

Districts Mutual Insurance & Risk Management Services
Risk Managers Meeting
April 19, 2017 - 1:00 pm



Present: Willie Henning (CVTC); Jill McEwen (FVTC); Sue Debe (GTC); Joshua Cotillier (Madison); Doug Gerbitz (Madison); Imad Mouchayleh (Madison); Kelly Cech (MATC – Milwaukee); Virginia Hartt (MATC – Milwaukee); Carrie Kasubaski (MPTC); John Van de Loo (NATC); Mathew Schur (NATC); Judy Heikkinen (NATC); Caleb White (SWTC); Bruce Neumann (WCTC); Dave Brown (WCTC); Amy Schmidt (WTC); Cher Vink (WITC); Joe DesPlaines and Steven Stoeger-Moore (DMI)

Guests: Linda Joski, Kay Hannah (Arthur J Gallagher)

Recording Secretary: Suzette Harrell (DMI Administrative Assistant)

1. **Welcome/Introductions** – Meeting started at 1:07 pm. Steven Stoeger-Moore welcomed everyone to DMI’s 1st Risk Mitigation Forum. He outlined the 3-day program, discussed meals, sessions, and presenters. Going around the room, each person introduced themselves.
2. **Renewal Terms and Conditions 17-18.** Mr. Stoeger Moore stated “July 1, 2017 marks the 14th year of operation for DMI. Renewal policies will be issued 07/01/2017. No paper policies. Policies will be posted on the DMI website as of July 1st. Steven advised there may be a 7th policy this year, but he could not give more specifics or the rates until the Board has the chance to take action. Premium estimate quotations will be emailed to each College shortly. Invoicing to occur mid June. Steven provided an objective overview of 2017/2018 premium rates.
 - a. Workers Compensation accounts for 59% of all premiums collected. WC rates are set by the Workers Compensation Rating Bureau (WCRB) and are based on business classifications (for the Colleges classification codes 8868 - College Professional and 9101- All Other). WCRB is holding rates for class 8868. Since 8868 accounts for 94% of the WC premiums’ rate, the members can expect premium rates to be flat; as long as mod factors have not been adjusted. Class 9101 is up only 4%. Since it is such a small portion of the WC premium, the Colleges should not see any significant changes.
 - b. Equipment Breakdown policy – building values are up about 1.6% this year. Due in part to new construction within the Technical Colleges and the nature of the market place (labor and materials are based on areas – in this case, the building values are compared to the Midwest Building figures).
 - c. Casualty Program – (General Liability, Professional Liability, and Fiduciary Liability) based on state office supplied Technical College student and staff FTE figures, FTE’s are down 5% this year. If the Casualty rate is held, the Colleges should see a decrease in premiums.
 - d. Property Policy – Property values are up about 1.6%. Based on Board action, the property policy rates could be flat for invoicing.
 - e. Cyber Liability - Rates are tied to FTE students (which are down 5%), operating budgets, and other FTE data. Rates are likely to remain flat. It is felt the Colleges could see a 5% decrease in their quotation, given the exposure base decrease. Everyone has this coverage - \$1M Coverage limit & 1M Notified Individuals. Additional limit coverage (\$3M and/or \$5M) quotes are available and can be provided to the Members upon request. Discussions regarding cyber loss continued. Members were advised the #1 cyber loss occurs because of employee error. Net Diligence, who is auditing/assessing cyber risk for each Wis. Technical College (as part of Risk Management Project Award) will provide each College with their own propriety report, as well as, provide DMI with a global overview of their findings (not College specific). Steven indicated Net Diligence will provide him with a cyber risk trend report, for which he will share with the risk managers at the July 2017 Quarterly Meeting.
 - f. Campus Violence Acts – Is a first party coverage policy. First party coverage is based on FTE of students. With the decrease in FTE students, if the rate is held, the Colleges could expect decreases in their premiums.
 - g. Steven stated all policies are occurrence based, except Cyber Liability and Educator’s Liability (which are claims made and reported). When filing a “claims made and reported”, the Members have to remember timing is critical. Claims must be reported within the policy year the loss occurred. Occurrence based claims go back to the date the loss occurred.

- 3. Clery Annual Security Report Audit Update** – Tim McNulty and Tom Cousino (GTC) shared their recent experience during a GTC Clery Compliance Audit. The audit was completed by Stanford & Associates, as part of GTC’s “DMI Project Award” program. The audit was extremely surprising and eye opening. GTC prepared 2 months for the audit; which actually took 27 hours (in 3 days) to complete. The results were that GTC has a lot of work to do to meet the Clery Act requirements. There are 109 policies/statements that have to be addressed in the Colleges’ Annual Security Report (if dorms on site -114 policy /statements). Tom realized during the audit how much this activity involved other College campus members/administrators – not just the security department. Stafford was phenomenal to work with and they put together a report analyzing GTC’s last security report for big ticket items that need to be addressed. An agreement was also entered into where Stafford & Associates will provide to GTC a couple hours of consulting each year and will review their Annual Security Report every two years. This will allow Tom to keep up with the system. Tom recommends the other Wisconsin Technical College’s get involved with Stafford & Associates to help make sure they are in compliance. Tom signed on for a 5 day training course on just Clery (offered by Stafford & Associates) to get a better understanding of the requirements. Tom said Stafford trains college employees (like compliance officers /security members/etc.). Tim McNulty mentioned his concerns regarding the Wisconsin Technical Colleges lack of compliance. He further discussed his conversations with Stafford & Associates and the services they offered. While the cost (\$20,000 reported by Tom Cousino) may seem high, the Department of Education’s penalty for being out of compliance is dependent upon infractions. Tom mentioned the Department of Education does not see the report; even though it is a public record and open to the public. Steven Stoeger-Moore recommended the Colleges have reports sent to legal counsel for “Attorney-Client” privilege reporting. Tom indicated Policy Statements, Clery Crime, and VAWA offenses were their greatest reporting concerns that require fixing. Colleges were encouraged to request funds for a Clery Compliance Audit from Stafford & Associates. Steven asked everyone to *not* make the request individually; but to do so collaboratively, like the IT Group did with the CFO Cyber Risk Assessment.
- 4. Drones** – Sue Debe (GTC) asked for information on Drones. Steven outlined DMI’s drone coverage parameters. DMI’s coverage does not include instructor’s use of a drone used for non instructional purposes. If the Colleges need to be covered for that, then a standalone aviation policy will need to be purchased. Steven outlined drone handling safety requirements, FAA registration requirements, and recommended qualifications of drone operators be obtained.
- 5. Pollution Coverage** – Bruce Neumann (WCTC) asked if DMI provided pollution coverage as part of the Casualty Policy. Steven indicated it was not included. Linda Joski (AJG) advised AJG could put in place a standalone policy, based on tanks, for approximately \$1800.00 per year.
- 6. Service Plan** - Steven advised the members that DMI’s expertise will be put to good use this year. He read each DMI consultants’ planned schedules of consultation visits/services for policy year 2017-18. Steven assured members he will be continuing his travels and visits to the WI Technical Colleges, one week per month. Steven reminded everyone the consultation services were provided at no cost to the Technical Colleges
- 7. Risk Management Project Awards** – An amount has not been decided upon by the DMI Board of Directors. The matter is on an upcoming agenda.
- 8. Fire Protection Survey** – Is provided through DMI’s property program partner, Alliance Global. Greg Boerns (engineer) will be inspecting the following this year: LTC, MATC- Milwaukee, MPTC, NWTC, and WTC. Greg will meet with each campus Facilities Directors for the audit, and provide a final audit report w/recommendations.
- 9. Property Valuation** – Talked about earlier. Steven reiterated a 1.6% increase in building values as known.
- 10. Campus Security Assessments and Continuity Planning Locations\TTX**– Steven referred everyone to the DMI consultants’ planned college assessment schedules/visits provided earlier.
- 11. Underwriting Forms** –After review of the College’s completed underwriting forms, Steven clarified coverage regarding on-campus “Counseling”. Currently, the Colleges are covered to conduct 3 sessions, triage of a student. However, if therapeutic sessions run more than 3 sessions or fall under family or marriage counseling, the College is not covered. Counseling coverage is only for students or staff members – no spouses. Should a College provide family/marriage counseling services, then a standalone policy is necessary. DMI will cover all counseling for students and staff members only with no limit on the number of sessions for the 2017/2018 policy year. An endorsement will be added to the current DMI policy for counseling coverage of student. Currently 4 colleges offer therapy for which they will need to speak to Steven privately about, to see if a standalone policy is needed.

Home Based Employee – The College’s Workers Compensation coverage’s include home based employees. However, Workers Compensation coverage is not in place for home based employees located in the monopolistic states of Ohio, North Dakota, Wyoming, and Washington. For employees in monopolistic states, the Colleges have to go to the states to purchase Workers Comp policies separately. If not done, the Colleges could be fined until coverage is put in

place. Wisconsin's fine amount was cited as an example: \$750.00 per day until coverage is in place. In non-monopolistic states, if an employee is injured, he/she has the option to choose which state workers compensation program is to be used.

12. Threat Assessment - Before going into the threat assessment presentation, Joe stressed to the Colleges the importance of their knowing what they are covered for. When doing table top exercises at various technical Colleges, he found many did not know their Colleges' current coverage information. He advised the Colleges to reach out to Steven to request a 1 hour session explaining the DMI insurance policies. Joe gave his presentation on threat assessment. This year he is covering cyber threats, severe weather threats, and explosion type threats. Concluding, Joe recommended each college perform an annual risk assessment (Presentation can be found on DMI website).

13. Claims Report Review – College members were referred to their individual Risk Manager e-packets, sent out prior to the meeting for review.

14. Roundtable

- a. **Work Study Coverage Endorsement** – (Internships) Steven explained student interns are not paid and because of it, if they are injured especially off-campus, they are not covered by Workers Compensation. For this reason, DMI put in place the Student Accident Insurance Plan. For \$6.00/semester /student the plan covers unpaid interns/ practicum for medical related expenses. Everyone was told 3 years ago the WCRB implemented a work study coverage endorsement. DMI recommends the Colleges purchase the work study coverage endorsement effective with the July 1, 2017 renewal. The work study coverage endorsement extends coverage to the students/practicum. The work study endorsement is not rated on salary, and costs a flat rate of \$1,000.00 for any number of students. The College must enter into an agreement that they will cover the student during training/internship experiences off the College's campus. BTC, FVTC, NATC, NTC, and WCTC are the only WI Technical Colleges known by Steven to have a work study endorsement. Upon request, Steven continued by outlining the differences between the Work Study Coverage Endorsement and the Student Accident Insurance Plan. Additional questions were asked and coverage scenarios were discussed in depth.
- b. **Student Accident Plan** – The members were again advised DMI does not offer this coverage. It comes through Arthur J. Gallagher. Dean Sandonato asked Steven to pass along to members that there will be no increase in premiums and no increase in the amount the student pays for the plan. Renewal is 8-15-17.
- c. **Risk Management Project Awards, Phase 4** - Joe DesPlaines asked members to be prepared to present their current RMPA projects at the July 2017 Risk Managers meeting. He asked they speak up to 5 minutes – no more. Available photos and presentations can be used and are to be sent to Suzette Harrell in advance of the meeting. Joe talked about the Beazley program offered to the College members during the July Quarterly Meetings. He asked that information be passed along to their respective Chief Information Officers for attendance. Save-the-date notices have been sent out and reminders will be forthcoming. Beazley typically offers these types of programs to their billion dollar clients. Because DMI is a privileged client, this program is being offered to DMI and the Wisconsin Technical Colleges. Joe would like to see the program filled. Program scheduled for Wednesday, July 26, 2017, at the Radisson Madison West Hotel.
- d. **Community College Risk Management Consortium** – July 20-21, 2017. Steven Stoeger-Moore informed the group the \$200.00 stipend (for travel and lodging) is being offered to member attendees again this year. There is no limit on the number of attendees (per college) who receive the stipend. There is no registration fee for the CCRMC conference. Stipends will be mailed after the conference, when attendance is verified. There will be several Technical Colleges providing presentations this year. For more information go to www.AJG.com or contact Janet Yeager-Wilhelm.
- e. **URMIA Annual Conference** – September 23- 27, 2017. Steven talked about the upcoming conference. Advised this is one of the best conferences available for Higher Education Risk Management. More information can be found at www.URMIA.org . Make reservations soon.
- f. **Other Roundtable Discussions** - Included responses on “who does the Colleges Safety and Security Staff report to”, completing the questionnaire in RiskPartner for renewal, and the vetting process on host families for student foreign travel.

15. Adjourn - Meeting adjourned at 3:05 pm.

Respectfully submitted,

Suzette Harrell
DMI Administrative Assistant