

Q2 2020 NEWS AND VIEWS

Heffernan Group Quarterly

News & Views



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COMMERCIAL LINES

Businesses fear COVID-19 lawsuits, and some get immunity. [Business Insurance](#) reports that one-third of workers say they would sue if they caught COVID-19 at work. According to [Insurance Journal](#), at least four states have passed legislation to give businesses immunity from civil liability.

85 percent of data breaches were financially motivated. [Verizon](#) has released its 2020 Data Breach Investigations Report, which shows that 69 percent of breaches were caused by outsiders. [Property Casualty 360](#) offers 10 insights from the report.

Businesses have insurance questions after looting. [Insurance Journal](#) explains that while there has been debate over business interruption coverage for claims due to the pandemic, property damage from looting is typically covered.



PERSONAL LINES

Personal watercraft insurance hits rough seas. According to [Risk & Insurance](#), Hurricanes Irma and Maria have had a major impact on yacht insurance. Some insurers are withdrawing from the market entirely or not writing business in certain areas.

Crash prevention study stirs debate. According to [Business Insurance](#), IIHS released a study estimating that self-driving technology could prevent only one-third of U.S. crashes, but self-driving companies have questioned the findings.

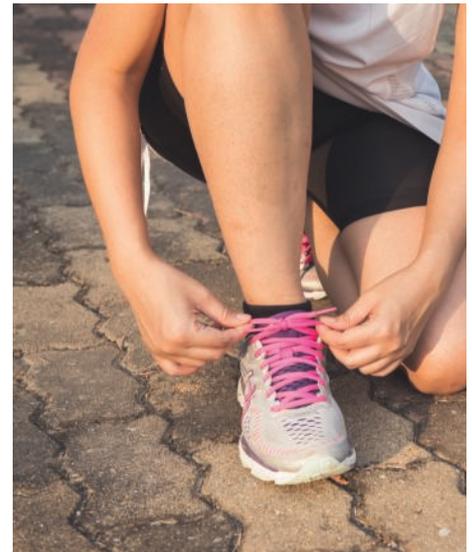
The 2020 Atlantic hurricane season is expected to be above average. According to [Property Casualty 360](#), storm surge risks threaten 7.4 million homes. [Property Casualty 360](#) also explains that aircraft collect data on weather patterns, and the extreme decrease in air travel could impact forecasting models.

BENEFITS

Paid sick leave becomes mandatory for some. Employers have been adjusting to the Families First Coronavirus Response Act (FFCRA), which requires paid leave for eligible employees. [Benefits Pro](#) reports that there has already been at least one lawsuit over the FFCRA.

Regular rate of pay (RROP) rule could impact employee benefits. The DOL has issued new guidance on how to calculate the RROP. [HR Morning](#) reports that the RROP calculations exclude wellness programs and certain other perks and could encourage employers to offer more benefits.

Employers brace for COVID-19's impact on health benefit costs. According to [Benefits Pro](#), many people have delayed routine care and elective procedures, and health care costs could spike when people catch up on care. Also, some people may develop complications after the lack of care.



LIFE INSURANCE

Life insurance applications rebound. According to [Insurance News Net](#), the MIB Life Index shows that life insurance activity increased 5.2 percent in May. This increase followed two months of decline.

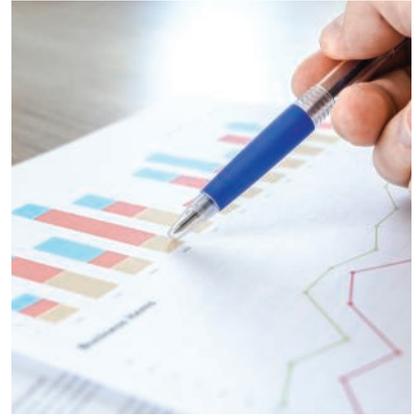
Compared to a decade ago, life insurance ownership is still down. [Insurance News Net](#) reports that life insurance ownership has fallen 9 percent in the last 10 years. However, a [ValuePenguin](#) survey finds that 83 million Americans say the pandemic has made them more likely to buy coverage.

Online buyers boosted life insurance sales. [Think Advisor](#) reports that web shoppers helped life insurance sales in the early part of the year, according to LIMRA analysis. Term life insurance was popular among online shoppers, but traditional fixed universal was not.

HEFFERNAN INVESTMENT SERVICES

Confusion over annuities persists. According to [Think Advisor](#), a survey suggests that many people are interested in products that provide a guaranteed income stream for the rest of their life, but some don't realize annuities do this.

The U.S. is officially in a recession. That's according to the National Bureau of Economic Research. [CNN](#) provides advice on the best stocks to invest in during the recession with the main tip being to buy "boring" stocks.



Some workers lose 401(k) matching. According to [FOX Business](#), some employers have made this cut, at least temporarily, to deal with COVID-19 losses, and this requires new investing strategies.



HEFFERNAN RETIREMENT SERVICES

Retirees face recession complications. According to [Forbes](#), the U.S. has experienced 14 recessions since 1907, and the recent 2008 recession can give retirees an idea of how to navigate the current situation.

Retirement savings are being plundered. [Think Advisor](#) reports that 31 million people are withdrawing or plan to withdraw retirement savings because of the coronavirus, according to a survey from Bankrate. This includes 10 percent of Baby Boomers.

Retirees age 72 or older may be able to skip required minimum distributions. According to [Kiplinger](#), the new rule is part of the CARES Act, and it applies to IRAs and other tax-deferred accounts for 2020.

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