

**Districts Mutual Insurance – Risk Managers Meeting**  
**July 28, 2016 - 9:00 am**



Present: Jill McEwen (FVTC); Lance Klukas (CVTC); Sue Debe, Tom Cousino (GTC); Cindy Dross (LTC); Joshua Cotillier, Doug Gerbitz (Madison); Dick Bartosh (MSTC); Virginia Hartt (MATC); Carrie Kasubaski (MPTC); John VandeLoo, Jason Goeldner (NATC); Roxanne Lutgen (NTC); Bob Mathews, Dawn Van Buren (NWTC); Caleb White (SWTC); Bruce Neumann(WCTC); Amy Schmidt (WTC); Cher Vink (WITC); Joe DesPlaines, Tim Greene, Tim McNulty, Steven Stoeger-Moore (DMI)

Guests: Anne Romaine (United Heartland); Andrew Seats, Linda Joski, Therese O'Brien, Kay Hannah, Allison Magoc, Peter Jewell (AJ Gallagher)

Recording Secretary: Suzette Harrell (DMI Administrative Assistant)

1. **Introductions** – Steve welcomed everyone and asked that each person introduce themselves.

2. **DMI Service Plan Review**

- a. *Workers Comp Loss Prevention (Anne Romaine, UH)* – Ms. Romaine reviewed the service plan with the members present. She advised if help was needed to access UH services, the Member should contact her. She reminded the Risk Managers to coordinate the UH Loss Control Representative visit with their individual college, prior to the visit. UH offers environmental testing services and will be sending out a questionnaire to gather and evaluate exposures experienced by the individual colleges. Colleges will pay (greatly discounted rates) for testing performed by outside Laboratory. Ann asked if there were roundtable issues/concerns that could be addressed and brought back to the group for discussion at the next meeting. Dick Bartosh asked “When do you say enough planning for hearing conservation?”

Steve Stoeger-Moore discussed loss ratios. Current colleges (overall) loss ratio is 25.8%. This is an excellent ratio compared to those of similar institutions. UH has programs that continue to aid the Colleges in keeping the loss ratio low. Steve suggested the Risk Managers use United Heartland to help with job evaluations and he cited 54% of all premiums collected go to workers compensation coverage. Steve told the College representatives that more effort is needed in the area of *Return to Work Programs* and that the United Heartland representative is an expert in this area and should be contacted to provide valuable needed assistance.

- b. *TOGA Services – (Tim Greene)* – Tim asked for participation in efforts regarding new issues, services and programs. He mentioned services such as OSHA Training and TOGA. Tim outlined the TOGA program and the willingness of Hartford Steam Boiler to assess individual colleges with oil filled transformers. This service is provided at No Cost to the Colleges. Steve further commented on the necessity of proactivity by citing the details of a past event in which a transformer at one of the Technical Colleges failed to perform. It was a costly matter both in money and lost operation time. Having a program in place which identifies potential occurrence before they happen, is a major benefit to the Technical College’s with oil transformers
- c. *Campus Security Assessment (Tim McNulty)* – Tim has been visiting Wisconsin Technical Colleges to analyze their Campus Security Programs. The largest concern he is hearing about is whether staff can carry tasers or side arms. The second largest concern is submission of the annual Clery Report. Tim told Members that a lot of information has been added to DMI’s website regarding the required filing of the Clery Report. He advised Risk Managers to check it out – especially since the 2016 edition of the DOE “Handbook for Campus Security and Security Reporting” has been posted. Tim outlined what the Colleges could expect from DOE

and the reporting process. He stressed the final report is required to be published by October 1, 2016. Tim advised this year's reporting is more extensive than in the past and that college staff needs to stay on top of this matter. Tim advised his 2016/2017 Campus Security assessments schedule to WITC, SWTC, MATC, NTC, NATC, MSTC.

- d. *Fire Protection Surveys* – Greg Borens could not make it to the meeting. Linda Joski (AJG) discussed site plans, mechanical room access, fire protection, and provided report for analysis. Five colleges will be inspected by Greg Borens this year. They are Madison, FVTC, GTC, WCTC, and WTC. Risk Managers will be contacted for scheduling. Steve discussed sprinklers and their viability in technical college buildings. Installation of sprinklers will be a common recommendation and we know that it is unlikely (too costly) that sprinklers will be installed in existing campus buildings. He advise the colleges to review current codes and review sprinkler efficiencies/installation for new construction and remodeling projects.
- e. *Plan Review and TTX* – Joe advised the college's that the Business Continuity Plans need to be user friendly and practical. Current trend concerns fall on dependency upon Information Technology (IT); especially in regard to recovery time for down computers/servers or unobtainable information. Joe will be visiting the following Technical Colleges in FY 2017: FVTC (April 2017), LTC, WTC, NWTC, SWTC, CVTC, and Madison. Joe stated progress is being made, but the future may see BCP in the College system as a requirement.

3. **FY 17 Policies** – Policy issuance, enhancements and claims assistance were brought up. Steve reminded everyone claims need to be reported in a timely fashion. All policies are occurrence based, except for Cyber Liability and Educators Legal Liability claims, which are "claims made and reported". These claims must be reported within the policy year the event occurred. Steve advised attendees to report claims and potential claims immediately – at minimum, claims should be reported as an "incident only" and updated later should a full claim/investigation be required. It was stated that other insurance companies provide a loss sensitivity factor in determining premiums and rates. For DMI for claims, other than Workers Comp, do not affect annual rates.

Steve outlined policy changes; such as commenting that there was no real change in Equipment Breakdown premiums or coverage, and that the Property Policy provides the colleges with full replacement of like, kind and quality. New to the Property Policy for FY 16/17, is a \$500M Limit per Occurrence; \$300M Business & Extra Expense; and \$25M for Property in the Course of Construction. The Casualty Policy now includes Drone coverage for curriculum instructional use by a student. Coverage for instructor's activity is limited to drone operation while regaining control from a student operator in the event the drone is out of control. Steve expounded on practices, risks, instructor pilot licenses, and coverage's available. The Campus Violence Acts policy is a first party recovery plan. There have been no changes to the policy for FY 16/17. Workers Comp – no change in coverage. It was noted that under classification 8868 – the rates (which have already been set) will remain flat for next year. For Classification 9101 some changes may be seen in this rate category; but for the most part should remain relatively flat. The Risk Managers were reminded that in April 2016 the DMI Board of Directors approved measures that would hold rates for the current year. If interested, members can check out the "DMI Rate History" found on DMI's website.

4. **Cyber Liability and Beazley Breach Response Team (Jeremy Gillespie)** – One of the hottest topics in risk management currently falls to Cyber issues and breaches. Mr. Gillespie outlined the College's current Cyber Policy Program Structure. \$1M – Aggregate Limit, with 1M Notified Individuals and \$1M for Breach Response. Additional Retention coverage \$25,000 – Per Claim, 100 Notified Individuals and \$10,000 Breach Response. He then explained the criteria used to determine and define the Cyber Policy; which is based upon statistical data evaluated in a Cyber Calculation. The colleges were advised a breach averages 6 – 8 months from the time of the initial hack to when it is actually detected. The average cost for a data breach runs around \$3M-\$8M. Based on this figure and current practices, he advised the Colleges to consider raising the limits on their Cyber liability policies for next year. Mr. Gillespie will provide Steven Stoeger-Moore with premium quotes to give to the colleges for coverage in the \$3M and \$5M limit ranges. Steve will forward to Colleges. Due to the fact that 30% of data breaches occur through a

vendor, Mr. Gillespie recommended the Colleges do a contract review. He offered a Cyber Insurance and Indemnification Agreement that AJG prepared specifically to address Cyber issues. He also advised the Colleges to contact the Beazley immediately when a breach is known. Beazley Response Team will guide the Colleges through the incident process and provide vetted resources.

Steve next discussed the Net Diligence Phish Fight program and invited Risk Managers and College Information Technologists to participate in an August 4<sup>th</sup> webinar showcasing the unique features of the eRiskHub platform. This totally free “to the 16 WI Technical Colleges” program provides resources, training and information to protect the colleges from cyber threats/incidents and to minimize damage from an attack. Steve mentioned one of the top causes of data breach is found through phishing emails.

5. [URMIA National Conference](#), San Diego, CA – September 17-21, 2016 – DMI has offered to send a Board of Director Member to this years’ conference. He is waiting to hear back on BOD Member availability. Should it become clear that a BOD Member is unable to attend, DMI will offer to send (1) one Risk Manager to the URMIA Conference. An email will be sent advising Risk Managers of the opportunity and a request for a (1) one page proposal telling why the applicant should go to the conference, will be requested. DMI staff will review and advise the winner accordingly. DMI will cover the cost for travel, hotel and registration.
6. **DMI Consultant Reports.**
  - a. Joe Des Plaines – Outlined his objectives for the coming year. He will be focusing on the following topic issues: Cyber Attacks, Active Threat/Acts of Violence, and Severe Weather. He will present valuable information, material and resources in presentation form in conjunction with the monthly “The Incident Report” newsletter.
  - b. Tim McNulty – Discussed the DMI BOD approval of the ALICE Training – Train the Trainer Program funding. He indicated 3 people from each Technical College would be sent for training at “No Cost” to the College. He recommended both students and staff be sent and indicated training would start in January of 2017. Several Risk Managers indicated how wonderful a program this was and were excited to have the opportunity to send more staff.
7. **Board of Directors Report** – Roxanne Lutgen – reported (on behalf of the absent BOD Chair) the previous day BOD Meeting events, topics and results. She advised on the election of the DMI BOD Members, the FY 17 Premiums and Policies, the Alice Training Program and commented to everyone her appreciation to DMI for all that is provided. She reminded the Risk Managers of the additional expenditures and need for additional people (employees) to replicate the programs and information provided by DMI. She flatly stated they would have to multiple these associated costs 16 times (for each Technical College) to compare with the services DMI provides at low or no cost to them now.
8. **Claims Review** - Claims are monitored by DMI President regularly; and (3) three times per year, reviewed by a panel consisting of a United Heartland adjuster, Linda Joski (AJG), Tim Greene (DMI), Steven Stoeger-Moore (DMI), and a consultant. As claims are evaluated, the panel also reviews reserves and sets new reserves based on worse case claims scenarios. Because of DMI’s participation in Unit Staff Card Filing (every 6 months with WCRB); more favorable rate calculation results have been realized.
9. **Risk Management Project Award** – As stated in past meetings, \$500,000 has been earmarked for this year’s award(s). Attendees were advised RMPA’s focus will be on innovation and creativity in risk management for problem claim areas (like slips, trips and falls) and the focus areas of Cyber Attacks, Active Threat/Acts of Violence, and Severe Weather. Joe Des Plaines indicated the funds were not to be used to fill budget shortfalls. The awarded colleges will be required to submit quarterly reports (3 – 4 sentences long – with pictures if possible) on the progress of the awarded project. Applications are available now on the DMI Website and the deadline for submission is August 26<sup>th</sup>. Awarded funds will be distributed at the October Quarterly Meetings. The Risk Managers were reminded that no other company gives money back to the Colleges to fix problem areas.

10. **Round Table Talk** –

- a. **Jump Houses** – Steve advised the contracts provided by Jump house vendors are one sided (in favor of the vendor); have very minimal insurance coverage; and do not outline clearly (or even have) responsible parties to set up and operate the jump houses. He warned the colleges that stronger indemnification language is needed (in favor of the colleges) and that they need to take a closer look at their current contract language. If an employee is injured while operating the jump house, the claim will fall under Workers Comp. Risk Managers were advised to review Steven Stoeger Moore’s Technical Assistance Contract memo, dated May 25<sup>th</sup>, for guidance on appropriate contract language. He also advised them to get Acknowledgements of Risk to protect College staff, students and participants.
- b. **Shooting Ranges and Lead Exposure** – Lead is excluded from Liability Coverage. Some Colleges are adding ranges, leaving ranges, or remodeling range areas. Steve advised the Members to be aware that they may incur huge expenses for cleanup of lead in dirt. Tim Greene talked about the handling and exposure of lead. He mentioned that outdoor range exposure may make the property useless. He recommended talking to DNR staff and having environmental studies done to advice on environmental exposure possibilities and/or risk (especially to water areas – streams, ponds, watersheds.) Kay Hannah (AJG) mentioned shooting ranges used by outside public (which create a revenue stream) are not covered by DMI policies.
- c. **Boiler Inspection** – Dick Bartosh (MSTC) asked if DMI could provide fume hood inspections annually. While Hartford Steam Boiler does not offer this assistance, Steve will see if there is another party that could provide the service to the 16 Technical Colleges. He will advise.
- d. **International Travel** – Peter Jewell (AJG Intern) asked about DMI’s International Travel Policy. He was advised that DMI does not offer direct coverage, but that the Colleges are receiving coverage through AJG and ACE; or the Colleges are purchasing insurance through CISI.
- e. **AJG Consortium** - Joe Des Plaines talked about this year’s Community College Risk Management Consortium held July 21-22, 2016. He expounded on the programs value and benefits in resources. He said (7) seven Wisconsin Technical College members attended and a lot was learned. Joe’s take away was “The cost for remediation far exceeds the cost of prevention”. Great program each year and DMI encourages all the Risk Managers to attend.
- f. Joshua Cotillier (Madison Area Tech College) asked about United Educators (A risk retention group for higher education.) He was advised they are a competitor of DMI.
- g. **Minors on Campus** – Steve to send both Joshua Cotillier and Amy Schmidt information.
- h. **Comfort Animals** – Bruce Neumann (WCTC) had questions regarding comfort animals on campus. Linda Joski reported they just did a presentation at the AJG Community College Risk Management Consortium and that she would pass the presentation to Suzette Harrell for distribution to the Risk Managers.
- i. **MVR Request Form – FCRA – Updates** - Suzette Harrell answered questions regarding the Colleges need to obtain “annually signed” documents. Legal counsel advised Suzette earlier in the day, for which she responded directly to the Members with. All were advised a tweak was made to two of the forms and that they would be emailed and posted on DMI’s website the following week.
- j. **Future Meeting** – Tim Greene indicated the Radisson West conference rooms were not available for DMI’s October quarterly meetings. He will look for other accommodations and advise accordingly. Watch the TIR and emails for updates.

11. **Adjourn** – Meeting adjourned 2:19 pm

Respectfully Submitted

Suzette Harrell – DMI Administrative Assistant