

**Districts Mutual Insurance - Board of Directors' Meeting
Madison College – West Campus - Madison, Wisconsin**

October 21, 2010 – 12:30 p.m.

Present: Barb Kieffer, Jim Blumreich, Jim Rehagen, Steven Stoeger-Moore

Guests: Russ Denk, Erin Dawson – Strohm Ballweg; Chris Berberet – Madison
Scottsdale (1:10 – 1:40 pm); Joan Burke – First Business Bank (1:40 – 2:00 pm)

Recording Secretary: Geri Justinger (DMI Administrative Consultant)

1. Call to Order

Barb Kieffer, DMI President, called the meeting to order at 12:30 p.m.

2. Statement of Public Notice

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; it is therefore considered properly noticed.

3. Approval of Minutes from:

July 14, 2010 BOD and August 5, 2010 – BOD Teleconference Meetings.

Mr. Blumreich moved and Mr. Rehagen seconded, to approve the minutes; motion carried.

4. Financial Report – Strohm Ballweg, LLP / First Business Bank

Erin Dawson reviewed check registers and other financial data with the group. She stated that there is really nothing unexpected. A few of the larger payments were discussed in more detail. Ms. Dawson said that workers' compensation expenses for the quarter were comparatively low. She stated that the last CD with PMA has matured. She reviewed the other expenses with the group.

Ms. Dawson reviewed the financials with the group. There was additional discussion about receipts and expenditures.

Joan Burke from First Business Bank spoke with the group regarding short-term investments. She distributed a report that described the organization and the personnel that work with the DMI account. Also included in the report is the investment policy statement and fees of First Business Bank. She reviewed the portfolio with the group. It was suggested that a report re: short-term investment be done semi-annually.

Mr. Rehagen moved, and Mr. Blumreich seconded to approve the financial report from Strohm Ballweg. The motion carried.

Mr. Blumreich moved, and Mr. Rehagen seconded to approve the short-term investment report from First Business Bank. The motion carried.

5. Investment Report – Chris Berberet – Madison Scottsdale

Chris Berberet spoke with the group regarding the market conditions. Mr. Berberet stated that the portfolio is doing well. He discussed returns, performance and characteristics of the portfolio. There was additional discussion weighing the position of the portfolio against some possible scenarios. He urged everyone to further review the report and forward any questions to him directly.

Mr. Blumreich moved, and Mr. Rehagen seconded to approve the Investment Report from Madison Scottsdale. The motion carried.

6. Technical College Foundation Coverage

Mr. Stoeger-Moore spoke with the group regarding the history of insuring the Foundations. He asked the group to review the document from Michael Best and Friedrich stating opinion re: DMI extending these coverages to the Foundations. Due to legal restrictions – DMI cannot offer these coverages to non-municipal entities. He further reviewed the current coverages extended to the Foundations with the Board. He suggested that OCI expects DMI to sever this association (with the Foundations) as soon as practical. Mr. Stoeger-Moore suggested that DMI send a letter to the Foundations stating that the Additional Named Insured status will no longer be extended to them, effective either January or July 2011. It was suggested to include information regarding Linda Joski and the proposed group purchasing option in the notification.

Mr. Blumreich moved, and Mr. Rehagen seconded to notify (as soon as practical) the Foundations that the Additional Named Insured status will expire as of 7/1/11. The motion carried.

7. Workers' Compensation Audit Results

Mr. Stoeger-Moore reviewed the results of the workers' compensation payroll audit with the group. The information was provided for all Districts except Chippewa Valley Technical College – as it was not received prior to this meeting.

Mr. Rehagen moved, and Mr. Blumreich seconded to approve the Workers' Compensation Audit results as presented (including the forthcoming results for Chippewa Valley Technical College). The motion carried.

8. Litigation Manual

Mr. Stoeger-Moore distributed copies of and spoke with the group regarding the comments received from the Presidents via Dr. Hytrek. One of the suggestions was for DMI to make a presentation at the Presidents' meeting in January. Mr. Stoeger-Moore spoke with the group about the key concerns from the perspective of DMI. There was additional discussion regarding concerns and potential issues. Mr. Rehagen stated that WCTC has utilized DMI "panel counsel" on two separate occasions and was very impressed with the way the claims were handled. Ms. Kieffer will attend the Presidents' meeting with Mr. Stoeger-Moore.

Mr. Blumreich moved, and Mr. Rehagen seconded to table further discussion regarding the litigation manual until the January meeting. Motion carried.

9. DMI Administrative Consultant Position

Mr. Blumreich motioned to move into closed session, Mr. Rehagen seconded it. Roll call vote to move into closed session:

Ms. Kieffer - aye

Mr. Blumreich - aye

Mr. Rehagen - aye

Roll call vote to move out of closed session:**Ms. Kieffer - aye****Mr. Blumreich - aye****Mr. Rehagen - aye**

This matter will be further discussed at the January meeting.

10. DMI Surplus

This is a follow-up discussion to previous discussions regarding reaching goals in capital. It was suggested that a more “serious” discussion be made with additional input from the actuary and financial advisors (as well as the accountants). There was discussion about how well-received the online MSDS service was within the Districts – and the value of providing these sorts of value-added services. It was suggested to further discuss this issue with key players at the January meeting. Mr. Stoeger-Moore will make the arrangements.

11. Expense Reimbursement – Mark Zlevor

It was suggested to table this topic to the January meeting.

12. Aviation Exposure – Barb Kieffer / Steve Stoeger-Moore

Ms. Kieffer stated that she recently evaluated the aviation exposure coverage for FVTC and during this evaluation she asked Mr. Stoeger-Moore if DMI could write this coverage. Mr. Stoeger-Moore asked Russ Denk to speak with the OCI regarding this issue – there were several concerns raised by the OCI. After discussing the concerns of the OCI as well as other potential issues – the consensus of the Board is not to pursue offering this coverage.

13. Building Appraisal Project

Mr. Stoeger-Moore reviewed the history of building appraisals completed since the inception of DMI. He stated that most buildings were appraised in 2004/05 – he further stated that appraisals have a “shelf-life” or validity of approximately six (6) years. He suggested that appraisals for the 156 buildings performed in 2004 should be redone during 2011 so they are current for the policy renewal in July 2012. He further suggested three options of how this could be accomplished. The consensus of the Board is for DMI to coordinate and absorb the cost of the appraisal service for all 16 Districts. This item will be placed on the January agenda as an action item.

14. Executive Vice President Report**a. Claims Review**

These reports were briefly discussed. Mr. Blumreich stated that it would be interesting to compare costs associated with ice/snow slip/trip/falls vs. snow removal/salting/etc. Mr. Stoeger-Moore will try to obtain the data for a future meeting date. There was discussion regarding high-value claims. This led to additional discussion about further risk management in the facilities area. Mr. Stoeger-Moore has spoken with Hartford Steam Boiler regarding performing TEGG (advanced) testing – it was suggested to look into offering this as another value-added service.

b. URMIA National Conference

Mr. Stoeger-Moore spoke with the group regarding this conference - he stated that it was very informative and thanked the Board for the opportunity to attend. The date for next year’s conference is September

10-14 in Portland, Oregon. The option of extending an invitation to a Risk Manager to attend this conference (with DMI covering expenses) was discussed.

c. ERP Review Project

This will be discussed with the Risk Manager group tomorrow - Empathia (the company making the evaluation) will be making a presentation.

d. WCRB Rates

The approved rates from the Wisconsin Compensation Rating Bureau are included in the packet. There is a "new" rate class added for Child Daycare Employees. Beginning with underwriting for 2011/12 these employees will be separated from other class codes.

15. Future Meeting Dates

Please see the list of dates included in the packet.

16. Adjourn

Mr. Blumreich motioned to adjourn, Mr. Rehagen seconded the motion. Ms. Kieffer adjourned the meeting at 5:10 p.m.

Approved by the DMI Board of Directors on January 20th, 2011.

Respectfully Submitted,

James Rehagen
DMI Board Secretary