



**DISTRICTS MUTUAL INSURANCE & RISK MANAGEMENT SERVICES**  
**BOARD OF DIRECTORS MEETING**  
**VIRTUAL – GoToMEETING**  
January 30, 2023 – 9:00 am

Present: John Will, Joshua Cotillier, Carrie Kasubaski, Sue Debe, Valarie Wunderlich, Steven Stoeger-Moore  
Guest: Erin Dawson (Strohm-Ballweg), Gary Strohm (Strohm Ballweg), Don Miller (Madison Scottsdale), Kirk Moist (Chippewa Valley Technical College)  
Recording Secretary: Suzette Harrell (DMI Administrative Assistant)

1. **Call to Order** – J. Will called the meeting to order at 9:00 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, Joshua Cotillier, Susan Debe, Valarie Wunderlich were present. S. Harrell announced the meeting had quorum.
4. **Approval of Minutes for October 20, 2022** – S. Stoeger-Moore identified the following should be corrected in Item 5. Financial Report, starting with the 12<sup>th</sup> sentence:
  - a. “Colleges current combined loss ratio which is under 1.” Change to state, “Colleges Mod Factors that are currently all under 1”.
  - b. “A loss ration under 1” change to read, “ A Mod Factor under 1”
  - c. “contributed to the favorably low loss ratio figure.” Change to read, “contributed to the favorable Mod Factor figure.”
  - d. “J. Will asked S. Stoeger-Moore will provide a summary of options from his perspective on how to best utilize surplus dollars.” Change to read, “J. Will asked S. Stoeger-Moore to provide a summary of options.No other comments or corrections were given. V. Wunderlich motioned to approve the minutes with the identified corrections. J. Cotillier seconded. All were in favor.
5. **Financial Report** – E. Dawson reviewed check register figures, expounding on the details of larger payment expenses. A brief conversation ensued around the United Heartland Works Comp Claims with comments made that once again the largest claims are due to slips, trips and falls. Next E. Dawson reviewed figures from DMI’s quarterly financial documents (Balance Sheet and Income Statement) and reported briefly on cash, admitted assets, liabilities, net income, and more for the quarter. E. Dawson reviewed how the capital adequacy calculation was derived and answered questions regarding the identified available funds. J. Will said he appreciated having the capital adequacy calculation provided in the quarterly financial report. V. Wunderlich motioned to accept the financial report as presented by E. Dawson. C. Kasubaski seconded. All were in favor.
6. **Investment Report** – D. Miller provided the Board with an overview of the current market outlook. He talked about the Fed Funds being down with a potential indication of a recession in the latter half of 2023. As part of the overview, he talked about the Federal Reserve and investors having different views on the path of short term rates. He introduced the “Dot Plot” used in the evaluation. He reviewed the impacts of inflation (higher rates) on the bond, housing, and stock markets. D. Miller reviewed DMI’s investment portfolio. He advised the overall portfolio was down for 2022 in the areas of stocks, bonds and cash. Positively, the portfolio’s diverse asset allocation has lessened the overall market impact. He opined management strategies and anticipated asset purchases in 2023. He briefly reviewed the Compliance Summary and GAAP Base Impairment worksheets in the e-packet. DMI’s investment compliancy report shows DMI’s investments are in compliance. C. Kasubaski motioned to accept the investment report as presented by D. Miller. S. Debe seconded. All were in favor.
7. **2023 Foundation Donation Award** – S. Stoeger-Moore provided Board members with a history of funding allocations approved by past Board members. S. Stoeger-Moore asked if the Board wanted to consider awarding funds once again to this year’s local college foundations. After much discussion and consideration given to the topic of discretionary surplus, return of capital, and funding amounts approved during DMI’s past Anniversary years (to be celebrated next in 2024), etc... a motion was made by V. Wunderlich to approve \$80,000 (\$5,000/college foundation) in funds now with the understanding that additional funding discussions and distributions could be reviewed and dispensed again in 2023. J. Cotillier seconded the motion. All were in favor. S. Stoeger-Moore advised checks would be prepared and handed out during the April Risk Managers meeting.

8. **Medicare Premium Reimbursement Arrangement** – S. Stoeger-Moore told attendees that when DMI became the employer of record, employee benefits were reviewed. Due to the small number of employees, health insurance benefits were not an option for employees over 65. Arrangements were made to have the impacted employees utilize their personal Medicare plans with DMI reimbursing the premium to the employee. S. Stoeger-Moore provided information on the set 2023 Medicare coverage premiums and requested approval for reimbursements. S. Debe motioned to approve the requested premium reimbursements. V. Wunderlich seconded. All were in favor.
9. **CPTED Training Request and Budget** – S. Stoeger-Moore brought forth a proposal submitted by DMI Security Consultant, Brooke Bahr, and John Flannery (Madison Technical College) to provide Crime Prevention Through Environmental Design (CPTED) training to the Wisconsin Technical Colleges. This training has been requested by numerous Technical College staff and is a best practice in Campus Security. The proposed training dates (April 19-20) would dovetail with DMI's April quarterly meetings at the Osthoff Resort. The budget for the training was examined and it was suggested J. Flannery be compensated for his time and travel to co-host the event. A motion was made by J. Cotillier to approve funds for the CPTED training, along with a not to exceed \$4,000 amount to reimburse J. Flannery for his travel expenses (hotel & mileage). V. Wunderlich seconded the motion. All were in favor.
10. **WI Safety Council Annual Conference Stipend Request** - Willie Henning, DMI EHS Consultant submitted a stipend request for college members to attend the WI Safety Council Annual Conference – April 17-19<sup>th</sup>. The request would allow up to eight College Environmental Health & Safety managers to attend. Costs were estimated at \$900/person. C. Kasubaski made a motion to approve funding up to \$7,200 for eight stipends as proposed. V. Wunderlich seconded. All were in favor.
11. **OCI Examination** – S. Stoeger-Moore summarized the reason for the OCI Examination and talked about DMI's 2022 examination. He thanked E. Dawson for all of her efforts in working with the examiners. It was a laborious endeavor, made somewhat easier during this exam due to the acceptance of electronic documents. As noted in the report, all of DMI's policies (identified by line of coverage) are in compliance and good standing. There were two recommendations given by OCI that have been addressed. The first was that DMI's President/CEO is to sign Code of Ethics and Conflict of Interests agreements annually along with DMI's Board members. The second was to ensure that all DMI Board member signatures are complete for submitted Jurat pages. S. Stoeger-Moore's affirmation response to OCI on the two recommendations were briefly reviewed. A motion was made by S. Debe to accept the results of the OCI Examination. J. Cotillier seconded. All were in favor.
12. **Discretionary Surplus Fund Suggestions** - This item was added to the agenda as a discussion item further to the identification of DMI's capital adequacy calculated available surplus amount. S. Stoeger-Moore reviewed the options for discretionary fund use as requested during the October 2022 BOD meeting. Several of DMI's staff contributed to the suggested uses which included a return of capital to each of the technical colleges, increasing Foundation Donations and RMPA funding, using funds to contract with a Cyber Security Expert (CISO) as an annual resource to the Colleges, hosting an annual Risk Mitigation Forum utilizing an external event planner, funding additional (expert topical area) training opportunities, making additional premium adjustments, etc. S. Stoeger-Moore reviewed past discretionary fund awarded amounts by type for additional consideration. After significant discussion regarding discretionary surplus and the return of capital to the colleges, the Board decided to forward this topic to the April 20, 2023 BOD meeting agenda as an Action Item.
13. **Key Benefit Concepts DMI Compensation Study** – *Discussed during Executive Session – See Below*
14. **Commercial Insurance Marketplace Conditions.** – S. Stoeger-Moore appraised members this is the 4<sup>th</sup> year in a row the general commercial insurance marketplace reports indicated an increase in premiums and to expect continued premium increases, but in more moderation than experienced during the last couple of years. Cyber coverage and premiums continues to be volatile; however, premiums are expected to moderate due to a number of reasons cited by S. Stoeger-Moore, including the fact that insurance carriers are experiencing positive results with loss ratios and carriers are more willing to look at applicants who meet identified criteria or the 12 underwriting guidelines. He projected a 20% increase in premiums for cyber coverage for renewal. He expounded on the property market which has also been getting more difficult due to increases and expenses from catastrophic events. Wisconsin isn't considered a catastrophic state, but he expects the Colleges could be looking at a 10% increase in premiums. Liability lines are trending up with social engineering and increased costs



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for expenses and replacements. An up to 10% increase is expected for General Liability. Equipment Breakdown premiums are looking to increase by 10%. The WCRB set Workers' Comp rates have decreased for both class codes 8868 and 9101. If there is no change in the College's Mod factor rate and payroll, they could expect a projected 6% decrease in premiums for the 07/01/2023-24 renewal. This is good news, especially since 47% of all collected premium are for Workers' Comp coverage. Terrorism and Sabotage ratings are anticipated to be flat.

15. **2021 – 2022 – Workers' Comp Payroll Audit** – E. Dawson briefly reviewed this year's Workers' Comp payroll audit results. She said this year's overall audit results are very similar to the 2020/2021 payroll audit. It means the colleges are doing a good job of estimating payroll. S. Stoeger-Moore advised 4 colleges had premiums due and 12 colleges received premium refunds.
16. **College MOD Factor History** - S. Stoeger-Moore told members the Mod Factor History information has been provided and used by the colleges as a benchmark. The college's mod factor is used in the calculations for rating/premiums. The last time all of the colleges had their mod factors below 1 was in 2017-18. The colleges are in a great position with a mod factor below 1. It means they are in a "discount situation". The mod factor is an expression of safety at the college. Colleges actions in working with injured parties, timely reporting, follow up on claims accident investigation, and bring people back to work as soon as medically possible, all help drive down the cost of indemnity. S. Stoeger-Moore said the colleges received projected mod factor information for 7/1/2023-24 renewal in their e-packets for the January 20<sup>th</sup> quarterly Risk Managers meeting.
17. **Consultant Quarterly Reports (EHS, BCCR, and CS)** – to be read at Board's leisure.

*C. Kasubaski motioned to convene into executive session at 11:34 am. J. Cotillier seconded. All were in favor. E. Dawson, G. Strohm, and K. Moist left the virtual meeting. S. Harrell left the virtual meeting after the topic of High value claims was reviewed.*

18. **High Value Claims Review\*\*** - *Discussed during Executive Session*

*A motion was made by J. Cotillier to move to open session at 12:13 pm. S. Debe seconded. All were in favor.*

19. **Adjourn** - A motion was made by S. Debe to adjourn the meeting. J. Cotillier seconded. All were in favor. Meeting adjourned at 12:15 pm.

Respectfully Submitted,

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Joshua Cotillier  
DMI Board Secretary