



HEFFERNAN
GROUP

NEWS — AND — VIEWS

QUARTERLY NEWSLETTER
Winter 2018

Welcome to News and Views - Heffernan Group Quarterly Newsletter

PROPERTY AND CASUALTY

Commercial lines rates are up 2.5 percent. *MarketScout* reports that composite rates for U.S property and casualty are up 2.5 percent in the third quarter, with commercial auto and trucking rates up 6 percent.

Marriott's cyber breach exposes data for as many as 500 million guests. According to *Carrier Management*, it's too early to tell how expensive the massive breach will be, although some estimate the cost could be as high as \$1B. *Insurance Journal* warns that Marriott's purchase of Starwood, where the breach occurred, meant taking on Starwood's security risks.

CDC establishes guidelines to protect health care workers from accidental fentanyl exposure. As the opioid crisis continues, health care workers are being put at risk by illicit fentanyl. The *CDC* has issued recommendations for work practices, training, personal protective equipment and decontamination.

Employment practices claims spike in #MeToo era. *Property Casualty 360°* reports that EEOC data shows an increase in sexual harassment claims, specifically retaliation. The 2018 Hiscox Workplace Harassment Study found that 32 percent of respondents at big and large companies said they'd faced harassment.

PERSONAL LINES

Personal lines rates are up 2 percent. *MarketScout* reports that personal line composite rates are up 2 percent in the third quarter, holding steady compared to one year ago.

U.S. Climate Change Report outlines devastating impacts. The government released a new report, *Climate Change Impacts in the United States*. According to *CNN*, the report warns that climate change will lead to health problems and economic loss.

Car subscriptions emerge as a new option to buying or leasing. *CNBC* reports that the Netflix model is coming to cars as automakers, dealers and startups develop car subscriptions. Increasing payments for traditional car loans make the model especially attractive.

BENEFITS

DOL passes final rule on Association Health Plans allowing small employers to band together for benefits. *SHRM* says the new regulations do not impact previous AHPs but will help small businesses avoid certain requirements

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Voluntary benefits play an increasingly important role in tight and diverse labor market. According to *Purchasing Power*, voluntary benefits are increasingly critical. Student loan repayment programs are among the trends to expect next year.

DOL grants relief to benefit plan sponsors in California wildfire territories. *Plan Adviser* says the DOL has acknowledged that the California wildfires may make it impossible to complete certain ERISA duties on time and is providing relief.

Study finds that Americans favor workplace benefits over extra salary. According to *Plan Adviser*, 80 percent of people would take a job that paid 30 percent less but had great benefits. Offering a good benefits package may be essential as 29 percent of workers say they might switch jobs next year.

LIFE INSURANCE

IRS publishes 2018 tax parameters for life insurance, estate planning and LTCI premium deductions.

Think Advisor offers a list of nine numbers to know, including figures impacting insurance and estate planning. *Advisor Magazine* shows how the new tax law impacts LTCI deductions.

In wake of Camp Fire, Forbes article outlines steps to take to make sure your estate plan is “doomsday-ready.” The *Forbes* article shows how a disaster can force you from your home and make it difficult to access legal documents and account information.

Long-term care benefits creep into 2019 Medicare Advantage plans. *Think Advisor* reports that about 7.5 percent of Medicare enrollees may have access to new chronic condition or long-term care benefits, which can include meal delivery and in-home assistance.

HEFFERNAN INVESTMENT SERVICES

Fed under pressure to dial back rate hikes while keeping inflation at bay. According to *CNBC*, planned interest hikes are looking less likely. *CNBC* also reports that four trends – minimum wage increases, high tariffs, reduced immigration and trucker shortages – make controlling inflation challenging.

Institutional investors expect bull market to end in 2019. According to *Plan Adviser*, a new report shows that 65 percent of institutional investors predict a bull market to end in the next year, and 70 percent predict a financial crisis in the next five years.

Arrest of Huawei CFO creates market uncertainty. *Forbes* reports that the CFO of a major Chinese tech company was arrested for breaking U.S. sanctions against Iran, and this could negatively impact trade negotiations with China.

HEFFERNAN RETIREMENT SERVICES

Retirement contribution limits announced for 2019. *CNN* reports that the annual contribution limits for both 401(k)s and IRAs are increasing. You can see the full contributions limit table at *Plan Adviser*.

S-Corp ESOPs can give workers a retirement savings advantage. *Plan Adviser* reports that participants in employee stock ownership programs (ESOPs) have more than double the retirement savings of other workers on average.

Study finds that 2 in 5 retirees are spending more than expected. A study from *Global Atlantic Financial Group* found that while retirees spend less than non-retirees, 39 percent still spend more than expected, and 55 percent have retirement planning regrets.

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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.

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