



**DISTRICTS MUTUAL INSURANCE & RISK MANAGEMENT SERVICES**  
**BOARD OF DIRECTORS MEETING**  
HILTON GARDEN INN WEST MADISON/MIDDLETON – MIDDLETON, WI  
October 20, 2022 – 10:00 am

Present: John Will, Carrie Kasubaski, Sue Debe, Valarie Wunderlich, Joshua Cotillier, Steven Stoeger-Moore  
Guest: Erin Dawson (Strohm-Ballweg), Gary Strohm (Strohm Ballweg)  
Recording Secretary: Suzette Harrell (DMI Administrative Assistant)

1. **Call to Order** – J. Will called the meeting to order at 10:00 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. **Approval of Minutes** – E. Dawson advised the Value Added Services figure noted in Item 14 on page 6 of the minutes needed correcting. The figure should be \$8,078,323. No other corrections were advised. J. Cotillier motioned to approve the minutes with the correction to the Value Added Services made. C. Kasubaski seconded. All were in favor.
5. **Financial Report** – E. Dawson reviewed check register figures and expounded on detail of larger payment expenses. A brief discussion regarding how DMI's RMPA cyber project funding impacted the overall underwriting and premiums for 07/01/2022-23 cyber coverage ensued. E. Dawson reviewed CCMSI claims paid and the timing of payments. She advised on United Heartland claims. Workers' Comp. claim payments were down overall for the year. S. Stoeger-Moore shared reasoning provided by United Heartland with the Board. Next E. Dawson reviewed figures from DMI's Financial documents (Balance Sheet and Income Statement) and reported briefly on cash and investments, admitted assets, liabilities, policyholder surplus, net income, and more for the quarter. The benefits of obtaining an AM Best rating was questioned. S. Stoeger-Moore stated obtaining an AM Best rating is very expensive and there is not enough benefit from having the rating to justify the cost. When asked for DMI's AM Best rating by reinsurance underwriters, S. Stoeger-Moore advises them to review DMI's audited financials. The financials have more details and says more than the AM Best Rating would provide. Discussions turned to DMI's/the WI Technical Colleges Mod factors which are currently all under 1. A Mod factor ratio under 1 puts DMI and the Technical Colleges in a very favorable position with the reinsurance underwriters. Good loss control, good claims management, and timely claims reporting by the College has contributed to the favorable low Mod factor figure. The capital adequacy calculation provided by E. Dawson was requested by J. Will to be updated and reported during all future quarterly DMI Board of Directors meetings to aid identification of available surplus capital that could be used to mitigate future market conditions, options, training at campuses, second RMPA funding for local initiatives related college risk mitigating projects, etc. J. Will asked S. Stoeger-Moore to provide a summary of options. This item will be part of the January 2023 Board meeting agenda. The other Board members were encouraged to provide input to S. Stoeger-Moore on use of funds for the summary as well. V. Wunderlich motioned to accept the financial report as presented by E. Dawson. S. Debe seconded. All were in favor.
6. **Investment Report** – D. Miller provided the Board with an overview of the current market outlook. He said everything is about inflation and the actions the Fed is taking to combat the situation and not wanting to go into a recession. Current inflation levels haven't been seen like this since the 1980's. He reviewed the impact of inflation on the bond, housing, and stock markets. D. Miller reviewed DMI's investment portfolio. He indicated the portfolio is down 3% overall for the quarter. He has not taken a lot of bond duration, credit or liquidity risks. However as DMI's bonds mature, he is planning to get a little more aggressive in purchasing new bonds because interest rates are going up. He advised members the DMI Investment compliancy report shows DMI's investments are in compliancy. A motion was made to accept the investment report by C. Kasubaski. J. Cotillier seconded. All voted in favor.
7. **Presidents Goals 2022-23** – It was felt S. Stoeger-Moore was already working on the established goals set by the Board during the Strategic planning meeting. J. Will and S. Stoeger-Moore will have a separate discussion during normal monthly conversations. If it is decided this topic needs to be brought back to the Board members it will be added to the January 2023 Board of Directors meeting agenda.

8. **Claims Resolution Proposal** – *Discussed during Executive Session - Motion made by J. Cotillier to support a claim settlement option. C. Kasubaski seconded the motion. Vote: 4 in Favor, 1 Not in Favor. Motion carried.*
9. **Commercial Insurance Marketplace Conditions.** – S. Stoeger-Moore advised members the general commercial insurance marketplace saw a moderate increase for the 19<sup>th</sup> quarter in a row. Cyber coverage continues to be the most volatile and is expected to be a challenge in 2023. Working with DMI's cyber reinsurance partner, DMI has provided the colleges with a list of 12 mitigating guideline/criteria the underwriters will be focusing on for the 07/01/2023-24 renewal. He commented the Colleges are in a good position to respond to the guidelines and that the underwriters have recognized the colleges efforts expended in cyber security and data protection. He advised the property market is also going to be difficult and challenging again this year. Hurricane Ian's \$70B total losses (insured losses – \$40B) may not have an impact on DMI's reinsurance carrier, but it will for the regional insurance carriers in Florida and the Florida system. Liability lines look stable – expect roughly 5% increase. Worker Comp will decrease by about 6%. Equipment Breakdown will follow property values and is up 3 – 5%, Terrorism and Sabotage is stable – much of exposure base is from FTEs (which are down). Casualty is expected to go up about 5%. S. Stoeger-Moore reviewed DMI's funded property appraisals. Field work was completed in September on 215 buildings. Reports are being created and will be e-mailed to the Colleges. A report will be provided to Gallagher, who will input the updated values into the RiskPartner system. It is expected the property values will increase by roughly 15% due to increase in materials and labor in the Midwest region which is the basis of comparison. The increase in property values will increase the Colleges total insured values and could increase the premiums (dependent upon rate).
10. **January 2023 Virtual Quarterly Meetings** – DMI will adopt a format of 2 virtual BOD quarterly meetings and 2 in person BOD meetings during the year. January and July have been identified for virtual meetings and April and October identified as in person meetings. .
11. **Key Benefit Concepts DMI Compensation Study** – *Discussed during Executive Session*
12. **DMI Health Insurance Coverage** – S. Stoeger-Moore presented Board members with a breakdown outlining competitive health insurance premiums between Anthem and Humana. After review, a recommendations was made to maintain Humana as DMI's carrier. In part, the recommendation was made so employees didn't have to start over with their deductible due to a mid-term change.
13. **DMI Website Rebuild** – S. Harrell advised Board members the transition from DMI's old website platform to the new platform has been completed. All features (such as the community forum) were functional and operational. Website maintenance training/posting resources has been provided to S. Harrell by the contractor, with the understanding should additional help be needed, it could be sought.
14. **2022/23 Holiday Office Hours** – S. Stoeger-Moore advised DMI will have coverage throughout the upcoming holiday season.
15. **Innovation in Progress Report (IIPR) Distribution** – IIPR (a biennial publication) were given to Board members prior to the start of the meeting. Additional IIPRs were provided to the College Risk Managers for distribution to the respective College Executive Leadership teams and Boards of Directors. This year's IIPR was designed by a college student and printed by the Waukesha County Technical College printing department.
16. **OCI Examination Status** – E. Dawson advised this year's OCI Examination is complete and that there were no issues found in the financial figures or reporting. The only issues identified were a.) no signed Biographical Form A on file for John Van De Loo and b.) no signed Code of Ethics Policy or Conflict of Interest Policy on file for S. Stoeger-Moore. The latter was advised during the previous audit not to be done.
17. **Building Appraisals** – Formal building appraisals used for underwriting purposes were 7 – 8 years old and out of date. Updates were needed to identify the position of the colleges and allow DMI to negotiate more favorable rates with reinsurance partners for 2023-24 underwriting activities more fully. See Item 9 for additional commentary on appraisals.
18. **President's Report - Health Benefits Update** – S. Stoeger-Moore announced Joe DesPlaines will be retiring June 30, 2023 from DMI as its Business Continuity and Crisis Response Consultant. Succession planning has been discussed. Finding a replacement will follow the steps taken to find a replacement for Tim McNulty. WCTC's Human Resource Department will be asked to handle the HR part of the hiring. It is expected a replacement will be identified in less than 3 months, thus allowing the replacement a cross over oppotuning with Joe DesPlaines.



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19. **URMIA Annual Conference** – Was attended in person by Kay Hannah and Lyn Roy at Gallagher, and Michele Adams (Moraine Park Technical College) and attended virtually by Susan Debe (Gateway Technical College) and Brenda Riesterer (Lakeshore Technical College). Experience was positive for the technical Colleges attendees, but too fundamental by the Gallagher attendees. It was also observed that there needs to be more presentations by college representatives verses affiliate members. S. Debe commented that last year's presentations were better than this years and that there were a lot of mental health topics discussed this year.
20. **Consultant Quarterly Reports (EHS, BCCR, and CS)** – to be read at Board's leisure.

*S. Debe motioned to move into executive session at 1:46 pm. V. Wunderlich seconded. All were in favor. S. Harrell called roll. Present: John Will, Susan Debe, Valerie Wunderlich, Carrie Kasubaski and Joshua Cotillier. E. Dawson, G. Storhm left the meeting room.*

21. **High Value Claims Review\*\*** - *Discussed during Executive Session*

*A motion was made by C. Kasubaski to move to open session at 2:45 pm. V. Wunderlich seconded. All were in favor.*

22. **Adjourn** – A motion was made by C. Kasubaski to adjourn the meeting. S. Debe seconded. All were in favor. Meeting adjourned at 2:46 pm.

Respectfully Submitted,

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Joshua Cotillier  
DMI Board Secretary