

DIRECTLY TO MEMBERS....

DIRECTLY FROM NAAFA

Message #145

“Pending Tax Law Changes and other News”

HEALTH INSURANCE UPDATE:

First of all, we'd like to give you an update on the status of NAAFA's sponsoring of health insurance in Minnesota. Our Executive Board, after studying an agreement/contract offered by the health sales agents, voted against signing the agreement. At present, we are looking at alternatives to that contract, something that the board felt would not expose us to any liability in the sale of health policies to our members. We will keep you posted on where we are with this attempt to offer the best to our members.

REASON FOR HIGHER HOMEOWNER RATES??

State Farm was the only one of 10 major players in the homeowners insurance market reporting a **worse second-quarter loss ratio** for the line than it did in 2023, according to a new analysis.

[State Farm Posts Worst HO Loss Ratio Since 2011; Peers Recover: S&P \(insurancejournal.com\)](https://www.insurancejournal.com/news/minn/2024/07/15/1014841.html)



TAX LAW CHANGES

It is always good to keep an eye on current tax law and exemptions as they pertain to the tax that might be applied to your estate. Note that the 2017 Tax Cuts and Jobs Act (TCJA) is scheduled to end December 31, 2025.

Currently, in 2024, the **estate tax exemptions** stand at \$13.61M per person and \$27.22M per married couple. These numbers have been increasing annually since 2018. These exemptions, on December 31, 2025 will drop to \$7M per individual and \$14M per married couple, subject to inflation.

Unless Congress implements new tax legislation, this change could affect many of us. It is a good thing to plan ahead with your attorney, CPA, and financial planner to see if your estate plan should be altered. Most of you know that one way to lower the possible estate tax is to use the annual gift tax exclusion. Right now, it is \$18,000 per individual donee in 2024, and is expected to increase to \$19,000 in 2025.

Kiplinger has a good article about taking the **standard deduction**. It seems most people take that standard deduction, but there are some requirements you should check out. Do remember that the current standard deduction is adjusted annually because of inflation and also remember that unless the government takes action, all the TCJA provisions, as mentioned above, **are set to expire in 2025**, with standard deductions possibly reverting to pre-2017 levels.

[What's the Standard Deduction for 2024 and How Does It Work? | Kiplinger](#)

NAAFA wants to remind you NOT to miss the article called:

THE AGONY WHEN A CAPTIVE AGENT'S RATES ARE TOO HIGH!

It can be found on the Home Page under the heading AGENT.COMPANY ISSUES. The article describes what happens to many AmFam agencies when rates are so high. It's not just that agents can't sell, it's also that insureds go elsewhere. It's like the spread of a contagious disease because clients tell their friends and relatives and often they all leave the agency. Don't miss the article!

NAAFA always appreciates your comments and questions. Keep them coming. BTW...we feel we may be getting the hang of the new database...somewhat! Congratulations to Duane, our billing person, for hanging in there with us. It has been a whole new journey for him. What he does in keeping our billing consistent is paramount to keeping NAAFA alive. THANK YOU, DUANE!!

NAAFA wishes you all a beautiful FALL Day. Leaves are gorgeous here in Minnesota. Hope yours are, too.



From.....

**THE NAAFA EXECUTIVE AND ADVISORY COUNCILS
WHO ALWAYS HAVE YOUR BEST INTERESTS AT
HEART!!**