



**DISTRICTS MUTUAL INSURANCE & RISK MANAGEMENT SERVICES**  
**BOARD OF DIRECTORS MEETING**  
WEB BASED MEETING  
January 14, 2021 – 10:00 am

Present: David Brown, Renea Ranguette, Roxanne Lutgen, John Will, John Van De Loo, 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** – R. Lutgen, DMI Board Chair called the meeting to order at 10:01 am.
2. **Statement of Public Notice** – R. Lutgen read the Statement of Public Notice into record.
3. **Roll Call and/or Declaration of Quorum** – Roll call was taken by S Harrell. Roxanne Lutgen, David Brown, Renea Ranguette, and John Van De Loo were present. A quorum was advised. John Will arrived after roll call was taken.
4. **Approval of Board of Directors Meeting Minutes – October 22, 2020.** J. Van De Loo motioned to accept the October 22, 2020 meeting minutes as presented. D. Brown seconded. All were in favor.
5. **Financial Report** – Strohm Ballweg - E. Dawson reviewed the check registers and quarterly financial statements. Larger payments, expenses, casualty loss and workers' comp. loss claim payments were reviewed with additional detail. E. Dawson talked about DMI's investment compliance based on The Office of the Commissioner of Insurance's (OCI's) criteria. DMI is in compliance and there are no issues to report. R. Denk provided clarity to Board members on how DMI's investments (stocks and bonds) are reported using statutory accounting principles particularly for realized and unrealized gains and losses and their impact on DMI's financial statements. R. Denk appraised the Directors, that Strohm Ballweg was recently ranked 12<sup>th</sup> in the nation by AM Best Magazine, in their Best Review report, for top auditors and actuaries in the insurance industry. Considering the top four named companies are international firms with 100's of offices around the world, Strohm Ballweg with its one office and 30 staff members are very proud of their accomplishments and positioning in this report. He also pointed out Stephen Streff, Streff Insurance (DMI's Actuary) is also on the list. R. Ranguette motioned to approve the financial reports given by Strohm Ballweg. J. Will seconded and all were in favor.
6. **Investment Report** – Don Miller, Madison Scottsdale – D. Miller reviewed 2020 investment market conditions, expounding on policy (Fed interest rate policy), the pandemic (net effect economy shut down) and political issues. Market positives such as increased personal savings rates; government checks; unemployment drops; increases in corporate profits/earnings; low inflationary pressures; low interest rates; increased retail investors (Robinhood/day traders); high equity valuations were critiqued. D. Miller appraised Board members on DMI's investment portfolio, which through its diversification remained positive during the lows of 2020. He elaborated on DMI's bond portfolio, with advisement on the portfolio's bond effective duration, book yields, basis points, asset allocations, bond purchases, etc. He then moved to reviewing DMI's equities (stocks) portfolio. Dividend yields and unrealized gains were up from last year. D. Miller commented it is pretty phenomenal that in a year in which the economy was shut down and market volatility was increased, DMI's stock portfolio was up as much as was seen at the end of the quarter. He reviewed the OTTI and Compliance Reports. No issues in the portfolio. A motion was made by D. Brown to accept the Investment Report given by D. Miller. J. Van De Loo seconded. All were in favor.
7. **2021 Foundation Donation Award Amount** – S. Stoeger-Moore asked the Board if they wanted to consider funding a 2021 Foundation donation and if so, what amount should be distributed. After much deliberation, S. Stoeger-Moore was tasked to review DMI's financial position with Strohm Ballweg and

Madison Scottsdale to figure out if there is funding available for a second Covid-19 Response and Recovery distribution. He was asked to report findings during DMI's April 2021 Board of Directors meeting. Based on the conversation, R. Ranguette motioned to defer discussions regarding a 2021 Foundation Donation award until the April 2021 Board meeting. D. Brown seconded. All were in favor.

8. **Medicare Premium Reimbursement Arrangement (Medicare PRA)** – S. Stoeger-Moore reviewed the Medicare PRA program. He talked about the Social Security Administration's assessed premiums for calendar year 2021 and the impact to participative DMI employees. This topic was put on the agenda because the Board is called to approve the PRA Arrangement Plan annually (in this case for Calendar year 2021) and approve the Medicare Part B out of pocket expense reimbursements identified for the current DMI participants. Additional funding of the PRA is not required at this time. While reviewing presentation material, R. Ranguette asked that in the future, additional clarification be made to identify DMI's part-time employee reimbursement percentage. The note "DMI to reimburse premium at 75% (\$445.50)" does not pertain to both full time and part time Medicare Part B participants. R. Ranguette motioned to approve the PRA Arrangement Plan and the Medicare Part B out of pocket expense reimbursement proposed. J. Van De Loo seconded the motion. All were in favor.
9. **401 K Contribution Amount Annual Review** – S. Stoeger-Moore said the 401 K Plan is another reviewable plan since DMI became the employer of record. All employees of DMI participate in the 401K plan. He reviewed the employer contribution percentages established by the Board last year and discussions ensued on whether a review of the employer contribution schedule was required annually. D. Brown motioned to approve the current employer contribution schedule as is and will be maintained until otherwise determined modifications are necessary, and to include the Plan contribution schedule in DMI's Employee handbook. R. Ranguette seconded. All were in favor.
10. **Special Initiatives or Risk Topics to Address in 2021** – R. Lutgen asked the Board members if there were other special initiatives or risk topics that needed to be addressed in 2021. No topics were brought up by Board members, however, S. Stoeger-Moore appraised them on the commercial reinsurance marketplace and expressed his thoughts/concerns for DMI's rate exposures, college premiums, reinsurance levels. He will discuss the matter with Stephen Streff and report to the Board during the April Board of Directors meeting.
11. **DMI Board of Directors Term of Office** - S. Stoeger-Moore outlined each of the current board member's terms. This year there will be two vacancies created by the departing R. Lutgen and R. Ranguette with a possible 3<sup>rd</sup> vacancy if J. Van De Loo does not run for a full 3-year term. S. Stoeger-Moore is concerned that based on last year's vacancy nominations (none were received). Board members were encouraged to recruit individuals who would then be voted on by the colleges during the April 2021 Annual meeting. S. Harrell was asked to email Board members DMI's By-Laws, Article III, Section 3.2 Number, Qualifications and Tenure of Directors. S. Stoeger-Moore advised notification of vacancies will be sent out in February.
12. **Estimated Expense Savings on Travel** - S. Stoeger-Moore briefly reviewed a report identifying travel savings during 2020, due to Covid-19 travel restrictions. Informational item only. No discussions ensued.
13. **Humana Health Insurance Plan Renewal** – S. Stoeger-Moore provided an overview of the document in the e-packet which advised what transpired with the renewed Humana coverage; an explanation on why there was an 8.5% increase in premiums, and a noted expectation that for renewal 2022 more time will be given to assess options. Opinions on the amount of premium increase were expressed.
14. **Commercial Insurance Marketplace Conditions** – S. Stoeger-Moore provided a snapshot of what happened in the fourth quarter of the calendar year. Part of this review included Workers' comp. class codes and

projected rates; property loss causes and projected rates; and indicating that every line of coverage and reinsurance has seen increases. He will continue to monitor the situation and will report on the impact during the April 2020 Board meeting

15. **2019-2020 – Wisconsin’s Workers Comp. Payroll Audit** – Based on a past Board request, S. Stoeger-Moore summarized the 2020 Payroll Audit and it’s effects on the Colleges premiums true-up. Premium return checks and premium due invoices have been issued. S. Stoeger-Moore commented the Colleges are doing a much better job of estimating their payrolls. There were no six figure adjustments seen this time around.
16. **President Report** – A motion was made by R. Ranguette to move into executive/closed session. J. Van De Loo seconded. All were in favor. Moved to closed session at 12:07 pm.
17. **DMI Consultant Quarterly Reports** – Are to be read at Board member’s leisure.
18. **URMIA Annual Conference Gone Virtual Attendee Stipend** – As instructed during the October 2020 Board meeting, S. Stoeger-Moore reached out to the Colleges Risk Managers and other interested groups to see if they were going to seek stipend reimbursement. No one advised they would be doing so.
19. **Issues and Opportunities\*** - See Item 16 above. Items (a) (b) and (c) discussed during executive session.
  - a. DMI President Evaluation Process and Timelines
  - b. Mid-Year Report
  - c. Presidents Claims Review\*\*
20. **Adjourn** - A motion was made by D. Brown at 12:35 pm to move to open session. J. Will seconded. All were in favor. J. Will motioned to adjourn the meeting. J. Van De Loo seconded. All voted in favor. Meeting adjourned at 12:36 pm.

Respectfully Submitted



David Brown

DMI Board Secretary