



**DISTRICTS MUTUAL INSURANCE & RISK MANAGEMENT SERVICES**  
**BOARD OF DIRECTORS MEETING**  
**VIRTUAL - GoToMEETING**  
April 26, 2024 – 9:00 am

Present: John Will, Carrie Kasubaski, Susan Debe, Steven Stoeger-Moore

Guest: Erin Dawson (Strohm-Ballweg), Gary Strohm (Strohm Ballweg), Don Miller (Madison Scottsdale), Stephen Streff (Streff Insurance), Sarah Fisher (CliftonLarsonAllen)

Recording Secretary: Suzette Harrell (DMI Administrative Assistant)

1. **Call to Order** – J. Will called the meeting to order at 9:01 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 were present. S. Harrell announced the meeting had quorum.
4. **Approval of Minutes for January 11, 2024** – E. Dawson advised the word “not” in **Item 5. Financial Report, Sentence 8** should be removed. No other comments or corrections were given. C Kasubaski motioned to approve the minutes with the identified correction. S. Debe seconded. All were in favor.
5. **Financial Report** – E. Dawson reviewed typical quarter vendor payments from DMI’s general check register. She detailed CCMSI property and casualty insurance claim payments. She commented that it was a larger quarter than typical for claim payments primarily due to one large loss College hail claim. In all there were 4 claims with large payment amounts. Details were given. The Board was apprised next of the Worker Comp. payments made during the quarter. There are 17 open claims - 16 from 2023 and 1 from 2024. Ten claims have incurred losses over \$50,000. Falls continue to be the leading cause of loss. E. Dawson outlined DMI’s financial reports, highlighting noteworthy figures. Questions were asked and answered. She talked through the capital adequacy calculation and then turned the attention to several peer graphs prepared annually for the Board. The graphs compare DMI’s performance to that of the commercial insurance industry and mutual peers. Comparison data points were reviewed for underwriting expenses, claims expenses, and reserves. Overall DMI continues to be in a favorable position. S. Debe motioned to approve the financial report as given by E. Dawson. C. Kasubaski seconded the motion. All were in favor.
6. **Annual Audit** – Sarah Fisher – thanked the Strohm Ballweg team for their assistance in completing a smooth audit this year. She talked through the audit process and audit results with the Board. She said the auditors looked at significant risk areas such as premiums, claims, reinsurance, and unpaid losses in the audit process. Audit figures for these areas were cited. S. Fisher said all the figures cited are consistent with what has been presented to the Board by E. Dawson throughout the year. No auditing adjustments were needed this year. Overall audit results were reported, and S. Fisher reviewed the documents required for filing purposes. These included the Qualification letter, the Audit Opinion, internal controls, and Governance communication letter. In all, there were no areas of concern during the audit process that stood out. Comments were briefly made. A motion was made by C. Kasubaski to approve the audit report. S. Debe seconded. All were in favor.
7. **Investment Report** – D. Miller reviewed the happenings in the US economy since the end of 2023. He made several comments on the current economy outlook that included: investors/consumers were confused on Fed interest rate drops in 2023 and 2024; 10 year treasury dropped in the beginning of 2024; inflation has gotten more sticky and the economy is growing faster than expected; GDP figures came in lower than anticipated; inflation based on personal consumption expenditures (PCE) came in a tad higher than expected; and he noted the stock market is still volatile due to trading based on interest rates. He said DMI’s bond reinvestments have been seeing nice yields. Annually, Madison Investments prepares a financial analysis on all of their clients. DMI’s portfolio was reviewed, and D. Miller assured Board members that DMI is well capitalized and in a positive position. An overview of DMI’s investment portfolio and figures were given. 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 the IPS. No further questions or comments were given. C. Kasubaski motioned to accept the investment report as presented by D. Miller. S. Debe seconded. All were in favor.
8. **Actuarial Reports** – S. Streff presented on DMI’s reserves and rate making during the meeting. DMI is required to have its reserves certified by an actuary, which Streff Insurance Services has done since DMI’s inception. An explanation of his issued actuarial opinion and legal opinion were provided. The legal opinion is clean and will not raise any regulatory alarms. He reviewed several reserve exhibits and said the figures were used in his decision making for setting future

reserves. No further questions were asked. C. Kasubaski motioned to accept the 2023 Loss Reserve Report. S. Debe seconded. All were in favor.

S. Streff turned his attention to a supplemental packet of exhibits containing additional reserve figures, reserve accuracy over time information, net reserve growth, underwriting profit/loss, surplus, premiums – including reinsurance premiums, ceded premiums and losses, property reinsurance markets, net property premiums and losses, general liability, and workers' comp. He reviewed critical underwriting data points for setting 2024-25 premium rates like College FTEs, payroll, vehicle values, property values, etc. A more detailed report was given specifically on premium recommendations for the individual 6 lines of DMI coverage. Workers' Comp rates are set by the WCRB. Property losses and coverage options with reinsurance partners were discussed. S. Streff proposed some property premium/coverage options for the Board's consideration. Questions were asked and answered. A motion was made by S. Debe to accept a 7.5% increase in Property rates and increase the retention to \$1M. Seconded by C. Kasubaski. All in favor.

S. Stoeger-Moore talked about cyber coverage rate options and negotiations this year. He stated, each of the colleges will have increased coverage sub limits (like crime, reputational loss, computer hardware replacement) and an opportunity to move from \$3M to \$5M limits for the 10 colleges who are not at a \$5M limit now. The Board requested S. Stoeger-Moore to advise the Colleges that the Board of Directors made the decision to provide a premium subsidy for 2024/25; to talk about the increased cyber liability sublimits for 2024/25; and to discuss marketplace conditions. The Board's goal is to eliminate the subsidy in the next several years. A motion was made by C. Kasubaski to approve a 0% rate increase for all lines of coverage except for the previously voted 7.5% increase in Property rates. S. Debe second. All were in favor.

9. **Reinsurance Coverage Renewal Terms & Conditions** – S. Stoeger-Moore reviewed details of DMI's current program structure and noted the only change will be to update the Property column to reflect the new \$1M retention level. S. Stoeger-Moore provided an overview of a worksheet showing DMI's reinsurance coverage providers, the last 3 years of premium figures and noted comments by line of coverage. Comments were made regarding some of the reinsurance partners and their extension of multi-year terms, rates for payroll, student FTE's, total incurred values (TIV) for buildings and content, and high value vehicles. He then asked the Board to approve his moving forward with renewing DMI's reinsurance partnerships and quoted premiums for 7/1/2024-25. S. Debe made a motion to approve the renewal of partnerships and quoted premiums with reinsurance providers. C. Kasubaski seconded. All were in favor.
10. **Capital Adequacy Policy** - Discussions ensued regarding the drafted Capital Adequacy Policy presented during the January Board of Directors meeting. Board feedback provided after the previous meeting in terms of suggested figures for the policy were reviewed. A final recommendation for using figure percentages for the Priority distribution criteria were discussed, with a result that Priority 1 would be set at 50% maximum, Priority 2 would be set at 5% maximum, and Priority 3 would be set as the remaining amount after Priority 1 and Priority 2 have been allotted of the original 50% of discretionary funds available. A motion was made by C. Kasubaski to adopt the Capital Adequacy Policy with the recommended percentages. S. Debe seconded the motion. All were in favor. S. Harrell will edit the draft with the adopted figures and make it an approved policy. She will email the Board members, Strohm Ballweg, and Sarah Fisher a copy of the approved Policy for reference.
11. **Premium Relief Initiative** – Topic discussed during Item 8 Actuarial Report conversations.
12. **Service Provider Contract Renewal Recommendations FY24-25** - S. Stoeger-Moore presented the Board with an overview of DMI's outsourced infrastructure framework and outsourced vendors. He reviewed the Service Provider Contract Agreements for 7/1/2024-25. Most of the vendor fees have remained the same for several years. DMI has cultivated long term, highly synergistic and productive relationships with the various service providers and their fees support that. S. Debe motioned to accept the current Service Provider Agreements as presented for 7/1/2024-25. C. Kasubaski seconded. Vote: All were in favor.
13. **Funding Stipend Request – URMIA's 2024 Annual Conference** – S. Stoeger-Moore advised the Board that during DMI's April Risk Mitigation Forum, an all expense paid trip to URMIA's Annual Conference was given as a door prize to Noah Hauptmann of Chippewa Valley Technical College. He reminded them of the Board's generosity in the past in providing stipend opportunities to College members to attend either in person or virtually URMIA's Annual conferences. He asked the Board to consider approving funding for three (3) stipends in the amount of \$969 each for use towards the registration fees of either the virtual attendance or the in-person attendance. S. Debe motioned to approve S. Stoeger-Moore's stipend funding request for a total of 3 stipends to URMIA's 2024 Annual Conference. C. Kasubaski seconded. Vote: All were in favor.



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14. **2024/25 DMI Proposed Meeting Dates** – A review of DMI’s proposed meeting date schedule ensued. The only change offered was that the July 17, 2024 Board of Directors meeting would be changed from a virtual meeting to an in-person meeting due to the number of new Board members. Meeting locations will be discussed and identified in advance. C. Kasubaski motioned to approve the proposed PY 2024/25 meeting dates. S. Debe seconded. Vote: All in Favor.
15. **Presidents Report** - S. Stoeger-Moore talked about the Annual meeting and the Board of Director position elections that took place on April 18<sup>th</sup>. DMI has never had an elections for 4 open board positions. There were 6 candidates who applied for positions. Three colleges submitted a proxy ballot and the remaining colleges voted in person. Brenda Riesterer was elected for a 1-year term to fill the position of the departing Joshua Cotillier. Wade Hackbarth (WTC), Magan Perez (GTC), and Kristina Aschenbrenner (NATC) were elected for their first 3-year terms. C. Kasubaski (acting Treasurer) will maintain the Treasurer role until the July 17<sup>th</sup> Board meeting. S. Stoeger-Moore advised the Board that CVTC was the first college to submit all of their Colleges renewal applications. An expression of “kudos” to Noah Hauptman and the CVTC team for their tremendous efforts was made. S. Stoeger-Moore commented that Lance Klukas (DMI Security Consultant) is celebrating his one year anniversary with DMI.
16. **DMI Consultants Quarterly Reports** – Board to review at their leisure.
17. **High Value Claims Review** - Claims were mentioned in earlier conversations during the meeting. For the sake of time, brief observations were provided by S. Stoeger-Moore on CCMSI and their ICE claims processing platform. He noted how well the adjusters are doing in moving expeditiously on claims administration and processing, especially the new adjusters. S. Debe commented as well that she has seen a great improvement in CCMSI claims handling. She also let Rob Fitzgerald know. UnitedHeartland (strictly workers’ comp claims handling) adjusters are extremely adapt working on work related injuries and loss control. DMI has not seen any frequency of loss from home based employees but continues to see claims in the colleges’ aging workforce (i.e. knee and shoulder related). Slips, trips, and falls are still the #1 cause of loss.

A motion was made by S. Debe to move to **Closed/Executive Session** at 1:08 pm to discuss Action agenda items #18, #19, and #20. C. Kasubaski seconded. All in Favor. Motion carried.

18. **DMI President Performance Evaluations\*** - Discussed during Executive Session
19. **DMI President Compensation Package for 2024/25\*** - Discussed during Executive Session
20. **DMI Staff Performance Evaluation and Salary Consideration for 2024/25\*** - Discussed during Executive Session

A motion was made by C. Kasubaski to return to **Open Session** at 2:18 pm. S. Debe seconded. All in favor. Motion carried.

21. **Adjourn** - J. Will adjourned the meeting at 2:19 pm.

Respectfully Submitted,

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Susan Debe  
DMI Board Secretary