



BOARD OF DIRECTORS MEETING
IN-PERSON/VIRTUAL MEETING
STROHM BALLWEG –CONFERENCE ROOM
9701 BRADER WAY, MIDDLETON, WI
July 24, 2024 – 10:00 am

Present: John Will, Wade Hackbarth, Magan Perez, Kristina Aschenbrenner, Brenda Riesterer, Steven Stoeger-Moore

Guest: Erin Dawson (Strohm-Ballweg), Gary Strohm (Strohm-Ballweg), Valarie Schroeder (Strohm-Ballweg), Don Miller (Madison Scottsdale), 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 9:57am.
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, Wade Hackbarth, Kristina Aschenbrenner, Brenda Riesterer, Magan Perez were present. S. Harrell announced the meeting had quorum.
4. **Election of Officers** – S. Stoeger-Moore briefly reviewed DMI By-Laws, Section 4.2, the election of officers. He asked for nominations for the Board Chair position. W. Hackbarth nominated J. Will as Board Chair. K. Aschenbrenner seconded the nomination of J. Will. All were in favor. W. Hackbarth nominated K. Aschenbrenner as Board Treasurer, B. Riesterer second the nomination. All were in favor. W. Hackbarth nominated Magan Perez as Board Secretary, K. Aschenbrenner seconded. All were in favor.
5. **Approval of Minutes** – A motion was made by M. Perez to approve the April 18, 2024 and April 26, 2024 Board of Director meeting minutes. W. Hackbarth seconded. All were in favor.
6. **Financial Report** – V. Schroeder introduced herself and provided the Board with an overview of what services Strohm Ballweg provides for DMI. She reviewed daily, monthly and annual activities, citing activities such as handling cash disbursements, account reconciliation, cash management, statutory investment accounting, quarterly financial statements, annual regulatory filings, tax returns, host annual external audits (every 4-5 year examination), claims management to name a few. Strohm Ballweg produces the DMI college insurance policies. E. Dawson reviewed the general check register figures and provided details on larger payment amounts. She advised on expenses considered normal monthly payments and those that occur infrequently. She reviewed UnitedHeartland claims and payments, identifying four open claims with quarterly payments over \$25K. While discussing claims, S. Stoeger-Moore advised the Board that three times per year a meeting is held to review Worker Comp claims in order to manage and move forward with claim settlement. The Board was apprised of figures from DMI's Financial documents and advised on cash handling procedures, cash flow assessments and making adjustments. Conversations included the calculation of DMI's cash surplus and discretionary surplus fund use, DMI premiums, AM Best rating, increased property and workers' comp retention levels, etc. E. Dawson reviewed the 2023-24 budget figures comparing them to actual performance. She cited 2025 prepared budget figures while providing additional details. E. Dawson briefly explained a statement of Condition and Affairs of DMI is required to be filed quarterly to OCI. She will prepare the form with the newly appointed Board member positions and have the Directors sign the applicable Jurat Page at the conclusion of the meeting, for the filing. Filing is a regulatory matter that must be done by insurance companies operating in WI. A motion was made by M. Perez to approve the Financial Report. K. Aschenbrenner seconded. All in favor.
7. **Investment Report** – D. Miller introduced himself and expounded on his service to DMI. The Board was given an overview of current marketplace economics. Price and Interest rates are rising and there is pressure on the Fed to reduce interest rates. The market is predicting a ¼ basis point cut yet in 2024. Inflation has remained sticky. D. Miller talked about the Federal Reserves' outlook and concerns in dropping interest rates too quickly. He touched on the housing markets impact on inflation, consumer spending, immigration workers, slowing economic growth, and 2nd quarter stock market highlights. D. Miller reviewed DMI's Total Portfolio Summary of stock and bond holding performance. He advised in the compliance summary DMI's portfolio is compliant. A motion was made to accept the Investment Report by B. Riesterer. M. Perez seconded. All voted in favor.

8. **Funding URMIA Conference Stipend Request** – Further to the Board’s approval at the April 26th Board meeting, S. Stoeger-Moore asked consideration be given to approve funding two additional stipend awards (\$969/stipend). A total of seven applications were received for the stipend. He believes all applicants could attend either in person or virtually if two more stipends were approved. The matter was discussed. W. Hackbarth motioned to fund the additional two stipends in the amount of \$969 each for URMIA’s Annual Conference in New Orleans in September/October. M. Perez seconded the motion. All voted in favor. S. Stoeger-Moore will speak with the college applicants regarding the award.
9. **Virtual CISO Proposal** – Looking ahead for potential areas in risk mitigating services for the Colleges, S. Stoeger-Moore proposed adopting a new resource. Cyber risk continues to be an area of concern. DMI strengthened the College’s cyber security posture through focused cyber data protection and hygiene funding of the 2022, 2023, and 2024 Risk Management Project Awards. He asked the Board to consider funding the services of an outsourced CISO for the Colleges. Along with consultant, a Cyber Defense Center would be available to the Colleges. The Center would perform vulnerability scanning and pen testing at no cost to the Colleges, provide routine IT focused webinars, a newsletter, and cyber central training. The CISO will be New York based, has higher education exposure knowledge and will be college focused. The proposal was reviewed and discussed. B. Riesterer motioned to move forward with a one year contract for an outsourced CISO, effective October 1, 2024. K. Aschenbrenner seconded the motion. All voted in favor.
10. **DMI Policy Year 2024/25 Coverage Summary.** Stoeger-Moore reviewed DMI’s 2024-25 Program Structure, identifying renewed reinsurance providers, coverage layers, and premiums by line of coverage. He gave additional details in each category.
11. **President’s Goals 2024-25** J. Will wanted to review the past Board’s planning themes and president goal establishment practices. He asked the Board to start thinking about identifying Presidential goals for the year. He referred to a Board meeting facilitated by Paul Gabriel (WTCS) in October 2023, that was used to identify needs the Board wanted to accomplish and set goals for direction. The members of the last Board identified the following priority themes: further investigate DMI’s role in college contracts, ensuring college leaders throughout the system are appropriately aware of DMI and its value to the Colleges, and DMI’s role in college risk management. He expounded on each theme for a better understanding of the thought process of the previous Board. S. Stoeger-Moore suggested focusing on long term strategic goals verses daily operational goals. Conversation continued that included DMI’s Succession Plan. S. Harrell will send the Board a copy of DMI’s current Succession Plan post meeting for review/update considerations. Members are to email ideas directly to J. Will for review prior to the October Board meeting.
12. **Gallagher Stewardship Report** – Lyn Roy and Kay Hannah introduced themselves to the new Board members, identified their roles at Gallagher and roles as DMI’s Broker. K. Hannah reviewed Gallagher’s Core360 approach used to enhance DMI’s risk mitigation services to the colleges. Gallagher provides services outside of regular insurance activities include addressing coverage gaps and insurable and uninsurable losses, claims and advocacy support, reviewing new exposures, providing education and contract consultation and higher education market reports. The Gallagher teams working in the background were identified - a loss control team, higher education practice team, cyber teams, London team, Gallagher Re teams, and other resources available at *no cost* to DMI. L. Roy briefly reviewed Gallagher’s forward looking activities and goals. She offered an example of strategic review and forward thinking planning having to do with increased Midwestern catastrophic weather/convective storm losses and their effect in the insurance marketplace arena. After being identified from continued strategic analysis of losses, options were proposed by Gallagher to stay ahead of higher premium trends seen in property and casualty markets. DMI reviewed the options and made decisions that reduced higher marketplace premium predictions of 15% increase in property coverage premiums to a 3.5% premium increase. This was accomplished by raising the retention level to \$1M (currently \$500K) in the property reinsurance coverage.
13. **RMPA Update** – SSM stated the 2023/24 RMPA projects are ongoing and Colleges completed their verbal project status reports earlier this month. He reviewed the 2023/24 award analytics highlighting funding amounts, number of applications received, types of projects, etc. He advised the 2024/25 RMPA announcement has gone out. This year any risk mitigation related project will be considered. Applications are due by August 5. CVTC is the first college to turn in a project application for this year. DMI staff expects at least one statewide application to be presented on Clery, Title IX, or some other training. He thanked the Board members and said this award has distinguished DMI from other industry insurance companies who just collect premiums and don’t invest in risk mitigation.

14. **Board Member Terms of Office** – S. Stoeger-Moore briefly reviewed the terms of each of the Board members as prescribed by the DMI By Laws.
15. **Key Performance Indicators** – S. Stoeger-Moore cited current underwriting data used in the 7/1/2024 renewal (Payroll estimates, Total insured value, vehicle units, student FTE, Staff FTE) and added commentary on each. He reviewed quarterly commercial insurance marketplace rates and reviewed WCRB set class code rates for 7/1/24 renewal. He noted the Colleges have exceptional MOD factor rates again. Attendees were told one of the key performance indicators established by the previous Board, (sending evaluation surveys post meetings), resulted in an averaged “Extremely Satisfied” score. Attention turned to comparison reviews of premiums set in 2023/24 and 2024/25 and that of increased premium percentages of DMI to the general commercial marketplace and HE peers. DMI has done an exceptional job in keeping rate increases well below industry peers. E. Dawson also provided commentary on Industry Comparison slides of insurance companies (DMI, Municipal Peers, and P&C Industry).
16. **Bonus Awards for DMI Consultant Staff *** - Discussed during Executive Session – See next page.
17. **DMI 20th Anniversary and Risk Mitigation Forum** – S. Stoeger-Moore cited analytical data from the April 2024 Risk Mitigation Forum/20th Anniversary dinner/program. A video slide show was presented. S. Harrell will forward a link of the presentation to the Board members.
18. **Foundation Donation Letters** – S. Stoeger-Moore showed the Board letters received by fifteen of the sixteen Technical College Foundations regarding DMI’s \$20,000/college foundation donation for its 20th Anniversary. An additional donations was made to the Technical College System Foundation on behalf of the Risk Mitigation Forum speakers.
19. **President’s Report**
20. **Earthvisionz** - S. Stoeger-Moore advised ServiceMaster Recovery is providing DMI (and WTC’s) a newly developed high tech severe weather alert tool at no cost because of our long term partnership with them. Brooke Behr is working with the colleges to install the service application on both mobile and stationary platforms. The program will be rolled out over the next couple of weeks. Severe weather alerts can be set at the college level.
21. **Letter from Stephen Streff** – S. Stoeger-Moore introduced Stephen Streff’s (DMI’s Chief Actuary) letter in support of DMI’s decision and move to increase its property coverage retention layer to \$1M. He said there was a lot of thought and support put into and for this decision. He also provided an overview of who Streff Insurance is and its role with DMI.
22. **Claims Review**** - to be read at the Board’s leisure. A brief comment was made regarding subrogation. S. Stoeger-Moore said DMI has seen severity in loss but not in frequency in loss. He offered the observation that more and more claims are being made for compliance related issues like EEOC, ERD, Title IX, and some claims for “failure to educate.”
23. **URMIA Annual Conference** - September 29 – October 2 – S. Stoeger-Moore reviewed conference logistics and advised he will be stepping away from URMIA’s Executive Committee as “Parliamentarian” at the end of the conference. He commented URMIA’s Board has been advised DMI provides URMIA Conference Stipends to the Colleges. They are impressed. No other organization does this.
24. **Consultant Quarterly Reports (EHS, EM, and CS)** – to be read at Board’s leisure.
25. **Code of Ethics / Conflict of Interest** – Forms were distributed at the start of the meeting for signature. Forms are required by the WI Office of the Commissioner of Insurance (OCI).
 - a. *A motion was made at 2:15pm by K. Aschenbrenner to move to executive session. W. Hackbarth seconded. All were in favor. S. Harrell and G. Strohm team left the meeting.*
26. **Adjourn** – *A motion was made by K. Aschenbrenner to move out of executive session at 2:26 pm. J. Will adjourned the meeting at 2:27 pm.*

Respectfully Submitted,

Magan Perez
DMI Board Secretary