

## Service Associate Q&A

Jenna Goodrich of Arthur J. Gallagher & Co. discusses school cyber security and preparing for insurance changes



Jenna Goodrich is an account executive with Arthur J. Gallagher & Co.



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

**A.** It is very important for school leaders who are involved with risk management to stay informed and up-to-date with trending risks and market conditions. This can be done through conferences, seminars, and staying fully engaged with your broker on coverage, exposures, and trending national headlines.

**Q.** *Could you talk about one or two risk management challenges currently facing school districts? How can school districts prepare for these challenges?*

**A.** As many are aware, the recent proposed budget will be eliminating the Local Government Property Insurance Fund by 2018 (see page 26). School districts need to begin the preparation of obtaining property coverage from the private market, sooner rather than later. Talking to your broker about what to expect in regards to coverage, limits, deductibles and rates is critical. Exploring alternative and innovative risk financing solutions with a broker and risk manager with scholastic expertise is key to preparing for the changing landscape of the insurance industry.

Cyber liability is a growing exposure to schools, especially rural schools where security measures are more likely to be outdated. The perception that coverage is difficult and expensive to obtain is incorrect

and the markets are now beginning to make this more accessible to clients. While it may seem that districts cannot afford to purchase the coverage, the reality is that districts cannot afford not to. Your broker should be able to advise on areas specific to your situation in order for you to obtain the most competitive pricing.

**Q.** *Can Wisconsin school districts benefit from participating in insurance consortiums? How can they help school districts?*

**A.** Insurance consortiums offer many benefits, which include:

- Significant cost savings while broadening your insurance program coverage;
- Control of your costs in the hard market;
- Retain a portion of the predictable losses;
- Input in the claims process, which typically brings down costs further because of the use of a third party administrator that is hired by the pool;
- Provide long-term cost stability that minimizes premium increases in time of a hard market;
- Transfer a portion of the catastrophic risk; and
- Budget a known maximum cost.

**Q.** *What are some benefit-related issues that might change how school boards govern their districts in the future?*

**A.** After Act 10, the compensation and benefits strategies currently being used by school districts have only been tested for four years. Schools in Wisconsin should be looking at other states that have had similarly situated bargaining environments. This helps to gain insights on how different compensation and benefit strategies play out in the long term: such as compensation models for early career teachers to prevent turnover.

Gallagher's Healthcare Reform information has been recognized by many as the best in the industry. We provide all our updates, white papers and tool kits on the AJG website: <http://www.ajg.com/knowledge-center/healthcare-reform/employer-resources/> ■

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