

ISSUE NO. Q1 2019

Heffernan Group Quarterly News & Views



HEFFERNAN
GROUP

PERSONAL LINES

Personal lines rates are up 2.25 percent. [MarketScout](#) reports that personal lines insurers increased rates 2.25 percent on average in the fourth quarter, and the average increase for the entire year was 2.5 percent.

2018 was the fourth-costliest year since 1980 in terms of insured losses thanks to natural disasters in the second half of the year. According to [Munich RE](#), the total economic impact came to \$160 billion, and half of this was insured.

New insurance options are emerging to address increased flood risk resulting from changing weather patterns. [Insurance Journal](#) reports that Neptune Flood and Hippo Insurance have partnered to offer flood insurance with home insurance purchases.



PROPERTY AND CASUALTY

Commercial lines rates are up 2 percent. [MarketScout](#) reports that commercial composite rates were up 2 percent in the fourth quarter. The rate increase for all of 2018 was also 2 percent.

A severe labor shortage is expected to plague the construction industry through 2019. [PropertyCasualty360](#) reports that the industry is having trouble attracting young workers, and the shortage is expected to increase costs.

Companies with fleets may face more lawsuits based on this Supreme Court decision. The Supreme Court ruled that owner/operators involved in interstate commerce are exempt from the Federal Arbitration Act. According to [Risk & Insurance](#), this may lead to more lawsuits.

EMPLOYEE BENEFITS

SHRM identifies six benefit trends for 2019. New health plan options, voluntary benefits, technology, emotional health and family-friendly practices have made it onto [SHRM's](#) list.

HSAs, self-insurance and association health plans may help control benefits costs. In 2018, an employee's individual coverage cost almost \$7,000, and family coverage cost more than \$19,000. [InsuranceNewsNet](#) reports that employers are exploring new options to cut costs.

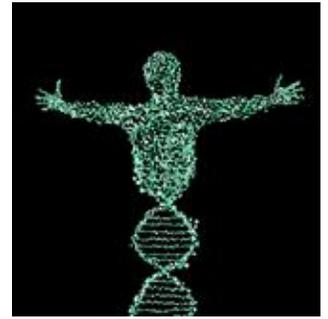
HHS may force hospitals to post their real prices. [Axios](#) reports that HHS is considering new requirements that would force doctors and hospitals to reveal how much insurers pay them.



LIFE INSURANCE

Lawmakers consider blocking insurers from soliciting genetic test results. According to [Florida Politics](#), the legislation would prohibit life and long-term care insurers from using genetic test results in coverage decisions.

New study finds 74% don't have enough life insurance. A new study from [Atidot](#) finds that many people don't realize they're underinsured, and life insurance companies are losing out on \$70 billion in lost annual premiums.



New Tax Act provides unprecedented life insurance and wealth transfer opportunities. According to [Insurance Selling](#), life insurance advisors should consider new strategies in light of the tax law.

HEFFERNAN INVESTMENT SERVICES

Financial transaction tax attacks retirement savings. [LIFE&Health Advisor](#) warns that the Wall Street Tax Act could hurt middle-class retirement savers by increasing 401(k) costs.

Prudential urges employers to add new emergency savings feature to 401(k) plans. According to [LIFE&Health Advisor](#), an after-tax emergency saving feature could help workers manage unexpected expenses.

Some say investors are better served by tactical TDFs. [PLANADVISER](#) reports that 55 percent of target-date fund providers now use tactical strategies that deviate from the glide path in some or all TDF suits.



HEFFERNAN RETIREMENT SERVICES

Americans cite healthcare expenses as No. 1 barrier to early retirement. According to [LIFEHealthAdvisor](#), new research finds that Americans are more worried about healthcare costs than uncertain market conditions or inflation.

EBRI study projects decrease in America's retirement deficit. [EBRI](#) predicts that the retirement deficit will decrease by 13.7 percent, with the largest changes seen among younger workers.

IRS no longer intends to amend regulations affecting retiree lump-sum windows. According to [PLANADVISER](#), Notice 2019-18 says the IRS will continue to study retiree lump-sum windows but for now will not issue private letter rulings on the issue.

The Financial professionals at Heffernan Financial Services are also registered representatives with, and securities offered through LPL Financial, Member FINRA/SIPC. Investment Advisory services offered through Global Retirement Partners, LLC, a registered investment advisor. Global Retirement Partners, LLC and Heffernan Financial Services are separate, non-affiliated entities from LPL Financial. Heffernan Financial Services, Heffernan Insurance Brokers, LPL Financial and Financial Finesse are not affiliated entities.

HEFFERNAN FOUNDATION

Changing futures since 1988 through access to education, reducing homelessness and food deficiency through relevant nonprofit collaboration; promoting community and employee engagement. Please visit heffernanfoundation.org to learn more or to get involved!

2019 HEFFERNAN WEBINARS

Visit our [online calendar](#) for more information and to register!
Questions? Contact seminar@heffgroup.com

Heffins.com
CA License # 0564249

