



**DISTRICTS MUTUAL INSURANCE & RISK MANAGEMENT SERVICES**  
**BOARD OF DIRECTORS MEETING**  
**VIRTUAL – GoToMEETING**  
January 11, 2024 – 9:00 am

Present: John Will, Carrie Kasubaski, Sue Debe, Valarie Wunderlich, Steven Stoeger-Moore

Guest: Erin Dawson (Strohm-Ballweg), Gary Strohm (Strohm Ballweg), Don Miller (Madison Scottsdale), Joseph Olson (Michael Best)

Recording Secretary: Suzette Harrell (DMI Administrative Assistant)

1. **Call to Order** – J. Will called the meeting to order at 9:02 am.
2. **Statement of Public Notice** – Read by S. Harrell - *In accordance with the provisions set forth in the Wisconsin Open Meetings Law (Wisconsin State Statutes 19.83 and 19.84); notification of, as well as the agendas for, this meeting - have been sent to the sixteen (16) Wisconsin Technical College Districts.*
3. **Roll Call and/or Declaration of Quorum** – S. Harrell called roll. John Will, Carrie Kasubaski, Susan Debe, Valarie Wunderlich were present. J. Cotillier not present due to departure from Madison Technical College. S. Harrell announced the meeting had quorum.
4. **Approval of Minutes for October 24, 2023 and October 31, 2023** – E. Dawson advised that in the October 24, 2023, meeting minutes, **Item 5. Financial Report**, sentence 5. “Ms. Schroeder will be working on new “branding” for the company in the days ahead.” Should be removed from the minutes. This was not a recalled comment. No other comments or corrections were given. V. Wunderlich motioned to approve the minutes with the identified correction. C. Kasubaski seconded. All were in favor.
5. **Financial Report** – E. Dawson advised there was a scramble to get information from all the third-party administrators for this report out. She felt they had everything needed, but there might be changes made later. She said their biggest priority was to make sure of the completeness of final financial numbers for the annual statement filing, due March 1<sup>st</sup>. She reviewed check register figures, and detailed larger payment expenses, such as the Risk Management Project Award distribution, Capital distributions, Worker Comp Audit refunds (net due \$95,000) – typical compared to previous years, and property/worker comp. claim payments. Members were advised there are 7 claims over \$5,000 – 6 claims are open and 1 is closed. This was a lighter quarter for large claim payments, but there was more volume in smaller claim payments than typical. An overview of the Financial Statements were provided. Based on the larger cash payouts in 2023, it is anticipated there will be a cash shortage by year end and may have to pull cash from money market funds of the long-term investment portfolio. Do foresee the need to sell assets. Surplus dollars are down for the first time due to the capital distribution, additional RMPA funding, and a large hail damage loss claim payout. Overall operating expenses were up 73% as a proportion of premiums earned but would be identical to prior years without the additional RMPA award funding. E. Dawson briefly talked about the quarter capital adequacy calculation and moved to the OTTI (Other than temporary impairments) report – which looks at credit worthiness. The OTTI resulted in no other temporary impairments. The bond portfolio is very strong and well rated. C. Kasubaski motioned to approve the financial report as given by E. Dawson. S. Debe seconded the motion. All were in favor.
6. **Investment Report** – D. Miller advised the economic and market commentary sections of his report will not be published until the 13<sup>th</sup> - 15<sup>th</sup>. He reviewed DMI’s investment portfolio, detailing quarterly and year end performance market figures, fixed income summary, bond duration, book yields (increased), credit quality and cash flow. DMI’s equity performed well last year. The S&P 500 small-cap, mid-cap, global have been positive. No bond or stock purchases were made this year. Overall DMI’s portfolio is in good shape and in compliance with the IPS reporting requirements. No OTTI write down. C. Kasubaski motioned to accept the investment report as presented by D. Miller. V. Wunderlich seconded. All were in favor.
7. **Medicare Premium Reimbursement Arrangement** – J. Will reviewed the benefit of Medicare premium reimbursement to DMI employees. The original reimbursement plan language had a maximum amount identified for reimbursement but no language that allowed for fluctuations in federally set monthly Medicare premiums. J. Will suggested the Board discuss whether the intention of the reimbursement language should be based on actual reimbursement amount regardless of what the premium reimbursement is or if there should be a maximum annual dollar amount identified to account for potential fluctuations during the year. S. Stoeger-Moore advised the 2024 Medical Premium has been set at \$1,118.00/month for S. Stoeger-Moore and spouse. A cap of \$14,000 for the year was suggested. Should another individual be hired by DMI who would be eligible for Medicare at a higher premium rate than \$1,118/month, S. Stoeger-Moore would seek approval by the Board for a higher Medicare premium reimbursement cap to be implemented. V. Wunderlich motioned to approve the \$14,000 cap. S. Debe seconded. All in favor.

8. **Director Vacancy** – J. Will told the Board that J. Cotillier has taken a position with another company. S. Stoeger-Moore reviewed Board options for filling the vacancy, per DMI By-Laws Sections 3.10. The BOD can continue to operate with the current Board members until the April 2024 elections when a new director would serve the remainder of his term (2025). Or the Board can appoint a party as an Interim Director, subject to the April 2024 elections. There are no planned Board meetings scheduled between this meeting and the April quarterly meeting. S. Stoeger-Moore and J. Will feel it is best to leave the vacancy as is until the April election. He also advised that along with Joshua’s vacancy, S. Debe, V. Wunderlich, and C. Kasubaski’s first 3-year terms will be expiring. S. Debe, V. Wunderlich, and C. Kasubaski may be re-elected to serve a 2<sup>nd</sup> consecutive 3-year term. There will be 4 vacancies to fill during the April Annual meeting. E. Dawson asked who would be taking on Joshua’s Board Secretary role during the interim? S. Debe motioned that the Board withhold the appointment of a new Board member. V. Wunderlich second. All in Favor. J. Will nominated S. Debe to be the Board Secretary until the end of the term. No other nominations were received. V. Wunderlich motioned to approve S. Debe as interim Board Secretary. J. Will seconded. All in Favor. S. Stoeger-Moore will notify OCI of the change and E. Dawson advised a Jurat page for the Annual Filing will be sent to S. Debe.
9. **Risk Management Project Award (RMPA) Funding Amount for 2024-2025** – S. Stoeger-Moore requested funding be approved for 2024 – 2025, with the understanding that projects will be College directed. In the past, DMI directed projects towards cyber security, campus safety and training. This year the Colleges will be able to submit projects for any area of need. Discussions ensued. S. Debe motioned to fund \$500,000 maximum for the 2024-25 RMPA program. J. Will added encouragement to utilize funds in needed areas (valued in underwriting processing) will be given. V. Wunderlich second. All in favor. The 2024-25 RMPA announcement will be announced during the January 12<sup>th</sup> Risk Managers meeting.
10. **Strategic Plan Summary** – S. Stoeger-Moore discussed the Strategic Plan Summary resulting from the Board’s October meeting and following up on what the Board wants to focus on now toward moving forward with implementation of any of the 2023-2024 priority topics. In particular, DMI’s role in college contracts. S. Stoeger Moore advised he will be joining the WCTC’s procurement group meeting in March/April to discuss language that is appropriate for contracts. He will also present either in person or virtually, the history of DMI, DMI’s services, and value to the Colleges to the College President group or to individual College Presidents as opportunities are provided. This follow up will assist new College Presidents in understanding who DMI is and what DMI can provide to assist colleges as they move forward with emergency and risk management plans/initiatives/training, etc., and to let them know DMI is actively seeking to work with the Colleges. J. Will advised he is working on getting S. Stoeger-Moore in front of the College President’s group. For the January DMI performance indicators, S. Stoeger-Moore advised they are already being done and he will continue to provide appropriate updates during the quarterly meetings. Succession continuity planning is ongoing. This Board packet contains the most recent updated version. J. Will suggested starting to talk about evaluation of Steve’s position and set goal settings for the future utilizing the Strategic Plan Summary as a resource document. See *item 10 for Capital Adequacy Policy* goal comments.
11. **Capital Distribution Policy Draft** – S. Stoeger-Moore presented a “draft” DMI Capital Adequacy Policy crafted by J. Will for the Board review and approval during the April 2024 Board Meeting. The policy follows the capital adequacy calculation worksheet and puts into a narrative the framework for the current practice and may be used by the Board at the start of each year for capital distributions to the Colleges. Discussions regarding certain allotted program amounts ensued, with the question of whether specific dollar amounts should be considered or if percentages should be used to adjust for unknown variables. J. Will suggested Board members line the draft with the Capital Adequacy calculation, and then think through whether they feel percentages would be a better route versus the ranges listed in the draft. S. Stoeger-Moore suggested the Board members provide feedback or a redline version to DMI for consideration during action discussions at the April 26<sup>th</sup> Board meeting. Responses should be sent to S. Harrell by the end of next week. S. Harrell requested to send Board members the Capital Adequacy Worksheet and the “Draft” Policy so they can print them or mark them up accordingly.
12. **Stewardship Report** – J. Olson advised the Board on what Michael Best does for DMI and its role as general counsel. From the creation of DMI with the Wisconsin Technical Colleges, Michael Best has provided general counsel services but also services that fall into the category of the Rule of 16 (which is for all the Wisconsin Technical Colleges). Their general counsel services include guidance and coverage advice, employee counseling, created employee handbooks and consultant agreements, public records and open meeting compliance work, analysis of procurement laws, litigation guidelines and counsel as needed, and Parliamentarian services for DMI’s Annual meetings. For DMI’s Rule of 16, Michael Best assists in identifying issues critical to the Colleges. This includes Risk Management services, claim prevention, potential risks facing the colleges. The Rule of 16 has been the biggest portion of services proved by Michael Best. The deliverables seen over the last 10 years have included opinion letters, template documents, training



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and litigation in numerous areas including COVID, Construction Contracting Training, Clery Act, NARCAN liability, and Public Records. Only twice did Michael Best have to litigate directly on DMI's behalf. Both times had successful outcomes. J. Olson advised he (Kirk Pelikan, and Kevin Terry) will be speaking during DMI's April Risk Mitigation Forum general session. Addressing legal hot topics for higher education.

13. **DMI Business Continuity Plan Update** – S. Stoeger-Moore indicated the Business Continuity Plan update is as presented. The plan was updated to ensure we are current with staffing levels, backups, and succession planning. S. Stoeger-Moore reviewed the staffing level changes with the Board Members.
14. **Staff Management Process** – As a follow-up to the previous Board meeting questions, S. Stoeger-Moore provided a written version of his Staff Management Plan. This includes weekly scheduled calls with consultants, as needed calls with consultants, routine goals and objective review, quarterly consult reports, annual performance reviews and bonus distributions, ad hoc get-togethers. S. Harrell to add quarterly team meetings and team will meet as needed (virtual/face to face) meetings.
15. **Commercial Insurance Marketplace Conditions.** – S. Stoeger-Moore appraised members on projected MOD factor data citing all 16 Technical Colleges are under 1. This is a very significant accomplishment which means the colleges have a very safe work environment. The WCRB has already set the 2024-25 Worker Comp rates. 8868 is decreasing 13%, 9101 is down 7%, resulting in an 11% decrease in rate for 7/1/2024. S. Stoeger-Moore outlined the various commercial rates applicable to the Colleges. Quarter 4 saw Property rates increase 8.2%, commercial auto rates are up 7% due to cost of repairs, General liability is up 5.3%, Cyber is projected to be flat but S. Stoeger-Moore added the up to 10%. He is seeing rate adequacy in the cyber market that accounts for the flat rating. Worker Comp' projected to be flat. Overall, Q4 saw a 5.6% increase; the 25<sup>th</sup> consecutive quarterly increase in the commercial marketplace. DMI is expecting moderate rates for 2024. DMI is in a good position because WCRB rates are coming down, because of strong underwriting provided to re-insurance partners, and from providing thorough, concise, and accurate exposure data to underwriters. When questioned, he noted AI is being thoroughly reviewed but not being looked at as a risk potential – no special underwriting at this time. DMI is looking at AI in its Next Big Risk predictions.
16. **2022 – 2023 – Workers' Comp Payroll Audit** – The Board was provided a summary of the 2022/2023 Payroll Audit results. S. Stoeger-Moore reviewed the summary and advised refund checks were sent out and invoices for premium due have also been sent. The Workers' Comp audit is done annually (August/September) and quantifies exactly the actual payroll from the previous policy.
17. **Presidents Report** - S. Stoeger-Moore advised the Consultant Quarterly Reports were attached for review. He mentioned E. Dawson covered most of the information earlier. He talked briefly about the hail damage property loss claim at Northwood. He commented on Worker Comp claims which are experiencing more severity of claims among the aging population, along with longer recovery times. Colleges need an effective Return to Work Policy.
18. **Adjourn** - A motion was made by V. Wunderlich to adjourn the meeting. S. Debe seconded. All were in favor. The meeting adjourned at 11:28 am.

Respectfully Submitted,

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Susan Debe  
DMI Board Secretary