), nursing home room costs increased 9.2% in 2020. Three years of care could cost as much as a small house, and consumers should consider LTC planning.

State tax rules impact retirement plans. Taxes for retirees vary and can make a big impact on retirement budgets. [Kiplinger](#) provides information on taxes in all 50 states.

Retirement planning struggles with the uncertain future of Social Security. [Think Advisor](#) says the trust fund is expected to run out in the 2030s, and uncertainty over what happens next may lead to retirement planning mistakes.

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