

Winter 2021 Newsletter

From the President's Desk



COVID, COVID, COVID! There; I'm done.

The F. A. Peabody Company fared well in 2020 but it would be an understatement to say I'm looking forward to a brand new year. And brand new it is with 2021 starting out both with a whimper and a roar. The vestiges of 2020 seem to want to hang on like a bad penny. With COVID (*I swore I would not say that word again!*) spiking into January, a controversial transition of the US government and half of the world crawling to a stand-still, we just can't seem to shake the growl of 2020. As we ease ever-so-slowly toward a new government and a strangely different economy, Maine is experiencing one of the mildest winters on record. The whimper sounds more like a groan. We'll get there. Please take note of our 'Hope Quotes' toward the end of this newsletter for a touch of optimism. Just remember, 'things happen, and then there is tomorrow'.

Wishing you all the best in the coming year!

Best regards,

Christopher B. Anderson

President



Has Covid-19 Affected Maine's Insurance Industry?

In 2020, the auto insurance line of business experienced much lower losses due to the slowdown in the economy, and thus the driving habits of literally everyone, including commercial vehicles. The slower economy, sheltering in place and reductions in travel all reduced the number of autos on the road and therefore, the probability of accidents. Anecdotally, the pandemic response also made everyone a bit more conservative and cautious in their everyday lives, so much so that this ultra-safe behavior translated into better driving habits overall. This affected more than just the auto insurance line. Workers compensation also experienced a reduction in work place losses not just from less business being conducted and fewer employees at work but also from such a high attention to safe behavior and more folks working from home where people, in general, do not experience accidents. In addition, the increase in remote work reduced commuting travel which in turn reduced those accident probabilities, as well.

Rates are based on historical data; therefore, the industry's rate structure contemplated a certain trend in claims that essentially was disrupted by the pandemic response to the positive from an insurance claim perspective. As you can imagine, other factors have been putting upward pressure on auto insurance rates in recent years and that is expected to continue into the future; higher expenses due to technology, continued distracted driving, higher medical costs and a litigious society. This upward pressure on rates will be offset by the safety equipment and technology helping to mitigate losses such as warning sensors, back-up cameras and throttle controls.

All in all the insurance industry fared quite well in 2020. With most sectors posting positive results, we are in hopes this will bring stability and reasonable premiums to the industry in 2021.

Our recently completed eighth annual F. A. Peabody Company (FAPCO) Christmas Pet Photo Contest on Facebook was another huge success. We received nearly 970 total entries by pet owners from all across Maine and our page reach during the contest was in excess of 200,000. Moreover, forty -four animal shelters throughout Maine will be receiving donations from FAPCO as a result of photos being entered on their behalf and “Liked” on our Facebook page during the contest.

Central Aroostook Humane Society had the photo with the most “Likes” with Sullivan, Bentley and Blaze, two dogs and a cat from Caribou, and won the competition for the most entries as well. Four shelters earned over \$100.00 with two shelters earning well in excess of \$200.00 each. The funding was widespread geographically throughout Maine.

F.A. Peabody would like to thank all that participated in this year’s contest and we look forward to your participation and donating to your cause next year.



Now, Life Insurance With Living Benefits, Too!

You know that life insurance can cover final expenses, debts, lost income for your spouse, the mortgage on your home and college funds for the kids. **But did you know many plans have living benefits?** Accelerated death benefits attached to a life insurance policy allow the policy owner to accelerate a portion of the death benefit, in order to use the benefit while the insured is still living.

There can be several triggers for this to occur: the insured (the person whose life is covered under the policy) is diagnosed with a qualifying critical, chronic or terminal illness. For those who qualify, these benefits are added to the policy at no additional premium at the time of issue. If the unexpected does happen, how do you plan to pay for extended nursing care for a chronic condition or the high cost of treatment if you are diagnosed with a critical illness like cancer? If you plan to use your own funds, keep the potential costs in mind.

Below are some facts to consider:

In 2012, 117 million Americans had at least one chronic illness. One in four had two or more.

- Seven of the top 10 causes of death in 2010 were chronic diseases. Two of these chronic diseases—heart disease and cancer— together accounted for nearly 48% of all deaths.
- 15.4% of nursing home residents have Alzheimer's Disease

To learn more about life insurance with living benefits, please call our Life and Benefits Department at 877-960-1457.



Meet our newest agent, Liam Hughes. Liam is a graduate of Presque Isle High School and Husson University, with a business degree in business management. He is also certified in Small Business Development from Eastern Maine Community College. Liam recently obtained his Maine Property Casualty License and is excited about continuing his insurance education with courses hosted by the Maine Insurance Agents Association and Liberty Mutual.

Steve Fitzpatrick, FAPCO's Southern Aroostook District Manager, says, "Liam was raised in the County, is familiar with the area, and comes to us with a strong education in the business field. We look forward to the value that Liam will bring to our agency and the community."

Liam resides in Presque Isle with his partner and two children. He is an avid golfer and alpine skier. Clients can reach Liam at 207-521-5719 or liam.hughes@fapeabody.com.

Hope Quotes

"Hold fast to dreams, for if dreams die life is a broken-winged bird, that cannot fly"

– Langston Hughes

"But I know, somehow, that only when it is dark enough can you see the stars"

– Martin Luther King Jr.

"Oft hope is born when all is forlorn"

– J. R. R. Tolkien

"Even in the mud and scum of things, something always, always sings"

– Ralph Waldo Emerson

"To plant a garden is to believe in tomorrow"

– Audrey Hepburn

Are All-Season Tires Sufficient For Your Winter Driving? Well...It Depends!

Are all-season tires sufficient for winter driving? It really depends upon the degree of winter you experience. If you live in an area that gets heavy amounts of snow, slush and freezing rain in the winter months, then your vehicle should be outfitted with winter tires. Though all-season tires are preferable to summer tires for winter driving, they do not offer the safety of winter tires.

1. All-Season Tires

If you are uncertain as to the type of tire on your vehicle, check the writing on the sidewall. On the sidewall of an all-season tire there will be an M+S designation which stands for mud and snow. All-season tires have larger tread blocks and wider grooves that offer better traction for winter driving than summer treads; however, they fall short of the advantages offered by winter tires. If you do minimal driving in winter conditions then all-season tires may well suit your needs.

3. All-Weather Tires

All weather tires are a compromise between all-season and snow tires. The rubber in all-season tires is more pliable and the tread grips better than all-season tires but they do not offer the traction of a true winter tire.

2. Winter Tires

Winter tires are constructed of specialized rubbers and implement unique tread designs that are designed for traction on snow and ice. The treads of winter tires have grooves and channels designed to grip snow and push water away. The rubber itself is more pliable causing better traction and more friction on winter roads. Tires with a mountain or snowflake icon will provide excellent low temperature road traction.

Where you live is the primary determinant in whether all-season tires are sufficient for your winter driving. If you are uncertain as to whether an all-season tire is sufficient to meet your driving needs, consult a professional.



Warm Up Winter – Turkey Biscuit Stew!

Ingredients

- 1/3 cup chopped onion
- 1/4 cup butter, cubed
- 1/3 cup all-purpose flour
- 1/2 teaspoon salt
- 1/8 teaspoon pepper
- 1 can (10-1/2 ounces) condensed chicken broth, undiluted
- 3/4 cup 2% milk
- 2 cups cubed cooked turkey
- 1 cup cooked peas
- 1 cup cooked whole baby carrots
- 1 tube (16.3 ounces) large refrigerated buttermilk biscuits

Directions

- In a 10-in. ovenproof skillet, saute onion in butter until tender. Stir in the flour, salt and pepper until blended. Gradually add broth and milk. Bring to a boil. Cook and stir until thickened and bubbly, about 2 minutes. Add the turkey, peas and carrots; heat through. Separate biscuits and arrange over the stew.

- Bake at 375° until biscuits are golden brown, 20-25 minutes.