



DISTRICTS MUTUAL INSURANCE & RISK MANAGEMENT SERVICES
BOARD OF DIRECTORS MEETING
NORTHWOOD TECHNICAL COLLEGE
1900 COLLEGE DR., RICE LAKE, WI 54868

APRIL 24, 2025

Present: John Will, Magan Perez, Wade Hackbarth, Carrie Kasubaski, Brenda Riesterer (Virtual Attendee), Steven Stoeger-Moore

Guest: Erin Dawson (Strohm-Ballweg), Valerie Schroeder (Strohm Ballweg), Stephen Streff (Streff Insurance), Don Miller (Madison Investments), Sarah Fisher (CliftonLarsonAllen)

Recording Secretary: Suzette Harrell (DMI Administrative Assistant)

1. **Call to Order** – J. Will called the meeting to order at 9:30 am.
2. **Statement of Public Notice** – J. Will noted the Statement of Public Notice in the meeting Agenda - *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. Stoeger-Moore called roll. J. Will, M. Perez, W. Hackbarth, C. Kasubaski, B. Riesterer were present. The meeting had quorum.
4. **Approval of Board of Director Meeting Minutes - January 9, 2025** – W. Hackbarth made a motion to accept the January 9, 2025 minutes as provided. M. Perez seconded the motion. Vote: All in favor.
5. **Financial Report** – E. Dawson reviewed vendor payments for the first quarter of 2025 from DMI's general check registry. She noted payments were typical of prior years. While reviewing the property casualty claim payment register, she advised during the quarter there were 4 payments of \$5,000+; 8 claims were slips, trip, fall related; and 8 claims occurred in 2024. A review of the Worker Comp. payment registry was provided next and then commentary turned to DMI's investment figures, operating expenses and the remaining financial statements. E. Dawson said she is in touch with D. Miller (Madison Investments) and reaches out to him when preparing the monthly cash analysis. V. Schroeder commented on the discretionary surplus calculation and then turned her attention to graphs comparing DMI's performance to that of the commercial insurance industry and its' mutual peers. Comparison data point figures were reviewed and comments provided based on the data identified. M. Perez motioned to approve the financial report as given. W. Hackbarth seconded the motion. Vote: All were in favor.
6. **Annual Audit** – S. Fisher reviewed several items with the Board members. She talked about the audit process, including audit accounting practices. Statutory Accounting principles are required by OCI for use in auditing DMI. She expounded on the audit results and highlighted several key findings. She noted that every audit year, CLA will pick a new area to review to maintain unpredictability. This year, payroll and approved employee wage rates were reviewed. No exceptions or adverse results were found during the audit. As noted in the Governance Communication, DMI overall is consistent with past years - no noted adverse conditions. M. Perez motioned to approve the audit report given by S. Fisher. W. Hackbarth seconded the motion. All voted in favor of the motion. Motion carried.
7. **Investment Report** – D. Miller outlined key economic conditions currently effecting the US marketplace. The first quart of the year showed significant volatility as investors waded through issues of budget, trade, tariffs, inflation, housing etc. He reviewed the US treasury curve, talked about current interest rates, the Fed Reserve lowering the balance sheet from \$9M to \$8.2M, cited more on global trade concerns and trade deficits, advised on short term volatility in the stock market, etc. He said DMI's investment portfolio is in great shape and then gave an overview of DMI's investment portfolio and figures. He mentioned he is taking less risks and seeing more generated income – in part due to mortgage back securities. He plans on investing more in the coming year and pushing bond book yields to 5%. Further figures and details in the fixed income summary, equity performance/portfolio, and purchases and sales areas were briefly reviewed. DMI's portfolio is in compliance with IPS and there were no OTTI impairments this quarter. C. Kasubaski motioned to accept the investment report as presented by D. Miller. W. Hackbarth seconded. All voted in favor of the motion. Motion carried.

8. **Actuarial Reports** – S. Streff commented on several areas of his Loss Reserve 2024 report that provided the Board with an understanding of how he calculated and concluded that DMI’s net loss and loss expense reserves are reasonable and adequate to cover its unpaid net loss and loss expense obligations. His analysis is based on several factors, such as DMI’s reserve trend history (loss date), workers’ comp accident loss history and claims analysis, and composite analysis of all other lines of coverage loss claims. He complimented DMI for having experienced only 2 claims with a loss over \$1M in the past 20 years. DMI has not paid out \$2M - \$5M for loss in its history. This is a very good statistics to know. He noted DMI’s reserve loss patterns are very similar to the net patterns year after year because of limited large claim experiences and increasing retentions. In setting DMI’s reserves, S. Streff noted that fewer reserves are being held now than 5 years ago. V. Schroeder confirmed that DMI has “adequate” conservative reserves and that they are not excessive. During S. Streff’s report, questions were asked and answered. A motion was made by C. Kasubaski to accept the Loss Reserve Report as presented. M. Perez seconded the motion. All voted in favor, and the motion was carried.
9. **Reinsurance Coverage Renewal Terms and Conditions** – S. Stoeger-Moore reviewed current marketplace conditions with the Board. He indicated this is the 30th quarter in a row that moderate increases have been seen. He said, both property and casualty lines of coverage are problematic, in part due to catastrophic natural disasters, significant costs for repairs for auto physical damage claims, increases in Traumatic Brain Injury (TBI), and litigation financing. He reviewed the lines of reinsurance coverage, anticipated rate changes, and cited reasons for the marketplace trends. These changes included a +7% increase in property coverage; equipment breakdown property values are up 2%; casualty coverage is up +9%, cyber should be flat; workers’ comp. is down about 7% (with payroll up 2% across the state); sabotage and terrorism should be flat; and deadly weapons increased 5%. S. Streff added to the conversation statistical DMI loss data and reviewed exposure data. An insurance industry marketplace comparison rate sheet prepared by Gallagher was reviewed. Discussions continued on setting DMI premium rates for Policy Year 2025-26. S. Streff presented his recommendations to the Board for their consideration. His recommendations considered a 10% increase in property rates, an 8% increase in casualty, a 5% increase in ELL, and all other lines (including cyber) remained flat. The net effect overall is a 5.6% increase in net premiums. An increase in rates this low is incredible in today’s insurance world. A motion was made by W. Hackbarth to approve the rates as presented. C. Kasubaski seconded the motion. All voted in favor. Motion carried.
10. **Premium Late Fee Policy Update** – S. Stoeger-Moore mentioned this topic was brought back to the Board for approval on a minimal verbiage change. Under Process, the first sentence added the words “CFO/VP of Finance or the President copied.” He said that last year, two colleges delayed premium payment significantly, and that typical reminders don’t always produce a response. Board members volunteered to speak to the WTCS Presidents group and the WTCS Financial Officers group regarding delayed premium payments. S. Stoeger-Moore will script a letter that is to be sent with the premium invoices in June, advising on the Late Fee Policy.
11. **Premium Relief Initiative** – Discussions regarding premium relief for cyber premiums ensued. It was noted that DMI has been subsidizing the cyber premiums for several years (since COVID) and now that the reinsurance cyber market is opening up, premiums have been coming down. The Board talked about equalization of the college’s DMI cyber coverage premiums and the actual reinsurance cyber coverage costs. It was stated that the colleges need to be made aware of the cyber subsidy and that it may be ending next year. The colleges will need to prepare budgets to account for the cyber coverage premium difference going forward.
12. **Service Provider Contract Renewal Recommendations FY25-26** – S. Stoeger-Moore briefly described the services DMI receives from outside expert resources. He reviewed their service fees and terms. Several of the service provider contracts will expire during this policy year and new contracts will need to be secured for fiscal year 2026/27. B. Riesterer motioned to approve the DMI Service Provider Agreements as identified for the 2025/26 policy year. M. Perez seconded the motion. All voted and were in favor of the motion. Motion carried.
13. **CCRMC Stipend Request** – S. Stoeger-Moore requested the Board approve a travel stipend for the July 16-17, 2025 CCRMC Conference. He advised this is one of the few conferences focused on 2-year Technical and Community College issues. Gallager sponsors the program and provides at no cost to attendees, the meals and a one night stay at the Marriott Hotel. The stipend can be used for all other expenses associated with attending the program. He proposed a stipend amount of \$200 for WTCS members who attend both days (July 16-17, 2025) of the event. There is no limit to the number of stipends provided per College. Post conference proof of expenses will be requested, and stipend checks will be made out to the respective colleges. W. Hackbarth

motioned to approve the recommended \$200 per attendee CCRMC stipend offering. B. Riesterer seconded the motion. All voted in favor. Motion carried.

14. **Funding URMIA's 2025 Annual Conference Stipend** – S. Stoeger Moore requested the Board to approve funding for the URMIA Annual Conference held in October 2025. He reviewed past approved stipend requests and awardee experiences, and comments. The colleges have benefited greatly from attending URMIA's Annual conference either virtually or in person. This year's topics will emphasize artificial intelligence (AI) in higher education, Department of Education (DOE), compliance, cyber breaches/threats, etc. A request for funding the registration fee for three (3) virtual attendees and funding all expenses for three (3) in-person attendees. In Person attendees must attend the full conference to receive the stipend. Post conference proof of expenses will be required, and stipend checks will be made out to the respective colleges. B. Riesterer motioned to approve three (3) in-person and three (3) virtual attendee stipends. W. Hackbarth seconded the motion. All voted in favor. Motion carried.
15. **2025/26 DMI Proposed Meeting Dates** – DMI proposed quarterly meeting dates for Policy Year 2025/26 were reviewed with the Board. S. Stoeger-Moore advised DMI will be hosting a Risk Mitigation Forum in April 2026. DMI is looking at hosting the program at St. Norbert College's Bemis Conference Center and the Kress Inn in De Pere, WI. Additional locations will be reviewed. S. Harrell will review the dates with J. Will's executive secretary to ensure availability. No follow-up comments were made.
16. **DMI Onboarding Process Follow Up** – S. Stoeger-Moore offered general comments regarding the actions DMI and the consultants take to bring new college members up to date on who DMI is and what DMI can offer for the new person's role at the college. No Board member comments were made.
17. **Role of WTCS Trust and DMI Follow-up** – J. Will and S. Stoeger-Moore provided a recap of the formation and purpose of the Wisconsin Technical College System Trust. During a past Board meeting, the question of "Can DMI assist in providing support for the Colleges' Business Travel/Accident, and Crime coverages" was presented. Based on OCI ruling, DMI cannot write Crime Policy coverage for the colleges; thus the reason Gallagher has taken this coverage on since the inception of DMI. It was sited the Trust doesn't have any money (less than \$1K) and the role of the Trust is up in the air. Comments regarding what to do with the Trust have been heard, and discussions regarding where the coverage would come from ensued. J. Will suggested calling for a meeting of the Trust to discuss a new role for the Trust or dissolving the Trust. B. Riesterer advised that the Trust has a meeting in June to approve the Gallagher Crime Policy premiums. She will send J. Will the meeting information whereby he can attend and discuss the matter further with LTC President Paul Carlson. No action is being taken by the DMI Board during this meeting.
18. **Act 10 Follow-up** – J. Will talked about a "draft" memorandum that DMI's General Counsel, Michael Best crafted for sharing with the Technical Colleges. In December 2024, a Dane County judge ruled to restore collective bargaining rights eliminated in 2011 under Act 10. There has been much speculation about what would happen now. General Counsel doesn't think anything will happen until the spring of 2026 and there is not a lot the Colleges can do right now. S. Stoeger-Moore will share the Memorandum with the Board members. J. Will suggested the Colleges start talking to their Counsel as it relates to labor relations and start looking at conversations about arbitration & mediation processes. J. Will stated he was curious on how the court system will treat arbitration and mediation. The overall feeling is that this issue will not go away, and that the colleges will need to negotiate new contracts. What is the best way to communicate this to the Colleges? DMI intends to monitor the situation (Act 10) and will gather further info as the matter moves forward.
19. **Wisconsin Safety Council Annual Conference** – Willie Henning (DMI EH&S Consultant) wanted to say thank you to the Board for funding this conference request.
20. **Student FTE for Insurance Renewal** – Figures are being shared with the Board for information purposes. The figures come from the State office and is audited data.
21. **DMI Client Satisfaction Survey Results** – J. Will advised the survey was completed at the request of the Board of Directors for its annual goals. J. Des Plaines reviewed the benchmarking survey findings from his personal interviews with College members. He briefly described the survey process/matrix and conclusions made from the interviews. The survey supports recommendations that DMI engage the Colleges using more AI technology. S. Stoeger-Moore stated DMI's policy underwriting is already using AI technology. In addition to AI technology, it is recommended DMI increase its opportunities for peer-to-peer networking with the Colleges; DMI continues to use customer satisfaction feedback in succession planning; the DMI Board should consider contracting with a

professional strategic planning consultant to guide DMI's future endeavors and sustain the excellence of service being provided to the Colleges now.

A motion was made by W. Hackbarth to move to **Closed/Executive Session** at 2:48 pm to discuss Action items #22 through items #30. M. Perez seconded. All voted in Favor. Motion carried.

22. **President's Report** - Topic discussed while in Closed/Executive Session.
23. **DMI Consultant Quarterly** - To be read at the leisure of Board members.
24. **High Value Claims Review** – To be read at the leisure of Board members.
25. **Foster and Foster Compensation Study** - Topic discussed while in Closed/Executive Session.
26. **DMI President Performance Evaluation*** Topic discussed while in Closed/Executive Session.
27. **DMI President Compensation Package for 2025/26*** - Topic discussed while in Closed/Executive Session.
28. **Life Insurance Proposals** - Topic discussed while in Closed/Executive Session.
29. **DMI Staff Performance Evaluation and Salary Consideration for 2025/26*** - Topic discussed while in Closed/Executive Session. During the executive session, a motion was made by M. Perez and seconded by W. Hackbarth to make compensation adjustments. Adjustments will be arranged by S. Stoeger-Moore.

A motion was made by C. Kasubaski to adjourn the **Closed/Executive Session** at 3:55 pm. All voted in favor. Motion carried.

30. **Adjourn** – A motion was made by W. Hackbarth and seconded by B. Riesterer to adjourn the April Board of Directors meeting at 3:56 pm. All voted in favor. Meeting was adjourned.

Respectfully Submitted,

Megan Perez
DMI Board Secretary