

Districts Mutual Insurance

Risk Managers Quarterly Meeting Wisconsin Technical College Foundation April 22, 2005 – 10 a.m.

Members Present: Bonnie Baerwald (MPTC); Jim Blumreich (NWTC); Cindy Dross (LTC); Chuck Levine (WITC); Ed Bushman (MSTC); Tom Eckert (NATC); Dick Shikoski (BTC); Stan Hollmann (SWTC); Tom Mercier (NTC); Kevin Myren (MATC-Madison); Doug Olson (CVTC); Jim Rehagen (WCTC); Les Rognstad (WWTC); Steve Stoeger-Moore (DMI)

Guest(s): Andrew Blau (United Heartland); Dan Follmer (United Heartland); Linda Joski (AJ Gallagher); Jim Lang (Gallagher Bassett Services/Risk Control); David Thorpe (Gallagher Bassett Services/Appraisal Division); Greg Wagner (WTCS Office); Gary Wood (Gallagher Bassett Services/Appraisal Division); Paul Zunker (LifeLine)

Recorder: Bonnie Vandre-Blewett (MATC-Madison)

The meeting was called to order at 10:00 a.m. with all but three member districts present. The agenda was amended allowing topics with guest speakers to move earlier in the order.

I. Enterprise Rental Master Account

Mr. Stoeger-Moore shared with all that the corporate account number for the Enterprise account is “WISC131”. Whenever you rent from Enterprise provide this account number and there will be no need to sign any additional contracts.

Revisions to the plan have been made from what was distributed at the January 2005 meeting. The opportunity to rent 15-passenger vans through this account has been eliminated.

II. Claims Analysis

A. United Heartland

Mr. Dan Follmer and Mr. Andrew Blau of United Heartland provided a Workers Compensation Analysis for policy year 2004. Further analysis was provided on Slip/Trip/Fall incidents due to the number of claims (42.9% of total claims) and dollars incurred from these claims. The analysis shows that winter weather conditions are the cause for a large number of these claims.

There was a suggestion to identify best practices to assist in reducing winter weather incidents and share the information with facility managers. Mr. Follmer shared that he is already working on investigating these incidents with Mr. Tim Green for the Loss Prevention Committee and hopes to have some best practices identified. There was also a suggestion that there may an opportunity to share the information with the

Wisconsin Association of Physical Plant Administrators (WAPPA). **Mr. Stoeger-Moore will check on this group to see if there is anything that could be done.**

The group discussed briefly the types of claims in the Environmental Health Exposure incidents. Mr. Follmer provided examples of indoor air problems, mold exposure, and whooping cough. The group questioned whooping cough being placed in Workers Comp rather than through the employee's health insurance, much like an absence with the flu or severe cold. Mr. Follmer was asked that these types of claims be more aggressively reviewed.

Mr. Follmer reported that DMI has a 32% loss ratio and Mr. Blau confirmed that this is a very good ratio and that DMI is doing very well. **Mr. Follmer will attempt to have a year end report for the July 8 meeting.**

The group reviewed the Incurred Loss by Policy Inception report distributed. Concern was expressed with the number of indemnity claims versus the severity and cost incurred. Mr. Follmer reported that United Heartland works with districts to get people back in the work place in some capacity through return to work programs or light duty positions.

The group discussed further the need to see more detail on what is in place to assist in managing these types of cases. They also asked what kind of process should be put in place to determine how and what should be done to improve on these? The group asked Mr. Follmer to review the 22 current claims and provide the following information on these claims:

1. Information regarding the nature of the incident.
2. The severity of the incidents.
3. The types of restrictions for the incidents.
4. The length of disability for the incidents.
5. Was there an opportunity provided to the individual to return to work through a return-to-work program, light duty program, etc.?

Mr. Follmer indicated he would communicate with people responsible for handling claims to see what has been done in these cases. It was **recommended that the Claims Committee review the findings and make a recommendation to the group at the July 8 meeting. Mr. Doug Olson will schedule a meeting of the Claims Committee.**

B. Midwest Claims

There are 14 open/active claims. The costs associated with these claims are low. One (1) claim of consequence was reported – the WCTC fire loss. Mr. Rehagen expressed his appreciation for the support and follow through WCTC received from DMI. He also shared how this experience reinforces the need to maintain accurate inventory records. The Underwriting Committee has been discussing how to capture content value and will be having one more conversation on this topic.

III. Gallagher Bassett Services

A. Appraisal Division

Mr. Gary Wood and Mr. David Thorpe of Gallagher Bassett Services reviewed the status of the appraisals for each district. Mr. Wood indicated his staff has been very appreciative of the cooperation received from each district. He indicated there are large differences in the appraisal amounts compared to previous amounts. **It was recommended that the new appraisals be shared with the WTCS state office.**

The group discussed the level of accountability a District has to ensure this type of loss is covered. There is not a good sense of the record keeping at each district, but it is something that needs to be addressed. There was a suggestion that all contents be captured by digital photo or video tape as proof of loss. This process should be part of the district's audit. There was a suggestion to find a start point and develop baselines. Mr. Myren indicated that the Underwriting Committee had been charged with reviewing this.

B. Risk/Loss Control

Mr. Jim Lang of Gallagher Bassett Services shared some findings from the visits to campuses where they looked for general liability issues for DMI. This year the plan was to get to each of the main campuses. They would like to expand upon this next year and visit other campuses within each district.

Mr. Stoeger-Moore indicated that the visits were not a compliance visit at this point; however, he would like each district to respond to the recommendations and make an action plan. Many of the recommendations will be cultural or behavioral changes and will be easy to do with out much cost. **Responses to the recommendations should be sent to Mr. Stoeger-Moore at DMI.**

Overall, there was nothing of significance found. A few items mentioned that need attention are cable management, unanchored equipment, modified/missing guards in shops, and outdated First Aid supplies. Additionally, there were some security issues, such as unsecured doors with portable LCD's unlocked.

Mr. Lang reported that the police science and health services areas had nothing out of the ordinary to report. They are very well run programs. Other specific areas that should be looked at in the future are the athletics areas and daycare center playgrounds. The group discussed recreational immunity issues briefly.

Next year Gallagher Bassett is considering offering regional site seminars and training for faculty. There was a suggestion to Web cast and tape the training for those unable to attend to view at a later time.

Break 12:00 noon for lunch. The group decided to do working lunch to accommodate those with longer commutes.

IV. Automated External Defibrillators

Mr. Paul Zunker of Life Line presented information on Automated External Defibrillators (AED) and programs for AEDs. His presentation touched on AED Legislation, liability issues, and the medical over-site program. **His presentation will be provided to Mr. Stoeger-Moore for those interested in viewing.**

V. FY 06 Total Program Costs at Renewal

Mr. Stoeger-Moore thanked everyone for the information supplied for the underwriters. He reported on trends observed:

- Looks as if there is 1.9 billion in property exposure.
- Appraisals may change these since they are coming in higher than the SOV reported by districts.
- Student counts are reporting an increase of about 10% at approximately 74,000. (**NOTE:** Mr. Greg Wagner reported the WTCS is not showing this kind of growth – they should of about a 1-2 % increase and are looking at about 63,000-64,000 student)
- Vehicle counts increased approximately 10%. Ms. Linda Joski reporting that last year assumptions on vehicle values were used. This year they received some very good information and have more credible information on the value of the vehicles.
- Payroll is reportedly increasing approximately 6% from last year.

Mr. Stoeger-Moore reported that 15 of 16 member districts will have no additional costs for fiscal year 06. The DMI Board approved a resolution to take to the Trust the premiums to be billed to each District as listed on the document found in the meeting packet. Changes to premiums (increase or decrease) based on audits will not have to go back to the Trust, as the resolution included a statement regarding this.

There was a suggestion that news about DMI holding premiums be shared with the District Boards. All agreed this was important information to make available. **Mr. Stoeger-Moore will develop something to share with district boards.** Mr. Stoeger-Moore also acknowledged the work of Ms. Joski in saving DMI premium dollars.

VI. Coverage Change Notice

Exceptions for FY 06: Mr. Stoeger-Moore announced two exceptions as of July 1, 2005. First, he reminded everyone that 15 passenger vans will no longer be covered. He also indicated that broadcasters liability will no longer be covered at the start of the fiscal year. Individual members who are in the business of broadcasting need to have separate coverage.

Board Travel Coverage: Mr. Stoeger-Moore announced that ADD coverage for the Board members of each district is available through CIGNA. The DMI Board approved the business and pleasure policy for district board members through the Trust. The

policy coverage is a \$100,000 death benefit. Information to provide Board travelers is forthcoming and should include the policy number, an identification card and the process for reporting a claim.

Some districts asked about the opportunity for a higher coverage amount. It was recommended the district purchase a policy for the difference between the \$100,000 coverage and the amount of coverage they would like. Additionally, some districts requested to add others to the coverage. Although this is possible, the individual college would have to cover the additional cost.

Misc. Coverage: Mr. Stoeger-Moore briefly reviewed other coverage.

- 1) There are no significant changes to Foreign Travel coverage.
- 2) Crime is still being looked at by Traveler's due to late application and a combination of a very significant claim. Mr. Myren asked if we were pursuing other markets at this time. Ms. Joski indicated she could do so, but she indicated it would still be a problem as information on the claim is needed prior to receiving a quote. Mr. Myren suggested we put others on notice that we may be looking for a quote.

The group also discussed briefly the need for a group program for the Foundations. Several already have insurance, but they all come due at different times. Ms. Joski indicated it may be an issue to have group coverage because then you also have limits; one district could deplete the limits.

VII. Board of Directors' Report

Mr. Myren reported that the DMI Board had their quarterly meeting Thursday, April 21. In addition, the 1st Annual DMI Membership Meeting was held today at 9 a.m. The meeting identified the need to solicit proxy's back to ensure a quorum is reached.

Mr. Myren was pleased to announce that DMI has also been notified they will receive a third award from another national organization. This recognition is in addition to the award from CCBO and the Bellwether in which we were a finalist. More information will be shared on the award as soon as the organization makes the award public.

Other items to report include the reappointment of Mr. Doug Olson to a 5-year term on the DMI Board.

The group discussed getting some of the accomplishments achieved by DMI out to the President's Association and suggested Mike Lanser present it. Items to include:

- List of awards
- Renewal rates were flat as hoped – “here is what we avoided by working together”
- Average market place rate increases to show the savings by the incorporation of DMI (Ms. Joski to assist) – show 2 years of savings
- Uniform coverage for all districts

Mr. Myren also stressed the need to work with Mr. Kyle Schwarm to develop a press release after the GFOA meeting in July. The group suggested this information also be made available to District Boards. Mr. Stoeger-Moore indicated an article will be in the GFOA magazine and he can get the text of the article to all to share with the Board and will also have Mr. Schwarm look at the article.

Mr. Myren committed to preparing DMI accomplishments and getting them to each member to use with their Board and to prepare a press release that will be shared with members to use for their own local media.

VIII. Other Topics from the Group

A. Website

Those present completed a feedback sheet on DMI's website.

B. Ergonomic Report included in the meeting packet.

IX. Adjourn

The meeting adjourned at 2:00 p.m.

Respectfully submitted,

