



**DISTRICTS MUTUAL INSURANCE & RISK MANAGEMENT SERVICES**  
**BOARD OF DIRECTORS MEETING**  
WEB BASED MEETING  
January 13, 2022 – 10:00 am

Present: John Will, David Brown, Carrie Kasubaski, Susan Debe, Valarie Wunderlich, Steven Stoeger-Moore  
Guests: Russ Denk (Strohm Ballweg), Erin Dawson (Strohm Ballweg), Don Miller (Madison Scottsdale)  
Recording Secretary: Suzette Harrell (DMI Administrative Assistant)

1. **Call to Order** – J. Will, DMI Board Chair called the meeting to order at 10:02 am.
2. **Statement of Public Notice** – At request of J. Will, S. Harrell read the Statement of Public Notice into record.
3. **Roll Call and/or Declaration of Quorum** – Roll call was taken by S Harrell. John Will, David Brown, Susan Debe, Carrie Kasubaski, and Valarie Wunderlich were present. A quorum was advised.
4. **Approval of Board of Directors Regular and Strategic Planning Meetings Minutes from October 26, 2021**  
C. Kasubaski motioned to accept the October 26, 2021 regular Board of Directors meeting minutes and the special Board of Directors Strategic Planning meeting minutes as presented. S. Debe seconded. All were in favor. Motion carried. J. Will acknowledged the exceptional direction and guidance given to the board members by facilitator, Mr. Paul Gabriel (WTCS), during the Strategic Planning meeting. His guidance was greatly appreciated.
5. **Financial Report** – Strohm Ballweg - E. Dawson reviewed the check registers, noting reoccurring and larger payments made through the quarter. She advised the total of the check register may look larger than normal, due to disbursement of the Risk Management Project Award funds (\$800,000) during Q4. She touched on the refunds sent to the Colleges as a result of this year's worker comp. premium audit. E. Dawson expounded on large claim payouts; compared number of claims this year to last year; investment activity returns; decreased reserves; IBNR figures; the property installment payment; liabilities; end of year surplus; operating expenses, and DMI's compliance to the State of Wisconsin's criteria and guidelines for investment options. For the new Board members, E. Dawson briefly outlined the process for auditing DMI's financial statements by 3<sup>rd</sup> party auditing firm CliftonLarsonAllen. Audit results will be reported to Board members during the April quarterly Board meeting. D. Brown motioned to approve the financial report given by Strohm Ballweg. S. Debe seconded. All were in favor.
6. **Investment Report** – Madison Scottsdale – D. Miller reviewed 2021 market conditions, including inflation and conditions of inflation, interest rate adjustments, changes in Treasury Yield Curve, real wage adjustments, Gross Domestic Product (GDP) and the continued global effects of the pandemic (China shutting down again). He expounded on current market conditions in the area of bonds, equities, Federal Reserve's anticipated interest rate adjustments, and the expectation of the equity market's decreasing returns. D. Miller elaborated on DMI's bond portfolio and purchases during the quarter, with advisement on the portfolio's bond effective duration, book yields, basis points, and asset allocations. He reported on DMI's equities (stocks) portfolio and advised DMI's investments are in compliance in the OTTI Report and Compliance Report. A motion was made by C. Kasubaski to accept the Investment Report given by D. Miller. D. Brown seconded. All were in favor.
7. **2022 Local Foundation Donation Award Amount** – S. Stoeger-Moore asked the Board if it would consider funding a 2022 local Foundation donation. Support donations to each of the College Foundations in unrestricted funds had been approved in the past. Historical donation amounts were identified for consideration. After discussion and a quick clarification from the financial report, D. Brown motioned to

approve an amount of \$5,000/Local College Foundation, similar to past local Foundation Donation Awarded amounts. An additional caveat was added, during the motioning process, for the funds to be released to the local College Foundations by February 1, 2022. V. Wunderlich seconded. All were in favor.

8. **Medicare Part B Premium Reimbursement Arrangement (Medicare PRA)** – S. Stoeger-Moore outlined the beginning of DMI’s Medicare Part B PRA program. He expounded on how the reimbursement was derived, noting employees under its coverage had to pay out of pocket costs. He identified the impacted DMI employees for 2022 along with their expected monthly Medicare Part B payments. S. Stoeger-Moore asked the Board to approve a Medicare Part B Premium Reimbursement amount not to exceed \$8,500/eligible employee for the calendar year 2022. C. Kasubaski made the motion to accept the recommended Premium Reimbursement Arrangement amount not to exceed \$8,500/eligible employee. S. Debe seconded. All were in Favor.
9. **401 K Contribution Amount Annual Review** – S. Stoeger-Moore said the 401 K Plan was put into the agenda’s “Info Items” section for the benefit of the new Board members. He acknowledged the Plan’s established employee and employer contribution percentages criteria.
10. **DMI Board of Directors Term of Office** - S. Stoeger-Moore advised there will be one vacancy in 2022, caused by the departing D. Brown. His departure will create a board vacancy that will need a Senior HR Leader from one of the technical colleges. Board members were encouraged to recruit individuals who would meet the needed criteria for the elections held during the April 2022 Annual meeting. It was suggested by D. Brown, participants of the Wisconsin Technical Colleges Senior HR Committee meeting (January 24<sup>th</sup>) be advised of the vacancy to see if there is any interest.
11. **Humana Health Insurance Plan Renewal** – S. Stoeger-Moore told members, the coverage plan from DMI’s health care provider, Humana, renewed on 01-02-22. The renewal premiums for Humana’s plan have increased by 17.72%. He said competitive bids were requested from DMI’s broker, Key Benefits, but the bids were not available for Board review during this meeting. S. Stoeger-Moore anticipates having competitive bids available for Board review and discussion during the next BOD meeting. Discussions ensued. It was suggested S. Stoeger-Moore and Key Benefits look into Medicare supplemental medical coverage – such as Aetna Advantage, Humana Advantage, etc. to help minimize overall medical care premium costs for DMI. S. Debe requested the Board be updated as S. Stoeger-Moore goes through the plan/bid evaluation process.
12. **Commercial Insurance Marketplace Conditions** – S. Stoeger-Moore provided a “Snapshot” video of happenings in the commercial insurance marketplace during Q3 of 2021. Figures for the Q4 indicate all lines of coverage have increases in premiums. Cyber coverage has been impacted the most with premium increases (up 80% - 100%), along with having fewer cyber carriers, fewer carriers accepting new applications, decreasing sub limits, decreasing capacity, increasing deductibles and the introduction of co-insurance. Positively, DMI has not felt the full effects of the above constrictions but has been advised to expect premium increases for FY 2022-23. DMI’s cyber carrier has been notified of the funds provided to the colleges through the Risk Management Project Awards for college cyber risk mitigation efforts. With a strong partnership between DMI and the cyber carrier along with the college’s cyber risk mitigation efforts, potentially we will not see the predicted excessive premium increases found in the commercial marketplace. He further talked about the Worker Compensation Rating Bureau’s (WCRB’s) favorable class code rates for FY22. Overall the Colleges could see a decrease of 5% in their workers’ comp. premiums depending on the college’s mod factor and payroll figures. More to come in April.

13. **2020-2021 – Wisconsin’s Workers Comp. Payroll Audit** – S. Stoeger-Moore said this year’s premium audit true up resulted in 14 colleges receiving a refund of premiums paid and 2 colleges having premiums due. More premium return checks were issued this year than seen previously. In part the reason for the resulting number of refunds could have been due to lower payroll (layoffs, furloughs, unfilled vacancies, etc.) attributed to the pandemic and/or the colleges’ overestimated their payrolls. Returned premium checks and premium due invoices have been issued.
14. **President Report** – S. Stoeger-Moore reported on the start of 2022/2023 insurance renewal exercises; on conversations with potential reinsurance partners; February 18<sup>th</sup> virtual meeting with underwriters; his continued research/review of market conditions; and recruitment, applications, interview process for DMI Campus Security position which are underway. Internal applications are due by January 16<sup>th</sup> – interviews to take place February 10<sup>th</sup>. Strategic planning meeting result actions will be updated during the April 2022 BOD meeting.

R. Denk announced his retirement from Strohm Ballweg. His last day will be June 30<sup>th</sup> and DMI’s April quarterly meeting will be his last meeting with DMI. Gary Strohm is replacing R. Denk. Both G. Strohm and E. Dawson will continue to serve DMI’s future needs. S. Stoeger-Moore expressed great appreciation to R. Denk for his *significant* contributions, wonderful commitment to DMI, his participation, and for his exemplary guidance for everyone on the DMI Board of Directors over the years. J. Will congratulated and thanked R. Denk for guiding the DMI Board.

A motion was made by D. Brown to move into executive/closed session to discuss the remaining two items on the agenda. C. Kasubaski seconded. All were in favor. Roll was called by S. Harrell. All Board members were present. Moved to closed session at 11:35 am.
15. **DMI Consultant Quarterly Reports** – Are to be read at Board member’s leisure.
16. **Issues and Opportunities\*** - See Item 14 above. Item discussed during executive session.
17. **President Claims Review\*** - See Item 14 above. Item discussed during executive session.
18. **Adjourn** - A motion was made by D. Brown at 11:45 am to move to open session. C. Kasubaski seconded. All were in favor. S. Stoeger-Moore announced Linda Joski’s retirement from Arthur Gallagher (DMI insurance broker partner), as of January 20, 2022. He advised, she has been with DMI since inception. S. Debe will prepare a Congratulations / Thank you for past services on behalf of the DMI Board of Directors. S. Stoeger-Moore advised the April BOD meeting is planned as a virtual meeting. He asked Board Members if they preferred an in person or virtual meeting format. The virtual meeting format was agreed to. J. Will adjourned the meeting at 11:53 am

Respectfully Submitted

David Brown  
DMI Board Secretary