



**DISTRICTS MUTUAL INSURANCE & RISK MANAGEMENT SERVICES**  
**BOARD OF DIRECTORS MEETING**

BEMIS CONFERENCE CENTER – DE PERE, WI

July 19, 2022 – 9:00 am

Present: John Will, Carrie Kasubaski, Sue Debe, Valarie Wunderlich, Joshua Cotillier, Steven Stoeger-Moore

Guest: Erin Dawson (Strohm-Ballweg), Lyn Roy (Gallagher), Kay Hannah (Gallagher)

Recording Secretary: Suzette Harrell (DMI Administrative Assistant)

1. **Call to Order** – J. Will called the meeting to order at 8:59 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. **Election of Officers** – S. Stoeger-Moore welcomed J. Cotillier as the newly elected DMI Board member. He briefly reviewed Section 4.2, the election of officers, per DMI's By-Laws and then asked for nominations for the Board Chair position. V. Wunderlich nominated J. Will as Board Chair. J. Cotillier seconded. All were in favor. J. Cotillier nominated V. Wunderlich as Board Treasurer, S. Debe second. All were in favor. J. Cotillier nominated himself as Board Secretary, V. Wunderlich seconded. All were in favor.
5. **Approval of Minutes** – E. Dawson indicated a correction needed to be made to the financial report in the April 28, 2022 BOD meeting minutes. On line 7 and 8, <\$5,000 is to be corrected to >\$5,000. No corrections were given for the April 29, 2022 BOD Special meeting minutes or for the May 20, 2022 BOD meeting minutes. A motion was made by V. Wunderlich to accept the minutes with the identified correction made by E. Dawson. S. Debe seconded. All were in favor.
6. **Financial Report** – E. Dawson provided an overview of the check register figures and advised details on larger payment expenses. She reviewed CCMSI claims paid and the timing of payments. She advised on United Heartland claims. Slips, trips, and falls remain the #1 loss for 19 years in a row. The Board was appraised of figures from DMI's Financial documents (Balance Sheet and Income Statement). S. Stoeger-Moore mentioned five colleges (GTC, Madison, MATC, NTC, WTC) have yet to pay their coverage premiums; which were due July 15<sup>th</sup>. E. Dawson reviewed the budget and clarified the financial statement and budget wouldn't match because one is prepared on a fiscal year basis and the other is prepared on a calendar year basis. E. Dawson concluded by advising on the services Strohm Ballweg continues to provide to DMI since its' inception. V. Wunderlich motioned to accept the financial report as presented by E. Dawson. C. Kasubaski, seconded. All were in favor.
7. **Investment Report** – D. Miller provided the Board with an overview of the current market outlook. He talked about the treasury yield curve, stating the current inflationary level has not been since 1981; poor returns on all asset classes this year – stocks down 16.1% in every sector except energy; the raising of interest rates by the Federal Reserve to reduce the balance sheet (currently \$9T) and slow the economy; and reduced consumer confidence and its impact on a slowing economy. D. Miller reviewed his Investment and Strategy Review report of DMI's investment portfolio. He identified key performance figures in both bond and equity holdings within the portfolio, stating there are buying opportunities available for both. A motion was made to accept the investment report by J. Cotillier. V. Wunderlich seconded. All voted in favor.
8. **Building Appraisal Project** – SSM provided the board with a background on the determination of building and content schedules and valuation used for total insured values (TIV) on DMI's property policy. The college's building/content values increased 6% this year and are projected to continue to increase due to the costs and timeliness of materials and labor. DMI building values are based upon actual insurance appraisals, which are

valid for 6-7 years. DMI has outdated appraisal information and is asking the board to approve funds (\$69,875) for a Gallagher Basset proposal to appraise all Wisconsin Technical College buildings valued at \$1M and above. The proposed appraisal cost was quoted at \$325/building and will be completed on 215 identified buildings over the \$1M value. The appraisals will begin with immediacy and be completed over the next couple of months. The purpose is to establish a new baseline for building valuation based upon formal building appraisals. The appraisal project results will be used for reinsurance underwriters and the accurate valuation for DMI's total insured values (TIV). Updated building valuations will be entered into RiskPartner by DMI/Gallagher. J. Cotillier motioned to accept the proposal for appraisals on 215 buildings with valuations greater than \$1M. C. Kasubaski seconded. All voted in favor.

9. **Gallagher Stewardship Report** – L. Roy was introduced to the Board of Directors. She is taking the place of retired Linda Joski, as DMI's Gallagher account manager. L. Roy reported on her work background and experiences in the insurance industry. K. Hannah reviewed with Board members, the Gallagher Core 360 program. She identified key Gallagher staff in the area of cyber, terrorism, loss control, and higher education. She reviewed the summary of coverages and identified DMI premiums for the year. Out of State Workers' Comp. coverage was discussed. She talked about the Hartford Steam Boiler inspections, OSA timing, inspection criteria and management of the inspections through DMI's EHS consultant William Henning. She touched on property values and building valuations. She cited a 16% increase in construction cost projections. She concluded by reviewing the 2021 strategic results which is a benchmark of DMI against other higher education institutions.
10. **DMI Policy Year 2022 – 23 Coverage Summary** - S. Stoeger-Moore reviewed the current DMI Program Structure version with reinsurance premiums identified. There were no changes to the program structure or to the insurance partners. S. Stoeger-Moore asked the Board to give thought to setting limits versus using statutory limits for Workers' Comp. reinsurance for the 07/1/2023 renewal. He advised, DMI and Gallagher (Broker) plan ahead for renewal by looking at selectively marketing accounts, opportunities to have higher limits without significant costs, and deductibles.
11. **President's Goals 2022-23, Strategic Planning Meeting, Strategic Planning Progress** – J. Will reviewed the progress of items identified by the Board during the 2021-22 strategic planning meeting. These included a succession plan review, exploring new services and simplifying services, contract review, measurements of service satisfaction, and policy framework for capital adequacy. S. Stoeger-Moore advised he is exploring a virtual Cyber Information Officer (CIO) consultant. The board talked about a compensation review with deliverables by Key Benefit Concepts due by October 1, 2022.
12. **URMIA Stipend Awardees** – S. Stoeger-Moore updated the board on the winners of the URMIA Stipend Awards. Gateway and Lakeshore Technical Colleges were each awarded a stipend for virtual attendance and Moraine Park's Michele Adams was awarded a stipend for in-person attendance to this year's URMIA Annual Conference in Indianapolis, IN.
13. **Board Member Terms of Office** – S. Stoeger-Moore advised this was added to the agenda for purely informational purposes. He said this is the youngest Board of Directors he has seen. Young in terms of member's years in terms.
14. **DMI Key Performance Indicators** – S. Stoeger-Moore described the current greater commercial insurance marketplace, citing Marsh's quarterly report on rates. Q4 2021 – rates up 5.8%, Q1 2022 – rates up 6%, Q2 2022 – rates up 5.9%. He reviewed the Q2 Market Update comparison worksheet comparing DMI rate renewal to the greater commercial marketplace and higher education. For 7/1/2023 it is expected rates will be up in the greater commercial marketplace as it reacts to CAT losses, ELL (social inflation) conditions, cyber losses, etc. He stated the WCRB has released its rates for 2022/2023 Workers' Comp. and the rates are down 6% - Class code 8868 is down 6% and class code 9101 is down 5%. This is good news because the decreased rates will help offset other increased premium rates – especially since 45% of the premiums collected by DMI are for Workers' Comp. coverage. He reviewed baseline requirements of cyber insurers (based on 2022-23 cyber underwriting experience) and talked about the impact of the number of days to close Worker Comp. claims, timely reporting, and return to work programs, which help reduce overall claim losses and for controlling expenses. He reviewed



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the CCMSI claims report touching on the actual, reserves and total incurred expenses. S. Stoeger-Moore mentioned the total amount of funds distributed by DMI to the Colleges for the RMPA's and Foundation donations. Checks for the 2022-23 RMPA awards will be handed out during DMI's awards dinner held July 20th. This year's RMPA projects are once again focused on cyber issues; to directly address concerns expressed by the underwriters for premium issuance. DMI's Total Value Added Services were identified at \$8,078,323 not including the approved building appraisal proposed funding. J. Cotillier expressed appreciation that the RMPA projects were directed the last two years to a focused area – cyber risk mitigation. It gets murky for the Risk Managers to identify which college projects should be applied for. Further key performance indicators included S. Stoeger-Moore reviewing the DMI Consultation Feedback survey. DMI's averaged rating, by the colleges, is 1 – Extremely Satisfied. Key performances will be reviewed semiannually (January and July).

15. **President's Report - Health Benefits Update** – S. Stoeger-Moore appraised the board that Anthem made the decision to not provide medical coverage effective 7/1/22 due to a misinterpretation of DMI's incorporation state. The Board agreed to maintain the current coverage contract with Humana through the end of 2022 (when plan expires on December 31, 2022) and allow S. Stoeger-Moore to discuss with Key Benefit Concepts recommendations for other health coverage carrier options. It was suggested DMI's medical coverage plan year follow the company's benefit year and that multi-year contracts be considered. Action was suggested for the October Board meeting to discuss future medical insurance provider options.
16. **URMIA Annual Conference** - September 10 – 14, 2022 – S. Stoeger-Moore indicated he spoke about this during Item #12.
17. **Consultant Quarterly Reports (EHS, BCCR, and CS)** – to be read at Board's leisure.
18. **Code of Ethics / Conflict of Interest** – Forms were distributed and collected by S. Harrell for signatures. Forms are required by the WI Office of the Commissioner of Insurance (OCI)

*C. Kasubaski motioned to move into executive session at 12:10 pm. V. Wunderlich seconded. All were in favor. S. Harrell and E. Dawson left the meeting room.*

19. **Bonus Awards for DMI Consultant Staff \*** - Discussed during Executive Session
20. **Claims Review\*\*** - Discussed during Executive Session
21. **Adjourn** – *A motion was made by V. Wunderlich to move to open session at 12:38 pm. C. Kasubaski seconded. All were in favor. A motion was made by J. Cotillier to adjourn the meeting. S. Debe seconded. All were in favor. Meeting adjourned at 12:40 pm.*

Respectfully Submitted,

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Joshua Cotillier  
DMI Board Secretary