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Heffernan's Quarterly

# News & Views



Because You're Different

## COMMERCIAL LINES



**The invasion of Ukraine could impact the insurance market.** [AM Best](#) points to economic fallout and the potential for widespread cyberattacks as possible issues that could impact insurance.

**Social inflation adds \$20.7 billion to commercial auto claims between 2010 and 2019.** [Insurance Journal](#) says that this is the conclusion of an analysis from III and the Casualty Actuarial Society.

**Third-party vendors shirk insurance requirements.** Many contracts require coverage, but [Property Casualty 360](#) reports that only one in four vendors fulfill these requirements and 23% ignored requests for proof of insurance.

## PERSONAL LINES



**Many consumers are open to buying insurance from non-insurers.** According to [Property Casualty 360](#), a survey found that 55% consumers would buy from Amazon, 66% would buy from an auto manufacturer and 61% would buy from a company like Zillow.

**Rising car prices could lead to coverage gaps.** Used car prices have increased 45%. [Money](#) warns that the changing values could result in gaps between insurance settlements for totaled cars and the cost to replace the car.

**Semi-autonomous cars create liability conundrums.** [Property Casualty 360](#) explains that a suit alleging unintended acceleration in a Tesla raises questions over whether the driver or vehicle is liable.

## EMPLOYEE BENEFITS

**Employers need to boost benefits to attract and retain workers.** According to [HR Morning](#), a report finds that 86% of companies have or are working on a concrete compensation strategy, and benefit and wage increases are common.



**2022 could be a challenging year for benefits compliance.** [HR Morning](#) looks at key issues, including the Consolidated Appropriations Act and pharmacy transparency.

**Remote work creates salary dilemmas.** Remote workers may be in other cities, states or even countries, and [Employee Benefit News](#) explains that this raises questions about salary benchmarking and equity.

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## LIFE INSURANCE

**Life insurers face rise in non-COVID deaths.** According to [The Wall Street Journal](#), the rise in deaths may be the result of delayed care during the pandemic.

**Older U.S. consumers buy more life insurance.** According to [Think Advisor](#), application activity dropped 3.8% in Feb. 2022 compared to Feb. 2021, but application activity for shoppers 71 and older was up 4.2%.

**Non-variable universal life sales soar.** [Insurance News Net](#) says that sales in the fourth quarter totaled \$861.5 million, a 20% increase compared to the third quarter and a 16.25% increase compared to the fourth quarter of 2021.



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## HEFFERNAN INVESTMENT SERVICES

**High inflation rates necessitate new investment strategies.** [Investopedia](#) provides information on assets that do well in inflationary periods, including real estate, commodities and bonds.

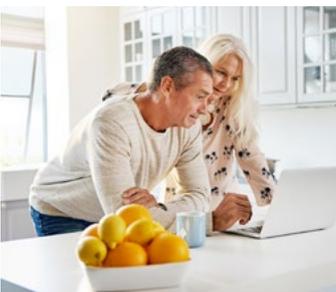
**Biden issues an executive order on cryptocurrency.** [Kiplinger](#) says the order could be the beginning of regulations that help “cryptocurrencies develop into a more vibrant market.” [Money](#) says that cryptocurrencies are now part of most Millennial and Gen Z retirement plans.



**Rising gas and oil prices impact could investors.** [Money](#) says that rising oil prices could impact the stock market, but although recessions have followed high oil prices in the past that might not be the case this time.

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## HEFFERNAN RETIREMENT SERVICES



**Workers preparing for retirement feel financially insecure.** According to Insurance News Net, a recent study shows that around 80% of near-retirees think medical care costs will be overwhelming and 60% think Social Security and pensions won't provide enough income.

**Annuity sales are up.** LIMRA says that U.S. annuity sales reached \$254.8 billion in 2021, the highest total since 2008 and the third highest total in history.

**The American Academy of Actuaries looks at the benefits of raising the retirement age.** Think Advisor says that longer life expectancies are straining the system, but critics point out socioeconomic drawbacks to raising the retirement age.

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