

# NEWS — AND — VIEWS

## Welcome to News and Views - Heffernan Group Quarterly Newsletter

### PROPERTY AND CASUALTY

**Property and casualty show modest increase.** *MarketScout* reports that commercial lines rates increased 1 percent in the second quarter. Continuing an upward trend, commercial auto rates were up 4 percent.

**Technology risks have businesses worried.** *Business Insurance* reports that executives named technology risks as a chief area of concern for doing businesses in North America. *Risk & Insurance* warns the risk of cyberattacks will grow as the digital health trend continues.

**Worker misclassification charges plague companies.** *Harvard Business Review* reports Uber has faced legal disputes over employee misclassification. Meanwhile in California, *Construction Dive* reports that a new bill may require contractors to pay for the payroll mistakes of subcontractors.

**Hurricanes create business interruption loss.** After hurricanes ravaged parts of the United States, *Property Casualty 360°* offered tips to businesses currently suffering from business interruption, as well as those trying to *prepare* for the next catastrophe.

**Construction industry faces increased challenges after hurricanes.** *Construction Dive* reports that Hurricanes Harvey and Irma have led to a spike in demand for construction supplies. The recovery efforts are also expected to exacerbate the current *construction labor crisis*.

**California's workers' compensation rate filing is amended.** *WC Authority* reports that the California Workers' Compensation Insurance Rating Bureau voted to amend the rate filing due to lower than expected loss development.

### PERSONAL LINES

**Personal insurance rates were up.** *MarketScout* reports that the composite rate for personal lines was up 2.5 percent in the second quarter. Automobile rates were up 4 percent, while homeowners rates were up 2 percent.

**III creates insurance FAQ for homeowners with hurricane claims.** Hurricanes Irma and Harvey have led to many flood and wind damaged homes. The *Insurance Information Institute* has answered common questions for homeowners filing insurance claims.

**Equifax breach exposes personal information of millions of Americans.** The *Federal Trade Commission* reports that an Equifax breach exposed the personal details of 143 million Americans. The credit bureau has offered credit monitoring to victims, but *USA Today* reports that some tweets from Equifax sent people to a bogus site.

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**Americans warned about virtual kidnapping risk.** *Property Casualty 360°* reports that the U.S. Department of State has issued a warning about kidnapping risks in Mexico. Virtual kidnappings, in which criminals make it appear as though a kidnapping has occurred to extort money, are on the rise.

**California considers state-run flood program.** *CBS* reports that California is considering a state-run flood insurance program that would replace its participation in the federal program to save money.

## BENEFITS

**A workplace wellness lawsuit puts voluntary programs in doubt.** *AARP* reports that it had sued the EEOC over allegations that some voluntary wellness programs financially coerced employees into sharing personal information. A judge ruled against allowing penalties for nonparticipation.

**Companies find new ways to pay unbanked workers.** *Employee Benefit News* reports that companies have faced challenges paying the approximately 16 million consumers in the U.S. without access to bank accounts. One popular solution has been payroll cards.

**Generation Z is poised to shake up workforce perceptions about benefits.** *Employee Benefit News* reports that Generation Z, whose members were born in 1994 or later, will likely bring new ways of thinking to the workforce.

## LIFE INSURANCE

**Life insurance gets a new spokesperson.** *Life Happens* reports that Danika Patrick will serve as the Life Insurance Spokesperson for September's Life Insurance Awareness Month.

**The long-term future for annuity sales looks strong.** *InsuranceNewsNet* reports that, despite some volatility, experts predict strong long-term sales for annuities.

**Flow chart illustrates LTCi tax options.** *Financial Planning* has published a flowchart that clarifies the tax consequences of various LTCi situations.

## HEFFERNAN INVESTMENT SERVICES

**Warren Buffet predicts Dow will hit one million.** *The Motley Fool* argues that Buffet's prediction that the Dow Jones will top one million points in 100 years may be too conservative.

**Investors brace for the impact of less liquidity.** *MarketWatch* warns investors that global financial systems are heading for a period of less liquidity.

**Grocerants disrupt the industry.** Grocerants – restaurant-grocery store hybrids – are a growing trend in the food industry, according to *MarketWatch*.

## HEFFERNAN RETIREMENT SERVICES

**Roth IRA may cut heirs' income taxes.** *The Motley Fool* suggests using Roth retirement savings accounts as one way of reducing the taxes heirs will have to pay.

**Paying off student loans early could be a mistake.** Student loans have many advantages over other types of debt. *The Motley Fool* advises that paying off student loan debt early is not always a good idea.

**Some contemplate credit freeze in wake of Equifax breach.** *CNN* reports that some consumers are considering a credit freeze after the Equifax breach may have made 143 million Americans vulnerable to identity theft.

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*The Roth IRA offers tax deferral on any earnings in the account. Withdrawals from the account may be tax free, as long as they are considered qualified. Limitations and restrictions may apply. 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 of Roth IRAs. Their tax treatment may change.*

*Traditional IRA account owners should consider the tax ramifications, age and income restrictions in regards to executing a conversion from a Traditional IRA to a Roth IRA. The converted amount is generally subject to income taxation.*

## 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](http://heffernan-foundation.com) to learn more or to get involved!

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