

**Districts Mutual Insurance - Risk Managers Quarterly Meeting
Wisconsin Technical College Foundation, Waunakee, WI
January 27, 2006 – 10:00 a.m.**

Members Present: Stan Hollmann (SWTC); Doug Olson (CVTC); Tom Hinz (NWTC); Janice Falkenberg (MATC-Milwaukee); Tom Mercier (NTC); Bonnie Baerwald (MPTC); Dick Shikoski (BTC); Mary Rapp (MATC-Madison); Steve Stoeger-Moore (DMI)

Via WISLINE: Nelson Dahl (MSTC); Tom Eckert(NATC); Sue Debe (GTC); Les Rognstad (WWTC); Chuck Levine (WITC until 11:45); Cindy Dross (LTC); Barb Kieffer (FVTC); Jim Rehagen (WCTC)

Guest(s): Jim Lang (Gallagher Bassett Services/Risk Control); Dan Follmer (United Heartland); David Hallstrohm, Linda Joski, Anne Ring (AJ Gallagher); Mike Carney (WTCS Office); Cynthia Eghbalnia (MATC-Madison); Bonnie VandreBlewett (MATC-Madison)

Recorder: Geri Justinger (DMI Administrative Consultant – via WISline)

The meeting was called to order at 10:00 a.m.

1. **Continuity Planning – Jim Lang – Gallagher Bassett Services** – A manual was presented to the attending members – it will be distributed via mail to those attending via WISline. Jim stated that a “template” has been requested by many Districts but it can not be created due to the wide variety of conditions that exist. Jim stated that this manual should be used as a reference. He states that all Districts should remember life safety plans, especially for fire hazards – and prepare well for them. Fire is the number one safety concern. If you are part of an emergency recovery team make sure that you have a list of critical numbers with you at all times (and make sure that they are current – check every 6 months). Jim suggests not putting security plans on the internet – put them on your school intranet – make sure you do not include names and contact numbers.

2. **Claims Analysis**
 - **United Heartland – Dan Follmer** – Stated the group seems to be doing better – approximately 30 less claims compared to last year – although all of the data has not yet been compiled. Slips/trips/fall injuries are still the highest in frequency/severity. Winter weather is the highest in frequency followed by tripping over objects outside and then by tripping over objects inside.

- **Midwest Claims** – Steve Stoeger-Moore reviewed the data regarding claims – if there are any questions as to if a claims should be filed please contact Steve Stoeger-Moore.

3. Identity Theft / Fraud – David Hallstrohm – Arthur J. Gallagher, Cyber Division –

David Hallstrohm made a presentation regarding identity theft – he gave examples of several Universities have had sensitive information stolen (hacked into). The fee that credit card companies levy per stolen card is \$8. He has created “The Edge” program to review any website to find potential risks. He stated that the courts have ruled that the information on computers is not considered tangible property – that is why AJG offers cyber insurance. He suggests that you look into the details of the policy – as they are written very differently. Linda Joski stated that an assessment may be available as part of the “menu of services” from AJG for the next policy year. Nelson Dahl asked how the general liability cap of \$50,000 applies to this situation – there needs to additional research done on this topic – Steve Stoeger-Moore will look into it and report to the group.

4. Annual Meeting – April 28, 2006 - Steve Stoeger-Moore encouraged everyone to attend in person as there are several items to vote on (2 openings on the Board of Directors and significant changes in the By-Laws). This meeting will be announced as an “open meeting” and will need to be posted as such.

5. DMI Presents...

- February 7 – ITV Training Session (10:30 a.m. – 11:45 a.m.)** **Topic:**
Students in Practicum – Internships – Clinical Affiliations – Steve Stoeger-Moore informed the group that there has been a lot of excitement regarding this topic. The live broadcast will be hosted in Milwaukee – please share this information very widely at your individual locations. Please feel free to videotape this presentation to utilize within your facility – it is available at no charge to any of the Districts for this presentation. The room location will be updated as soon as the information is known. There will be two more presentations this fiscal year – one in April and one in June.

6. **Hartford Steam Boiler Coverage (website demo)** – Anne Ring – Arthur J. Gallagher – www.hsb.com is the website for Hartford Steam Boiler – it is a good resource for education about your policy.

7. **Special Events Liability (handout)** – This topic was discussed in the January issue of The Incident Report – several College Presidents contacted Mike Lanser to ask some questions. Steve Stoeger-Moore said that he was pleased that the College Presidents were reading TIR and that they were concerned about this situation. In the materials for today’s meeting there is a table entitled “Special Events Schedule” – this table should be completed to aid in the gathering of information for underwriting. In the past there has not been adequate coverage for these types of events. This underwriting data needs to be compiled to help determine if DMI should underwrite this type of coverage. Tom Hinz asked if a form should be filled out for each event – Steve Stoeger-Moore emphasized that the form that was distributed today should be filled out “in retrospect” perhaps for the last two (2) years. Tom Hinz went on to ask about “off-campus” events if those are included in this topic – Steve Stoeger-Moore stated that “it could”. He further emphasized that this is not a reason to say no to events – he encouraged the group to work together to come up with best practices, etc. It was asked if it is normal procedure to ask for a certificate of insurance naming the college as an additional insured many Districts stated that it was – Moraine Park requires them for “high risk” events only.

8. **Job Accommodation Network (handout)** – Steve Stoeger-Moore was introduced to this resource at a conference a few months ago. The DMI BOD has asked for a formal RTW plan from each District by April 2006. It is a wonderful website from the Department of Commerce that can be of significant benefit in developing this program or fine-tuning of an existing program.

9. **Tracking Expenses / Payments Made on Claims** – Please see item #10.

10. **Underwriting Data – 7/1/06 Renewal – Linda Joski – Arthur J. Gallagher**
Linda stated that 2 e-mails were sent yesterday and “hard-copies” will be given to those attending and sent via mail to those attending via WISline. All of the building appraisal values (that have been done to-date) have been incorporated into these reports. Only the total number of routine operators of District vehicles is required – not a list of names.

Included is a foreign travel application – please fill this out if you need this coverage. There is also a spreadsheet that needs to be filled out with the ground up loss expenses paid for property, auto physical damage and g/l claims (including amounts paid before deductibles). Please review all the documents carefully (make any necessary adjustments) and sign and return by February 20, 2006. The certificates of insurance need to be updated by June 1, 2006. Linda introduced Anne Ring who presented information on Hartford Steam Boiler – see item #6

11. Estimated Program Costs Budget – 7/1/06 Renewal – Steve Stoeger-Moore has had several calls from CFO's regarding what numbers should be used for budget projections for FY07. Steve has stated that only one out of the three carriers (reinsurers and excess insurance) has indicated their position for renewal time (GenRe). Property underwriting data will reflect the increase of property by \$44M. This increase in exposure will likely affect the cost of property and equipment breakdown premiums. We expect that by mid-March there will be a much firmer picture. DMI has hired American Appraisals to do a content valuation model – this will lead to a cost per square-foot associated with specific exposures. The Districts will be asked to quantify the square footage of the exposures and utilize a cost per square-foot to arrive at a content valuation. The worker compensation reinsurance and excess insurance remains fluid. The Wisconsin Compensation Rating Bureau has announced an average rate increase of 5.33% each District may have salary increases proposed for employees. Medical expenses associated with claims activity continues to rise due to service increases. The cost associated with worker compensation premium will rise due to the above stated conditions. Linda Joski and her associates will be aggressively researching the best options in the commercial insurance market for DMI. At this time Steve estimates the premium increase for FY07 to be an increase of 8 -10% - but he hopes he is wrong (on the high side).

12. Claims Reporting Procedures – These procedures will be posted on the DMI website in the claims section – www.districtsmutualinsurance.com . Steve Stoeger-Moore stated that Steve Galante from Midwest Claims will be the “point-man” on all general liability cases that involved legal counsel – all information will go through him. On the workers' compensation claims Steve suggests that each location have their own first reporting form (see the website for one by United Heartland) – he would not use the WKC-12 form

as the first form. Please be sensitive of the information on the WKC-12 form (e.g. wages). In a WC claim investigation you can ask for an independent medical exam (this can be done once only), or medical records review, or functional capacity exam (this can aid in creating alternate duty) – however the responsibility of these requests should be put on the carrier (United Heartland) – not on yourself as the employer. Steve Stoeger-Moore encouraged everyone to ask him about any aspect of this process.

- 13. Audit Report for the WTC Insurance Trust – Cindy Dross (LTC)** The Board of Trustees approved it at their meeting last Friday.

- 14. Physical Hazard Survey / Fall Campus Visit Follow-up** – Steve Stoeger-Moore stated that each of the Districts received a Hazard Survey Recommendation Report from Gallagher Bassett, Jim Lang last year. At this time Steve Stoeger-Moore has received a written response from 5 (and one half-completed) Districts. Steve encourages all Districts to complete a written response as soon as possible. At some point in time these types of responses (or lack thereof) could be tied to credits (or fees) levied on premiums

- 15. Employee’s Guide to Slips-Trips-Falls (Booklet)** – Produced by DMI and Gallagher Bassett as a companion to the CD program previously distributed. This booklet is not copyrighted so please feel free to copy them locally for distribution.

- 16. Report from the Board of Directors – (Stan Hollmann & Doug Olson)** – Doug Olson stated that the BOD met at the DMI Corporate office in Port Washington yesterday. Discussions were held with legal counsel regarding the By-Laws and DMI policy. He further stated that one of the future goals of DMI will be to “break-even” for underwriting. He stated that the dissolution of the standing committees was necessitated by the OCI need for 3 BOD members to be a part of each committee – from this time forward “ad-hoc” committees will be developed on an as-needed basis. If the By-Laws are ready before the April meeting they will be included in the “e-packets”. The OCI has an expectation that DMI have a “formula” for rating loss and exposure this goal is set for 7/1/07. The Investment Committee uses PMA for handling investment decisions – they will be making a presentation to the Board at the April meeting. DMI will be absorbing the costs of building appraisals for the next 4-5 years – forward from the year 2010 each District will be responsible for these costs. Research will be done as to the best / most

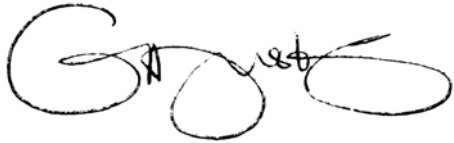
cost effective way to accomplish this. The Claims Committee asked to discuss the Claims Reporting Process today – also to add some information to TIR. Risk and Loss Control – Cynthia Eghbalnia (co-chair of the Safety Committee) will be presenting the same information with the Risk Manager Group that she presented to the BOD yesterday. The actions that were acted on by the BOD (from the Risk and Loss Control Committee) - adopting a program at each District for Personal Protective Equipment and Lockout/Tagout. A hand-out was distributed – included is a list of programs that each District should contemplate developing. She encourages all Districts to send their representative to the Safety Committee meetings as they are an invaluable source of information.

17. Other Topics from the Group

None.

18. Adjourn at 2:15 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Geri A. Justinger". The signature is stylized with large, flowing loops and a long horizontal stroke at the end.

Gerri A. Justinger
DMI Administrative Consultant