



BOARD OF DIRECTORS MEETING
HELD AT MORAIN PARK TECHNICAL COLLEGE
OCTOBER 24, 2023

Present: John Will, Joshua Cotillier, Carrie Kasubaski, Susan Debe, Valarie Wunderlich, Steven Stoeger-Moore
Guest: Don Miller (Madison Scottsdale), Gary Strohm (Strohm Ballweg), Erin Dawson (Strohm Ballweg), Valerie Schroeder (Strohm Ballweg), Paul Gabriel (Wisconsin Technical College System)
Recording Secretary: Suzette Harrell (DMI Administrative Assistant)

1. **Call to Order** – J. Will called the meeting to order at 9:18 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, Joshua Cotillier, Carrie Kasubaski, Susan Debe, and Valarie Wunderlich were present. S. Harrell announced the meeting had quorum.
4. **Approval of Meeting Minutes Special BOD Meeting and July 20, 2023 BOD Meeting** – A correction was made to Item #9 in the July 20, 2023 minutes. The correction should read, “Conversations begin next week for the 7/1/2024 renewal and discussions will ensue on other options for the continued challenging property conditions.” A motion was made by S. Debe to accept the April 24, 2023 Special Board meeting minutes and the July 20, 2023 regular Board meeting minutes. Motion second by C. Kasubaski. Vote: All in favor.
5. **Financial Report** – G. Strohm announced his retirement planned for September 2024. He introduced Valarie Schroeder, Partner CPA at Strohm Ballweg. She will be taking over as the partner representative from the firm. E. Dawson will continue to be DMI’s main contact and V. Schroeder will be a 2nd set of eyes. E. Dawson reviewed the check registers and quarterly financial statements. Larger reinsurance installments, annual contract payments, CCMSI and United Heartland Worker Comp claim payments were advised w/detail. E. Dawson and Board members examined the DMI Balance Sheet and Income Statements, with comparisons shown between current year-to-date and previous year-to-date figures. C. Kasubaski motioned to accept the financial report as presented by E. Dawson. S. Debe seconded. Vote: All in favor.

After the vote, S. Stoeger-Moore asked that a Board member address the joint meeting of Risk Managers on the significant distribution of \$1.642M in capital returned and the background for it. Details regarding the capital return calculation and reasoning for it were discussed by the Board members during their April 2023 Board meeting. J. Cotillier volunteered to speak. The distribution of capital is being done in honor of DMI’s 20 years of operation. S. Stoeger-Moore reminded the Board \$799,653 was also being distributed during the October 25th college Risk Managers meeting for the 2023-24 Risk Management Project Awards program. A brief discussion continued regarding the facts and folklore of DMI’s history.

6. **Investment Report** – D. Miller advised Madison Investments Holdings founder, Frank Burgess, is leaving the firm and the employees are purchasing his ownership shares. No other planned changes were advised. D. Miller provided an overview of current market conditions and outlook. He reviewed current strategies for DMI’s investment portfolio. DMI is well capitalized and recent disbursement decisions have not adversely affected it. He identified key performance figures in both bond and equity holdings within the portfolio. Stocks are up this year with seven AI technology stocks making up 28% of the S&P. The volatility in the stock markets is anticipated to continue until more is known about how the conflict in the Middle East will affect the US Treasury. He spoke about the portfolio’s asset diversification, book yields, current and future bond durations, capital to equity ratio, unrealized gains/losses, etc. He advised

DMI's portfolio is in compliance with the Investment Policy. A motion was made to accept the investment report by J. Cotillier. V. Wunderlich seconded. Vote: All in favor.

Strategic Planning Discussion – P. Gabriel facilitated a brief strategic planning update and “refresh” session with the Board of Directors. The Board reviewed its 2021 strategic planning priority topics and assessed progress to date. An update on those topics follows below. The board also briefly discussed updates on DMI services and current and emerging issues for the constituent technical colleges relative to risk management and insurance. The Board identified three priority topics.

2023-2024 Priority Topics - Board members by consensus agreed upon the following updated topics of priority. For each topic, Board Chair J. Will and President S. Stoeger-Moore, with assistance from P. Gabriel, will prepare a more detailed description and next steps for the Board's consideration.

- **DMI's Role in College Contracts** – Assess DMI's optimal role with the colleges concerning college contracts. Implement that role by engaging with colleges to improve risk management, negotiation of risk and compliance in college contracts.
- **Ensuring College Leaders are Appropriately Aware of DMI and its Value** – Build a stronger positive presence and understanding of DMI among the rapidly changing ranks of college leadership. Identify appropriate college staff and DMI resources and programming to reinforce:
 - What DMI is, its history and why it is important.
 - DMI's business model and regulatory framework.
 - DMI capitalization, premium setting and funds distribution to colleges.
 - DMI's positive benchmarks relative to the industry and other insurance options.
- **DMI's role in College Risk Management** – Explore opportunities and take appropriate steps to promote risk management at the colleges, ranging from making existing DMI resources better known and used to steps toward colleges embracing ERM, enterprise risk management.
 - How do colleges build and embrace a culture of risk management.
 - Understanding and rapidly responding to the changing environment of risk.
 - Assessing and mitigating increasing and evolving cyber risk.
 - Incorporating risk assessment across systems, for example, factoring risk mitigation in facilities planning.

2021 Strategic Planning Topics Update: Accomplished and Remaining Follow-up:

The Board also assessed progress on 2021 Planning Topics:

DMI Distribution of Funds to Colleges

- Accomplished: Created a DMI framework/policy for distribution of funds to colleges. DMI Funds Distribution.
- Follow-up: Produce and share with colleges appropriate information/materials concerning the DMI distribution framework/policy for funds to colleges.

Dashboard of DMI Performance Indicators

- Accomplished: Created a dashboard/summary demonstrating DMI's key performance indicators (KPI).
- Follow-up: Board and staff to review measures and outcomes over time.

Succession and Continuity Planning

- Accomplished: Created DMI succession/continuity plans for each DMI position.
- Follow-up: Board will review and endorse plans in January, 2024 meeting.

DMI Role in College Contracts -- Addressed in 2023-24 Topics, above.

7. **Stewardship Report** – S. Stoeger-Moore advised the Stewardship Report will be presented virtually during DMI's January 2024 Board of Directors meeting.
8. **Commercial Insurance Marketplace Conditions** – S. Stoeger-Moore reviewed and presented current condition challenges and expanded on the impact to DMI. Property coverage has been identified as the most challenging area of coverage for the 2024-25 policy year. Restricted coverage (lower limits, lower sub-limits, greater premiums) are the current market conditions. The cyber market offers more

favorable coverage options due to increased competition. The WCRB Worker's Comp rates continue to decline. Auto costs are going up in part due to expensive components, labor costs, and social inflation. Increases are anticipated in this area. For college budgeting purposes, they may want to increase budgets to account for the known challenges and fluctuations. Property (+10 to +20%), Cyber (+2 to +10%), Terrorism (+15%), Auto (+10%), General Liability (+3 to +5%) and Worker's Comp. (-5% to +2%) which is also dependent upon the college's payroll and Mod factor. It is anticipated Q4's market projection will be moderate, with around a 3% increase in rates. Slightly down from Q3 2023's figure.

9. **Key Benefit Concepts** - Health Insurance Coverage 2024 – Pursuant to the July 20, 2023 meeting, S. Stoeger-Moore provided the Board with an update and proposals for employee medical coverage. As previously advised Humana, DMI's current medical insurance carrier, is leaving the small employer marketplace and other options for medical coverage are being considered. Additionally, Key Benefit Concepts admitted their expertise is not in small group insurance coverage and are also advising a change in broker services. Linda Mont (Senior Benefit Consultant, Key Benefit Concepts) recognized DMI needed something more and sought out the services of R&R Insurance Services, a regional carrier for small employers. S. Stoeger-Moore reviewed with the Board his decision to secure R&R Insurance Services and their cost structure. He then provided meeting attendees with a proposal from R&R Insurance that compared 4 medical coverage options (premium costs, limits, sub-limits, etc.) to the current Humana plan for the Board's consideration and approval. S. Harrell will schedule a virtual Board meeting within the next two weeks, so action may be taken by the Board. R&R Insurance Services requested employee data and documents be returned in early November for securing medical coverage for 2024.
10. **15 Passenger Van Exposure** – DMI excludes 15 passenger van coverage. Based on continued conversation requests, S. Stoeger-Moore spoke to DMI's reinsurance partner GenRe, who advised they would provide the coverage sought, especially with the advised proposed "caveat" procedures the Colleges would follow for securing the coverage. These caveats include: 15 passenger van operation training, obtaining a Class C CDL license with Passenger (P) endorsement, must be 25 years of age, agree to sign a driver agreement of safety form, etc. Conversely, DMI recommends the use of 15 Passenger Buses for safety, by the colleges. Cost of a 15 passenger bus is very comparable to the cost of a 15 passenger van. After much discussion, it was decided that if a college desired to move forward with adding 15 passenger van coverage, S. Stoeger-Moore would facilitate the establishment of rates for the endorsement.
11. **Presidents Goals 2023-24*** - *Discussed During Executive Session*
12. **2023-24 RMPA Project Funding Update** – S. Stoeger-Moore briefly reviewed the Colleges Risk Management Project Award projects and advised checks would be handed out college risk management representatives during the October 25th joint meeting of Risk Managers.
13. **President Report - Key Performance Indicators** – S. Stoeger-Moore presented, "Performance" indicators measuring DMI's effectiveness in guiding and serving the Wisconsin Technical Colleges. He reviewed underwriting data collected for the 07/01/2023-24 renewal (college payroll figures, total incurred property value, vehicles, and student FTE's), briefly commented on conditions of the commercial insurance marketplace, reported on the college's surveyed satisfaction of DMI's consulting staff and services (Average rating - 1 = Extremely Satisfied), compared DMI's premium split from 2022-23 to 2023-24, expounded on DMI 2023 set premiums compared against the general commercial insurance marketplace, and the higher education insurance marketplace, outlined claim handling metrics for worker's comp and casualty liability claims, and briefly looked at peer to peer metric comparisons. Overall DMI continues to perform above the greater commercial and higher education insurance industries.

A motion was made by J. Cotillier to move to Closed/Executive Session at 1:28 pm to discuss agenda items #11, and #15. S. Debe seconded. All in Favor. Non-Board members left the room.

14. URMIA Annual Conference, Recap – Baltimore, MD – September 9-13, 2023 – to be reviewed at members leisure.

15. High Value Claims Review - ***Discussed During Executive Session***

16. DMI Consultant Quarterly Reports – to be read at members leisure.

A motion was made by C. Kasubaski to return to Open Session at 1:47 pm. V. Wunderlich seconded. All in favor. Motion carried.

17. **Adjourn** – J. Cotillier motioned to adjourn the meeting. C. Kasubaski seconded. All in Favor. Meeting adjourned at 1:50 pm.

Respectfully Submitted,

Joshua Cotillier
DMI Board Secretary