



# OPTIMUM EXPERIENCE

NEWSLETTER FOR CANANDAIGUA NATIONAL BANK & TRUST OPTIMUM CHECKING CUSTOMERS

## Choosing the Right Insurance

Insurance can be a complicated matter; there are thousands of insurance companies and policies to choose from, and new products are entering the market all the time. Policies are often filled with disclaimers and insurance jargon that can frighten the average consumer. A variety of specialized types of coverage, discounts, and surcharges may further muddy the waters. Let's break down some of the insurance basics:

### Types of Insurance

**Life insurance** provides funds for your surviving loved ones in a tax efficient manner. It can be used to pay for final expenses, to cover any remaining debt, or to provide income to your family in the case of premature death. There are three primary approaches to calculating a suitable amount of life insurance for you including the human life value approach, capital needs analysis and the multiple-of-income approach. Have your insurance professional cover all three and use the method that makes most sense for your situation.

**Health Insurance** is designed to safeguard your assets from the high cost of health care. Most people lack the financial resources needed to pay medical expenses associated with a health crisis. In addition, the costs of physical exams, prescription drugs, hospital stays, pregnancy, and routine medical conditions can add up and cause you to suffer financial hardship if you must pay for them entirely on your own. Health insurance pays for all or a portion of specified medical costs. Many employers offer group coverage at an affordable rate. When starting or switching jobs do not overlook this portion of the benefits- it may cost you.

**Disability Insurance** is another type of insurance that can be offered in group form from an employer, through the government or privately. The threat of a major disability poses one of the greatest risks to your income. A serious illness or injury can put you out of work for a prolonged period or even permanently. Disability insurance policies pay you a benefit that replaces part of your earned income (usually 50 to 70 percent) when you cannot work. You may be able to obtain short-term or long-term disability coverage, or both.

**Long Term Care Insurance** has gotten a lot of attention in the last decade. As we age, the risk of requiring some type of long-term care increases. Long-term care insurance pays a selected dollar amount per day (for a set period) for the type of long-term care outlined in your policy. Depending on your policy, care can be provided in a variety of settings, including private homes, assisted-living facilities, adult day-care centers, hospices, and nursing homes. Most policies provide that certain physical and/or mental impairments trigger benefits.

The cost of a policy depends on many factors, including the types of benefits, your health, and your age when you purchase the policy.

### Choosing an Insurance Professional

**Agent vs. Broker** - An insurance agent may be employed directly by an insurance company or may be an independent contractor.

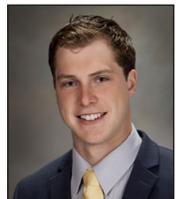
An independent agent typically contracts with a limited number of insurance companies and sells policies issued only by those companies. Some agents, known as exclusive agents, may even contract with only one company. The main disadvantage of using an agent is that you will probably have fewer options to choose from. The upside is that a good agent will be totally familiar with the companies and policies he or she deals with. Plus, some companies may employ only agents to sell their products.

An insurance broker is completely independent. Instead of being tied to one or a handful of insurance companies, a broker can work with many different companies and sell their products. This means that a broker can offer you a much wider range of choices than an agent, and a good one will thoroughly shop the market for you. Since a broker has no company allegiance, he or she represents you (the client) directly. However, a broker may lack the detailed knowledge of companies and policies that many agents have. A broker typically specializes in one or more types of insurance and may sometimes work with other professionals to arrange appropriate coverage for you.

It is very important to find an agent or broker who will serve you well for a long time. The best way to do that is to take your time and be selective. Start by talking to friends, family members, co-workers, and other people you trust. Screen for someone who has hours that fit your lifestyle, understand how they are paid (commission, fee, both), you will want someone with experience and credentials as well but most importantly make sure you feel comfortable with them and they listen to you. Your chosen insurance professional will cover all the above and much more regarding your insurance concerns.

Our team is available to answer your questions. Let us know if we can help you better understand the options available to you.

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# COVID-19 Fraud Threats

Since January 1, people across the U.S. have made 91,808 COVID-19-related reports to the FTC\*. The best way to avoid current fraud scams is to understand how these scams usually work. Here is a list of some of the most common ways that fraud perpetrators and identity thieves are targeting consumers.

## Phishing Scams

Phishing scams are a fraudulent attempt to obtain sensitive information utilizing emails, phone calls and/or text messages purporting to be from a reputable source. In many instances, impostors have been preying on the public's fear around COVID-19 to help execute their criminal act. A few examples of COVID-19 phishing scams are:

- Consumer relief package scam: As the economic fallout of the COVID-19 pandemic continues, attackers are leveraging consumer anticipation of tax relief and government-issued economic stimulus plans. These attacks trick victims into dropping their guard and clicking a malicious link.
- Help desk impersonation: At a time when technical support teams are helping employees transition to remote workstations, cybercriminals are impersonating IT help desks to take advantage of their increased visibility and communication. Employees working

remotely for the first time are likely in contact with IT and security teams more than ever before. Employees' anticipation communication from your help desk may be more susceptible to clicking a malicious link in this type of attack.

- Safety measures turned malicious: This phishing attack impersonates a coronavirus specialist from the World Health Organization to trick victims with two malicious options. The email urges the victim to download a malicious file disguised as a safety document. The attack also gives the victim the option to click a "Safety Measures" button. If the victim clicks the link, they are redirected to a spoofed World Health Organization site and prompted to provide their email address and password.

## Ransomware

Ransomware is a malicious software that is downloaded, typically through a phishing scheme, that encrypts computer files and locks devices until a ransom is paid. With many institutions and employees now working remotely, cybercriminals have deployed sophisticated electronic communications in order to extort businesses and individuals.

## Business Email Compromise

Business Email Compromise is a fraudulent email requesting a change in

payment delivery and/or method using a compromised email of a business executive or a spoofed email looking similar. Bad actors utilize social media outlets to research business leaders and corporate structure in order to orchestrate their attacks. A large mobile work force and fear of business disruption have aided in the overall success of this scam.

## Fraudulent Unemployment Claims

Fraudulent unemployment claims are when cyber criminals file a claim using compromised data believed to be from previous notable data breaches. With many unemployed or negatively impacted by the pandemic, criminals are taking advantage of speedy relief funds and programs with stolen personal information for their financial gain.

## Spoofed Websites

As in the past with natural disasters and states of emergency, criminals have created many spoofed websites intended to victimize those looking to make donations or financially support a cause. With many looking to help others, crooks have created websites looking identical to legitimate entities that make spotting the fakes difficult.

For more information on how to protect yourself from COVID-19 fraud threats, visit [CNBank.com/COVIDFraud](http://CNBank.com/COVIDFraud).

\*Source: [www.FTC.gov](http://www.FTC.gov)



## 2020 Annual Picnic

In an effort to help ensure the health and well-being of our customers, employees, and communities, we will not be holding our Annual Picnic in 2020. We will miss celebrating this event with you. Rest assured that we are already in the planning phases to resume this event for 2021!

We look forward to seeing you next year.

## CNC Shareholder Corner



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