

## Service Associate Q&A

### M3's Marty Malloy addresses risk management and employee benefit issues



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**Q.** *What is the biggest risk management challenge that school districts currently face?*

**A.** Staying aware of the changing laws and federal regulations to remain compliant.

Over the past decade, school districts have seen a number of large legislative initiatives change the way they operate. For employee benefits, this includes the Affordable Care Act (ACA) from the federal government and Act 10 on the state level.

In addition, government entities also have rule-making authority and can often update their regulations without legislative mandate. A recent example of this rule-making authority is the federal Office of Civil Rights (OCR) updating their interpretation of Title IX to include protections for transgender students.

This ever changing environment can create potential liabilities and risks for school districts to manage.

**Q.** *What can school leaders do to stay current with important insurance-related issues?*

**A.** Fortunately, school leaders have active and engaged organizations helping them stay on top of the latest issues relating to insurance. All of the Wisconsin major school associations, including WASB, WASBO and WASDA, do a nice job of keeping their members apprised of insurance and risk management information.

From an insurance prospective, your agent or broker should be providing you with information about the insurance field on a regular basis. Making sure you have an insurance expert who can help you adapt, while helping you to meet the needs of students and staff is vital.

**Q.** *From a benefits standpoint, what can districts do to retain or attract quality educators?*

**A.** Districts throughout the state are looking for ways to attract and retain the best educators for their students. From a benefits perspective, there are plenty of things districts can do to position themselves as a destination.

Obviously designing and negotiating a quality benefit package is the cornerstone. While there are plenty of "insurance options" to meet your goals, we encourage districts to look outside the box. Think about implementing wellness programs to demonstrate your commitment to educator health, and being transparent with your educators about the costs of benefits can help improve engagement.

**Q.** *What is new in your field that school board members and administrators should be aware of?*

**A.** Starting with 2016 tax filings, districts will have to report new information to the federal government about the insurance coverage they offer staff members. Known as "Section 6056 Reporting," districts will have to file a report with the Internal Revenue Service if they are considered a large employer (50 or more full-time or full-time equivalent employees) defining if they have made an offer of health insurance to their employees that meets minimum requirements.

This reporting helps the federal government manage the federal subsidy/penalty process as defined by the ACA. We encourage districts to work with their payroll or software provider to manage this process.

**Q.** *Is there anything coming in the future that districts should be thinking about?*

**A.** In 2018, the federal government is scheduled to implement the Cadillac Tax — an excise tax on "high cost" plans. Since final rules have not been issued, we don't know at what levels the federal government will implement the tax. At this point, this is something your insurance experts and school associations will be monitoring.

**Q.** *What other recommendations do you have for school districts?*

**A.** We really encourage districts to change the way they think about effective risk management and employee benefits. Traditionally, we have thought about these issues in terms of insurance expense and loss prevention, but now we are encouraging the integration of these programs under the scope of student achievement. There are many ways to integrate these functions to help you meet the goals of your educators, students, and communities. ■

*The WASB Service Associates Program includes more than 25 businesses and organizations that have been recognized by the WASB Board of Directors as reputable businesses and partners of public education in Wisconsin. For more information, visit [wasb.org](http://wasb.org) and select "Service Associates."*