

LOCAL GOVERNMENT PROPERTY INSURANCE FUND

Advisory Committee Meeting

Thursday, October 7, 2010

10:00 a.m. – 12:00 p.m.

Office of the Commissioner of Insurance

GEF 3

125 South Webster, Room 227

Madison, WI

Minutes

PRESENT:

Connie Goss	Chair/Risk Manager	Chippewa County
Brenda Ayers	Clerk/Treasurer	Town of Burke
Keith Brightman	Asst Superintendent F/O	School District of Elmbrook
Janice DeMeuse	Business Manager	Luxemburg-Casco School District
Jason Gates	Risk Manager	Milwaukee County
Paul Greeninger	Purchasing Agent	City of Oshkosh
Gary Hansen	Superintendent	Rosendale-Brandon School District
Chris Luttrell	Risk Mgt Coordinator	Milwaukee Metropolitan Sewerage District
Chris Murphy	Business Manager	Verona Area School District
Laura Stauffer	Risk Manager	Waukesha County
Eric Veum	Risk Manager	City of Madison
Tom Wohlleber	Asst. Superintendent	Middleton-Cross Plains Schools

VIA TELECONFERENCE:

Barbara Frank	Clerk	Jefferson County
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GUESTS:

Gina Frank	Administrator	Funds and Program Management, OCI
Danielle Rogacki	Program Manager	Local Government Property Ins. Fund, OCI
Tara LaRose	CEO	The ASU Group
John Flanagan	District Manager	The ASU Group
Kate McKay	Administrative Asst.	The ASU Group
Alan Wiltgen	Senior Analyst	The ASU Group
Jenny Edge	Policy Services	The ASU Group
Dave Marchant	Principal/Owner	Marchant Consulting
Dave Armstrong	Service Center Manager	Crawford & Company
Bill Ellingson	Subrogation Adjuster	Crawford & Company
Halona Lippert	Claims Adjuster	Crawford & Company
Danita Cole-Medved	Senior Vice President	Willis
Stan Miller		Willis

ABSENT:

Louise Fischer	Finance Director	Merrill Area Public Schools
Julee Helt	Village Clerk	Village of Waunakee
Diane Kropiwka	Administrative Asst.	City of Mauston
Christy Mertes	City Administrator/Treasurer	City of Cedarburg
Deb Olsen	Business Manager	Evansville School District
Doug Saubert	Vice Chair/Finance Director	City of Whitewater
John Steinbrink	President	Village of Pleasant Prairie

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I. CALL TO ORDER

Chair Connie Goss called the meeting to order at 10:05 a.m.

II. WELCOME AND INTRODUCTIONS

Connie Goss introduced from the OCI, Gina Frank and Danielle Rogacki, and as a guest, Tara LaRose, CEO of The ASU Group.

A. Appointment of New Committee Members

Connie Goss announced that we have four new members to the Advisory Committee. The first new member is Chris Murphy, Business Manager for the Verona School District. The second new member is Janice DeMeuse, Business Manager for the Luxemburg-Casco School District. The third new member is Keith Brightman, Assistant Superintendent for Finance and Operations for the School District of Elmbrook. The fourth new member is Christy Mertes, City Administrator/Treasurer for the City of Cedarburg.

B. Subcommittee Appointments

Each of the four new members was appointed to a subcommittee:
Chris Murphy – Excess of Loss
Janice DeMeuse – Loss Control and Claims
Keith Brightman – Information Technology
Christy Mertes – Rate Analysis

C. Committee Member Reappointments in December

There are four members of the Advisory Committee whose 3 year term expires in December 2010. The four members are Brenda Ayers, Town of Burke; Louise Fischer, Merrill Area Public Schools; Gary Hansen, Rosendale-Brandon School District; Deb Olsen, Evansville School District.

A motion was made by Laura Stauffer to reappoint these four members for another 3 year term. The motion was seconded by Paul Greeninger. By majority vote the motion was carried.

D. Connie Goss announced that due to scheduling conflicts Greg Klusendorf from the County of Iowa has resigned from the Advisory Committee. This leaves one vacancy to be filled for the Advisory Committee.

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III. REVIEW AND APPROVAL OF AGENDA ITEMS

A review of the agenda items was made with no additions or corrections.

IV. REVIEW AND APPROVAL OF PAST MINUTES

The minutes for the Thursday, April 8, 2010 Advisory Committee meeting were reviewed. There were no corrections, additions, or deletions.

A motion to approve the minutes from the Advisory Committee meeting held Thursday, April 8, 2010 was made by Paul Greeninger and seconded by Brenda Ayers. By majority vote the motion was carried.

V. MANAGER'S REPORT

- A. Danielle Rogacki gave a review of the 72 hour catastrophic loss that is currently being adjusted. This event occurred July 20 – 22, 2010. Scheduled teleconference calls are being held every two weeks involving the adjusting staff from Crawford, the excess of loss reinsurer, the excess of loss reinsurer's adjusters, the OCI, Dave Marchant Consulting, and The ASU Group.

Danielle reviewed the Client Advocacy Report presented by Willis.

- B. Statutory Authority on Investments

Danielle Rogacki verbally reported on the current status of the investments made by the OCI through the State of Wisconsin Investment Board. Since last year no additional investments in longer term income securities have been made. There is a possibility that more will be made in the future. No questions were asked by the committee.

A motion to approve the Manager's Report was made by Gary Hansen and seconded by Jason Gates. By majority approval the motion was carried.

VI. FINANCIAL REPORT

Dave Marchant began his financial report with his standard compilation letter. This is an unaudited report. Dave's report includes the statutory basis financial summary for fiscal year ended June 30, 2010. While there were no surprises, of special note:

1. The dividend to policy holders will be completed with the December 2010 renewals.

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2. Next year's report will look quite differently due to the July 2010 catastrophic event which is not reflected in this financial report. Due to this event the expenses related to reinsurance should increase next year.

Dave gave a review of the current balance sheet on a statutory basis. The Fund needs to continue to build its surplus to offset the bad years. As with previous years these graphs and financial reports will be posted on the Fund's website.

A motion was made to approve the financial report by Laura Stauffer and seconded by Eric Veum. By majority vote the motion was carried.

VII. ADMINISTRATOR'S REPORT

A. Claims

Dave Armstrong gave a review of the 72 hour catastrophic event. At the time of his last review there were approximately \$13.2 million in reserves, with approximately 36 losses reported. He believes that within another 90 days 98% of the payments will be made. The membership questioned the difference between flood and surface water damage. Dave Armstrong paraphrased the legal opinion given by Bob Burrell that the claims contractor is to use in distinguishing between a flood loss and surface water in adjusting these claims. Flood is not a covered peril by the LGPIF. Dave Armstrong reviewed each of the charts and graphs prepared for the Advisory Committee meeting.

A motion to approve Dave Armstrong's claims report was made by Laura Stauffer and seconded by Eric Veum. By majority vote the motion was carried.

B. Policy Administration

John Flanagan presented the charts and graphs relating to the number of policies by entity type, premium in force by entity type, coverage in force by entity type, and a review of premiums and cancellations by entity type. Of special note were the yearly policy counts. As they have been decreasing slightly, the majority of the Fund's insureds that have left the LGPIF were from the rural township area that generates minimum premium type policies. John gave a short report on the dividend credit to Fund policy holders. We are in the final stages of dispersing the dividend credit.

C. Survey Results

John Flanagan gave a review of surveys for the Policy Administration and the remaining run-off claims for The ASU Group. Dave Armstrong gave a review of the surveys for the Claims Administration handled by Crawford & Company.

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D. ESOV Project

John Flanagan reviewed the current status for the Electronic Statement of Values report. He announced that this project is now complete and will no longer be reported on at future meetings.

A motion to approve Sections B, C, and D of the Administrators Report was made by Laura Stauffer and seconded by Chris Luttrell. By majority vote the motion was carried.

VIII. SUBCOMMITTEE REPORTS

A. Loss Control and Claims

Tom Wohlleber gave a review of the recommendations to the Advisory Committee from the Loss Control and Claims Subcommittee. Resulting from this subcommittee report were two recommendations from the Advisory Committee to the Policy and Underwriting Subcommittee. These two recommendations along with a third will be reflected in a revised list of recommendations to the Advisory Committee by the Policy and Underwriting subcommittee to be attached to this set of minutes.

A motion to approve the recommendations to the Advisory Committee by the Loss Control and Claims Subcommittee was made by Paul Greeninger and seconded by Jason Gates. By majority vote the motion was carried.

B. IT Subcommittee

The IT Subcommittee did not meet this fall as there were no issues to address.

C. Policy and Underwriting Subcommittee

Eric Veum gave the presentation on the recommendations to the Advisory Committee by the Policy and Underwriting Subcommittee. Resulting from previous discussions there were 3 items added to the recommendations that will need to be addressed.

A motion to approve the recommendations to the Advisory Committee by the Policy and Underwriting Subcommittee was made by Paul Greeninger and seconded by Brenda Ayers. By majority vote the motion was carried.

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IX. OTHER MATTERS AUTHORIZED BY LAW

There were no items for discussion.

X. NEXT MEETING DATE

The proposed next meeting for the Advisory Committee scheduled for April 7, 2011 was approved.

XIII. ADJOURNMENT

A motion to adjourn the meeting was made by Laura Stauffer and seconded by Gary Hansen. By majority vote the motion was carried and the meeting was adjourned.

The meeting was adjourned by Connie Goss at 12:34 p.m.

JF:km