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Heffernan Group Quarterly News & Views



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GROUP

PERSONAL LINES

Personal rates are up. [MarketScout](#) reports that the composite rate for personal lines increased 2 percent in the first quarter. Some homeowners in California and Florida are experiencing larger rate hikes due to catastrophes.

US storms in May will cost insurers billions. According to [Business Insurance](#), there were more than 362 tornadoes and record-breaking rainfall.

7.2 million coastal homes at risk of storm surge, new report warns. [Property Casualty 360](#) says that coastal homes in 19 states could face \$1.8 trillion in reconstruction costs.



PROPERTY AND CASUALTY

Commercial rates increase. [MarketScout](#) reports that commercial lines are up 2 percent. According to [Risk & Insurance](#), this is the sixth straight quarter of price hikes, and D&O prices are up 13.8 percent.

Three business cases that would curb lawsuits added to SCOTUS roster. According to [Carrier Management](#), the cases involve environmental cleanups, employee retirement plans and allegations of racial bias.

Amid 'mass confusion' on popular CBD products' legal status, Feds hold hearing. According to [USA Today](#), the FDA held a hearing to clarify the legal status of CBD.



EMPLOYEE BENEFITS

LIMRA research finds generational differences impact benefit offerings. According to [LIMRA](#), Baby Boomers, Gen Xers and Millennials all rank medical insurance as most important, but other differences exist.

Banks may be the next to try on-demand wage delivery. Many Americans lack savings to cover an emergency. According to [Employee Benefit Advisor](#), this has led to the rise of fintech startups that provide payday advances, and banks are noticing.

U.S. labor churn from aging population may peak in 2023. About 10,000 people retire each day. According to [Employee Benefit Advisor](#), data projections predict this number will fall by 2,500 after peaking.

LIFE INSURANCE

Insurers considering the pros and cons of using epigenetics in life and health underwriting. While consumers worry life insurers will use genetic test results against them, [The Actuary](#) argues this information could be used to encourage health and longevity.

Many know they need disability insurance, but few have it. According to [LIMRA](#), only 20 percent of consumers have disability insurance even though paying for basic living expenses after a disability is a top five financial concern.



Long-term care premiums rise, but hybrid policies offer a good alternative. [Think Advisor](#) reports that 200 to 300 percent premium increases could force people to surrender their standalone policies.

HEFFERNAN INVESTMENT SERVICES

Short term rates falling in anticipation of federal tax cut. According to [Kiplinger](#), the Fed will probably lower the rate later this year, and this expectation will cause short-term interest rates to drop.

The average employer 401(k) match reaches an all-time high. According to [CNBC](#), the average match has reached 4.7 percent.

Cyberattacks added to list of municipal bond credit risks. Ransomware shut down some of Baltimore's computer systems, preventing the city's from collecting payments. According to [Carrier Management](#), this incident proves that municipal bond investors should worry about cyberattacks.



HEFFERNAN RETIREMENT SERVICES

Medicare premium snafu affects 250,000 Social Security recipients. [Kiplinger](#) reports that 250,000 seniors could receive surprise bills after a software glitch meant premiums weren't deducted correctly.

New 401(k) law could open door to both good and bad annuities. According to [St. Louis Post-Dispatch](#), the Secure Act would create several changes, including protections for employers when selecting an annuities provider.

Proposed law could change rules for IRA withdrawals. [Employee Benefit Adviser](#) reports that the legislation would raise the age for required minimum distributions from 70 ½ to 72.

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