

**Districts Mutual Insurance - Board of Directors' Meeting
Wisconsin Technical College Foundation Office - Waunakee, Wisconsin**

July 17, 2008 – 9 a.m.

Present: Stan Hollmann, Doug Olson, Jim Blumreich, Barb Kieffer, Mike Lanser (via conference call), Steven Stoeger-Moore

Guests: Doug Ballweg, Erin Dawson – Strohm Ballweg; Jeff Carew – PMA (10:00 - 10:30 a.m.)

Recording Secretary: Geri Justinger (DMI Administrative Consultant)

1. Call to Order

Jim Blumreich, DMI President, called the meeting to order at 9:05 a.m.

2. Statement of Public Notice

The Board noted that it was in compliance with Wisconsin State Statutes 19.83 and 19.84. Notices of the meeting were posted at the respective colleges.

3. Election of Officers

Mike Lanser nominated Doug Olson for President, Jim Blumreich seconded the nomination; motion carried unanimously.

Mr. Blumreich nominated Stan Hollmann for Treasurer, Barb Kieffer seconded the motion; motion carried unanimously.

Mr. Blumreich nominated Barb Kieffer as Secretary, Stan Hollmann seconded the motion; motion carried unanimously.

Mr. Olson wanted the minutes to reflect his thanks to Mr. Blumreich for all he has done as the DMI President.

4. Approval of Minutes from:

April 24, 2008 – BOD Meeting.

Mr. Blumreich moved, and Mr. Hollmann seconded, to approve the minutes as amended; motion carried.

April 25, 2008 – BOD Meeting. – Change Attendees to reflect only Board members – move others to guests.

Mr. Blumreich moved to approve as amended, and Mr. Hollmann seconded, to approve the minutes; motion carried unanimously.

5. Financial Report – Doug Ballweg, Strohm Ballweg, LLP

Mr. Ballweg reviewed check registers and other financial data with the group. Overall There was discussion about workers comp data and how unsettled labor contracts affect audits. It was suggested that Marion Smith be contacted for information and also that Steve Stoeger-Moore contact Districts that haven't settled labor contracts to make audits go smoother. As a side note – it was suggested to make a notice to the members to adjust the values for their "high-value" vehicles to ACV at the October meeting – Mr. Stoeger-Moore will take care of this. The FY 2009 budget was presented by Erin Dawson and accepted by the Board of Directors with two modifications. The Contributed Capital was updated to properly reflect the anticipated capital transactions for FY 2009. Pending further discussion regarding –

Reconsideration of the DMI Staffing Plan (agenda #11), **Mr. Hollmann moved, and Mr. Blumreich seconded to approve the financial report (minus the budget) from Strohm Ballweg. The motion carried unanimously. Mr. Blumreich moved to accept the budget as presented with modifications of addition of Loss Prevention Specialist and Payout of Capital, seconded by Mr. Hollmann. The motion carried.**

6. Investment Report – Jeff Carew, PMA

Mr. Carew reviewed the reports with the group. Mr. Carew discussed the transaction summary with the group. There was discussion regarding security in investments – Mr. Carew assured the group that PMA has people constantly watching the stability of banks and other companies – and reassured the group that they are all on solid footing. Mr. Carew stands behind the abilities of PMA to offer solid financial advice. Mr. Carew stated that he has not gotten any further clarification on holding CDs longer than one year and feels that it will take “expert” opinion to wade through the legalities associated with the possibility. There was discussion regarding strategy on investment. Mr. Carew suggested that the only change that he would make to the current plan is to break the year into 2 pieces instead of 4 pieces at this point. The consensus of the group is to stay short (1 year or less) to take advantage of better rates – CDs and agencies. In the capital account Mr. Carew will split the amount between 1 year and 6 month investments. **Mr. Hollmann moved, and Mr. Olson seconded to approve the Investment Report from PMA. The motion carried unanimously.**

7. Code of Ethics / Conflict of Interest

Mr. Stoeger-Moore reviewed the OCI compliance requirements with the group – signature sheets were distributed and collected. They will be held on file per OCI requirements.

8. Amendment to the Articles of Incorporation – Change in Registered Agent

Mr. Stoeger-Moore has made an agreement with CT Corporation to become the Registered Agent for DMI. Mr. Stoeger-Moore will share the contract with the Board when he receives it back from them.

Ms. Kieffer moved, and Mr. Hollmann seconded to approve the Amendment to the Articles of Incorporation – Change in Registered Agent - the motion carried.

9. Amendment to the Articles of Incorporation – Change in Principle Office / Mailing Address

Mr. Stoeger-Moore reviewed the change with the group. The change will be filed with OCI to fulfill compliance requirements.

Ms. Kieffer moved, and Mr. Blumreich seconded to approve the Amendment to the Articles of Incorporation – Change in Principle Office. The motion carried.

10. SWTCCC Additional Named Insured Status

Mr. Stoeger-Moore explained about a Consortium made up of a group of five Technical College Districts [SWTCCC (BTC) (MATC-Madison) (WCTC) (MATC-Milwaukee) GTC]. There was discussion amongst the group as to the legalities of these arrangements. It was suggested that a legal opinion be obtained on this topic. It was asked to obtain a list of consortiums from Jim Zylstra – Geri Justinger will take care of this – we will table this issue until the October meeting.

Mr. Blumreich moved to table to October 2008, and Mr. Hollmann seconded. The motion carried.

11. Reconsideration of the DMI Staffing Plan*

Mr. Blumreich stated that he had asked for this agenda item. He stated that following the announcement of the decision of the Board to extend Mr. Stoeger-Moore's contract for one year and begin looking for a replacement at the last Risk Manager's meeting he received responses from 9 Districts expressing concerns regarding that decision as well as concern from several key consultants. Mr. Blumreich stated that he has rethought the situation and proposes that the Board reconsider the motion that was formerly made regarding replacing Steve and use this year as a year of trial. Mr. Blumreich would also like to look at hiring a Risk and Loss Control specialist now rather than down the road. There was discussion regarding reversing the motion made at the March teleconference regarding replacing the executive vice president position. It was suggested that the contract for the executive vice president be extended to June 2010 to be re-evaluated January 2010. It was further suggested Mr. Stoeger-Moore create a timeline for hiring/training the new staff person.

There was discussion regarding travel expenses for Mr. Stoeger-Moore. From past discussions the understanding was that Mr. Stoeger-Moore would be covering his expense to get to quarterly meetings (mileage) – hotel/meals will continue to be covered. It was decided to pay actual mileage from point of entry within the state of Wisconsin. It was decided to draft a policy for travel reimbursement for the October meeting.

Mr. Lanser moved to recruit and hire a full-time loss prevention specialist immediately, seconded by Mr. Blumreich – motion carried unanimously.

Mr. Blumreich moved to extend the contract for the executive vice president to June 2010, to be re-evaluated January 2010, seconded by Mr. Hollmann – motion carried unanimously.

12. Executive VP Report

a. Claims Status Report (United Heartland/Midwest Claims)

Mr. Stoeger-Moore reviewed the claims from Midwest Claims and United Heartland with the group. He stated this is very similar to what the group has seen in the past.

b. Revised Premium Summary

Mr. Stoeger-Moore asked the Board to review the handout.

c. OCI Examination Update

Through the very competent staff at Strohm Ballweg DMI is in a good position for the examination. Mr. Stoeger-Moore will plan on being in Madison for the examination.

d. URMIA Submittal

Mr. Stoeger-Moore stated that DMI was invited to make a submittal for the URMIA annual magazine.

e. URMIA National Conference

Mr. Stoeger-Moore stated again that these are excellent resources and encourages the Board members to try to schedule attendance to this.

f. Property Valuation Update

Mr. Stoeger-Moore reviewed the history of appraisals with the group. In the packet is a list of locations that were not included in the initial appraisals. There are property appraisals that need to be completed/updated – DMI will fund the cost of these appraisals up front and then bill them in the following year's premium billing cycle. The Board suggested it will take formal action on this item at their October 2008 meeting.

g. Allianz Excess Property Limit Proposal

Mr. Stoeger-Moore stated that Allianz will be evaluating the MATC-Milwaukee location for maximum probable loss study. Mr. Stoeger-Moore will be coming to Milwaukee for this study.

h. Cyber Risk Coverage Review

Mr. Stoeger-Moore stated that he engaged the services of Gander Consulting to evaluate the coverages in place. Mr. Stoeger-Moore stated that there while there is some strong language in place there are some grey areas. It was suggested the Mr. Stoeger-Moore come back to the Board with a suggestion of a direction that the Board should take in October.

i. Updated Investment Procedure

For information only.

j. Proposed Meeting Dates

For information only.

k. Office Transition Plan

Mr. Stoeger-Moore stated that the move is happening as we speak.

13. Adjourn

Mr. Hollmann moved, and Mr. Blumreich seconded to adjourn; motion carried unanimously.

Mr. Olson adjourned the meeting at 12:24 p.m.

*It is anticipated that this item will be discussed in Executive Session pursuant to WI statute 19.85 (1)(c) for the purposes of considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility.

Approved by the DMI Board of Directors on October 9th, 2008.

Respectfully Submitted,

Barb Kieffer
DMI Board Secretary