

LOCAL GOVERNMENT PROPERTY INSURANCE FUND

Advisory Committee Meeting

Thursday, April 7, 2011

9:30 a.m. – 1:00 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
Keith Brightman	Asst Superintendent F/O	School District of Elmbrook
Janice DeMeuse	Business Manager	Luxemburg-Casco School District
Louise Fischer	Finance Director	Merrill Area Public Schools
Jason Gates	Risk Manager	Milwaukee County
Paul Greeninger	Purchasing Agent	City of Oshkosh
Julee Helt	Village Clerk	Village of Waunakee
Chris Luttrell	Risk Mgt Coordinator	Milwaukee Metropolitan Sewerage District
Christy Mertes	City Administrator/Treasurer	City of Cedarburg
Chris Murphy	Business Manager	Verona Area School District
Doug Saubert	Vice Chair/Finance Director	City of Whitewater
Laura Stauffer	Risk Manager	Waukesha County
Eric Veum	Risk Manager	City of Madison
Tom Wohlleber	Asst. Superintendent	Middleton-Cross Plains Schools

VIA TELECONFERENCE:

Diane Kropiwka	Administrative Asst.	City of Mauston
John Steinbrink	President	Village of Pleasant Prairie

GUESTS:

Dan Schwartzer	Deputy Commissioner	Office of the Commissioner of Insurance
Gina Frank	Administrator	Funds and Program Management, OCI
Danielle Rogacki	Program Manager	Local Government Property Ins. Fund, OCI
Tara LaRose	CEO	The ASU Group
Debbie Claeys	CFO	The ASU Group
John Flanagan	District Manager	The ASU Group
Kate McKay	Administrative Asst.	The ASU Group
Alan Wiltgen	Senior Analyst	The ASU Group
Amy Hawley	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

ABSENT:

Brenda Ayers	Clerk/Treasurer	Town of Burke
Barbara Frank	Clerk	Jefferson County
Gary Hansen	Superintendent	Rosendale-Brandon School District
Dan Lowndes	Risk Manager	Dane County
Deb Olsen	Business Manager	Evansville School District

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I. CALL TO ORDER

Chair Connie Goss called the meeting to order at 9:34 a.m.

II. WELCOME AND INTRODUCTIONS

Connie Goss introduced from the OCI the new Deputy Commissioner, Dan Schwartzer.

III. REVIEW AND APPROVAL OF AGENDA ITEMS

A review of the agenda items was made with one correction to be made. In Section IV, the Review and Approval of Minutes, the date of the past minutes need to be corrected from October 8, 2010 to October 7, 2010. This correction of the agenda shall be made and archived.

IV. REVIEW AND APPROVAL OF PAST MINUTES

The minutes for the October 7, 2010 Advisory Committee meeting were reviewed.

A motion to approve the minutes from the Advisory Committee meeting held October 7, 2010 was made by Doug Saubert, seconded by Eric Veum, and by majority vote the motion was carried.

V. MANAGER'S REPORT

Danielle Rogacki opened the report with a welcome to the group. Danielle spoke on various items such as the newly revised OCI web page design. In looking to the future, Danielle mentioned that the Legislative Audit Bureau audit will be taking place very soon. Also, the Fund may be getting quotes for boiler and machinery coverage. She asked for volunteers to offer rate and coverage information for their current coverage.

A. Excess of Loss Insurance Renewal

Danielle went over the excess of loss renewal process that took place this spring. She directed the committee to page 9 of the presentation as this is the option that has been chosen. Of special note is the new definition of flood in the going forward excess of loss contract.

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B. Presentation by American Appraisal

Danielle mentioned that there will be an RFP for the valuation contract let out in the first half of this year. The presentation itself was given by Paul Harnett from American Appraisal. Paul began by mentioning the pilot program that was recently completed on several of the Fund insureds. At that point, he gave a power point presentation. Mr. Harnett concluded by saying that overall American Appraisal recommends a cyclical approach such as a 20% per year physical valuation process going forward.

A motion to approve the Manager's Report was made by Eric Veum, seconded by Paul Greeninger, and by majority approval the motion was carried.

VI. FINANCIAL REPORT

Dave Marchant began his financial report with his standard compilation letter. In doing so, a review of the financial statement process was given; Dave stressed that this is a compilation only report. A great deal of Dave's report centered on the adverse weather related claim results occurring during the year 2010.

A motion was made to approve the financial report by Paul Greeninger, seconded by Eric Veum, and by majority vote the motion was carried.

VII. ADMINISTRATOR'S REPORT

A. Claims

Bill Ellingson reported on the 72 hour water loss CAT claim of July 20 -22, 2010. Bill said that the claims count totaled 51 with 5 open claims as of the day of this meeting. He added that a smaller CAT event occurred in October which was of a much less degree.

Dave Armstrong spoke of a new report relating to aggregate deductibles that should be available to Fund insureds via the OCI website.

A motion to approve the claims portion of the Administrator's Report was made by Tom Wohlleber, seconded by Doug Saubert, and by majority vote the motion was carried.

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B. Policy Administration

John Flanagan presented the charts and graphs relating to the number of policies by entity type and premium in force by entity type.

C. Survey Results

This was a joint report given by John Flanagan and David Armstrong relating to the surveys for Policy Administration and Claims.

A motion to approve Sections B and C of the Administrators Report was made by Christy Mertes, seconded by Doug Saubert, and by majority vote the motion was carried.

VIII. SUBCOMMITTEE REPORTS

A. Rate Analysis

Doug Saubert presented the recommendations from the Rate Analysis Subcommittee to the Advisory Committee.

A motion to approve the recommendations to the Advisory Committee by the Rate Analysis Subcommittee was made by Doug Saubert, seconded by Laura Stauffer, and by majority vote the motion was carried.

B. Loss Control and Claims Subcommittee

Tom Wohlleber presented the recommendations from the Loss Control and Claims Subcommittee to the Advisory Committee.

A motion to approve the recommendations to the Advisory Committee by the Loss Control and Claims Subcommittee was made by Eric Veum, seconded by Tom Wohlleber, and by majority vote the motion was carried.

C. IT Subcommittee

Eric Veum presented the recommendations from the Information Technology Subcommittee to the Advisory Committee. Of special note was a discussion relating to digital imaging. The types of documents that the committee would like to be made available possibly via a website would be Fund insured dec pages, loss runs, and other items now available through Pinsoft. Dave Marchant said he would put together items that he can do and give it to the OCI.

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As there appears to be an interest in allowing electronic fund transfers for premium payments, Dave Marchant believes he could facilitate this as a project going forward.

A motion to approve the recommendations to the Advisory Committee by the Information Technology Subcommittee was made by Eric Veum, seconded by Tom Wohlleber, and by majority vote the motion was carried.

D. Excess of Loss Subcommittee

Connie Goss led a discussion relating to the Excess of Loss program issues that the Fund went through this spring. Of special note was that with the new contract the liability fund of \$400,000 that currently exists can be removed from our books. The new contract will not require that such an adjustment exist. Dave Marchant said that the \$400,000 fund will be used as an offset to premium due for the current term.

A motion to approve the recommendations to the Advisory Committee by the Excess of Loss Subcommittee with an amendment made by Connie Goss that the stand alone Fine Arts portion of the excess loss contract be remarketed next year was made by Connie Goss, seconded by Christy Mertes, and by majority vote the motion was carried.

E. Policy and Underwriting Subcommittee

Eric Veum opened the discussion of the recommendations from the Policy and Underwriting Subcommittee to the Advisory Committee. Alan Wiltgen gave a short discussion on the two amended endorsements that are part of the recommendations.

A motion to approve the recommendations to the Advisory Committee by the Policy and Underwriting Subcommittee made by Christy Mertes, seconded by Diane Kropiwka, and by majority vote the motion was carried.

IX. OTHER MATTERS AUTHORIZED BY LAW

There were no items for discussion.

X. ANNUAL ELECTION OF OFFICERS

A motion was made by Eric Veum to re-nominate the current three officers of Chair, Vice Chair, and 2nd Vice Chair for the going forward term. This motion to elect these three people was

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made by Eric Veum, seconded by Paul Greeninger, and by majority vote the motion was approved.

XI. APPOINTMENT OF NEW COMMITTEE MEMBERS

Connie Goss appointed Dan Lowndes to the Policy and Underwriting Subcommittee. Gary Hansen and Chris Luttrell have been appointed to the Loss Control and Claims Subcommittee. Keith Brightman was appointed as the new chair for the IT Subcommittee.

XII. NEXT MEETING DATE

A motion to approve the next tentative meeting date of October 6, 2011 was made by Eric Veum, seconded by Paul Greeninger, and by majority vote the motion was carried.

XIII. ADJOURNMENT

A motion to adjourn the meeting was made by Eric Veum, seconded by Diane Kropiwka, and by majority vote the motion was adjourned.

JF:km