

NEWS — AND — VIEWS

Welcome to News and Views - Heffernan Group Quarterly Newsletter

PROPERTY AND CASUALTY

Property and casualty rates remain soft. Commercial property/casualty rates continued to fall since the first quarter of 2016, according to the *Council of Insurance Agents & Brokers*. "It does not come as a surprise that the soft market conditions we've seen over the past year have continued," said Council President and CEO Ken Crerar.

The dark web a growing risk for businesses of all sizes. Ninety percent of businesses surveyed this year were hacked in 2015, according to *Property Casualty 360*. In this target-rich environment, the dark web is becoming an increasing liability, said *Insurance Thought Leadership*.

New OSHA rule discourages blanket post-injury drug tests. Employees are allowed to drug-test their workforce, but not to use the tests against those who report injury or illness, said *Business Insurance*.

Drones used for catastrophe claims response in Ecuador. According to *sUAS News*, the use of drone imagery in the wake of natural disaster can improve insurance assessments and speed response times.

PERSONAL LINES

Personal insurance rates crawled higher. Consumers who purchased home and auto policies this April "paid slightly more ... compared to the prior six months," said *Insurance Journal*, though it's unclear whether this is a new trend or a temporary fluctuation caused by catastrophe losses.

Pot-related auto fatalities in Washington have more than doubled. *CNN Money* reported a spike in fatal pot-related car crashes in Washington since the legalization of marijuana.

Hurricane season of 2016 expected to be most active since 2012. A slew of storms are on the horizon this year, surpassing the 30-year historical average for the Atlantic basin, said the *Weather Channel*.

Flood insurance changes slated for April now in effect. The National Flood Insurance Program is working to align premiums with true risk. Rates and surcharges will increase by an average of 9 percent, said *Property Casualty 360*.

BENEFITS

Voluntary life and other workplace offerings growing. Voluntary life insurance sales have charted increases for the fifth consecutive year, rising 8 percent from 2015, said *LIMRA*. Supplemental health insurance sales are also up, by 4 percent.

2016 HEFFERNAN WEBINARS

Visit our
online calendar for
more information
and to register!

Questions? Contact
seminar@heffgroup.com

HIB's new client-only
portal, *HIB 24/7*, is
now live!
This portal is available
to all registered com-
mercial and personal
insurance client users.

LEARN MORE TODAY!

Presidential candidates should be talking about these five health issues. Out-of-pocket spending, pharmaceutical issues, long-term care, financial pressures on Medicare, and the need for access to dental care are major societal issues, according to *Kaiser Health News*.

More consumers willing to trade biometrics data for premium discounts. Last month, *Information Management* reported that 43 percent of Americans are willing to share personal data with insurers in exchange for a lower premium.

Mental health a major workplace issue; most employees can't access or aren't aware of help. One in four workers will experience a mental health issue this year, said *Employee Benefit News*. Only one in five who do will choose to inform their employer. Eleven percent don't know if their workplace can help.

LIFE INSURANCE

Interest in life insurance combo-products growing. Since 2007, *LIMRA* has observed steady growth in new life insurance combination products and policies, from \$2.4 billion in 2014 to \$3.1 billion in 2015.

Most seniors unaware of their options for life insurance settlement. About 86 percent of seniors in a Coventry survey were not aware that they could convert their policy to cash by selling it, said *LifeHealthPro*.

Long-term care insurance customers basing tomorrow's plans on today's cost of care. Most Americans who purchase long-term care insurance do so to protect themselves 20 years from now. The problem is that they're basing their coverage amount on current prices. Twenty years from now, the cost of care will be much higher, a *Genworth* study showed.

HEFFERNAN INVESTMENT ADVISORS

U.S. inflation posts largest increase in three years; interest hike expected. According to *USA Today*, the consumer price index rose 0.4 percent, the largest increase in three years. *Sunday Business Post* anticipated a corresponding rise in inflation. Federal Reserve Chair Janet Yellen hinted that interest rates could go up in June or July, *CNN Money* said.

New home sales reach eight-year high. *Bloomberg* said that new home purchases are at their highest since 2008. In addition, the market saw its largest monthly increase since 1992.

Millennials change the investing agenda. Most millennials (93 percent consider social, not just financial, impact when making investing decisions: a priority that's now shaping business practices and objectives, *CNN Money* said.

HEFFERNAN RETIREMENT SERVICES*

Roth 401(k) options underutilized by employees. More than 50 percent of large employers offer Roth 401(k)s, but only 10 percent of employees are using them, *Employee Benefit Advisor* said.

Survey identifies five-year gap between planned and current retirement ages. *LifeHealthPro* said the average working American expects to retire at age 66, while today's average retiree stopped working at age 61.

*The financial professionals at Heffernan Retirement Services are also registered representatives with, and securities offered through LPL Financial, Member FINRA/SIPC. Investment advisory services offered through Heffernan Investment Advisors, a registered investment advisor. Heffernan Investment Advisors and Heffernan Retirement Services are separate non-affiliated entities from LPL Financial.

The Roth 401(k) offers tax deferral on any earnings in the account. Withdrawals from the account may be tax free, as long as they are considered qualified. Withdrawals prior to age 59 ½ or prior to the account being opened for 5 years, whichever is later, may result in a 10% IRS penalty tax. Future tax laws can change at any time and may impact the benefits and tax treatment of the Roth 401(k).

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual.

HEFFERNAN FOUNDATION

Heffernan Foundation has been serving nonprofits in the community since 1988. Its mission is to grant funding to charities that provide direct support and services to our local communities in the areas of shelter, food, education and the preservation of the environment.

Please visit heffernan-foundation.com to learn more or to get involved!

Heffernan offers Group Benefit Advisory Services, including updates on Health Care Reform. Stay up to date by visiting healthcarereform-updates.com.

For more information, visit heffgroupfs.com



OFFICE LOCATIONS

Walnut Creek, San Francisco, Petaluma, Menlo Park, Los Angeles and Orange County, CA; Portland, OR; and St. Louis, MO.

heffins.com
License #0564249