



2020 Annual Report

About WMMIC

Our Mission

Collaborate with members to share risk-taking, provide cost-effective and comprehensive liability insurance, and risk management services to Wisconsin municipalities.

Strategic Initiatives

- ◆ Maintain our financial strength
- ◆ Continue to improve service to our members
- ◆ Continue to foster member participation and member commitment to WMMIC
- ◆ Focus on strategic growth for WMMIC
- ◆ Create an environment for professional development for WMMIC staff to ensure quality service and long-term retention
- ◆ Continue to develop and implement effective loss control



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Message to Members

WMMIC prints that phrase “Strength in Members” on our letterhead and on the bottom of every email we send. But the way WMMIC weathered the storm of year 2020 demonstrates that this phrase is not a mere slogan, it’s our founding philosophy.

Even as the pandemic forced many municipal employees to work remotely, a majority of Members’ staff – from law enforcement to health care providers, from facilities management & public works to parks & highway – continued to keep our communities safe, secure the jails, staff Members’ nursing homes and mass vaccination clinics, maintain Members’ buildings, mow the grass, and plow the streets. Those who did work remotely continued to govern, complete administrative tasks such as paying bills, and provided key support to those in our communities who are elderly, economically disadvantaged, and/or disabled.

I believe that WMMIC, its staff and all of its Members worked together to come out of the pandemic stronger than we went in. But don’t take my word for it, look at the numbers.

Going into year 2020, WMMIC leadership aimed at protecting the long-term financial success of WMMIC through responsible governance, risk management best practices and member commitment is develop and utilize critical policies and forecasting elements to sustain. The following year-end report documents how incredibly strong we find ourselves coming out of year 2020. To top it all off, we regained our positive outlook from AM Best.

WMMIC leadership knows that each WMMIC Member is unique, but WMMIC leadership also knows that each individual WMMIC Member wants the same thing in an insurer: quality services and long term stability. WMMIC has a long track record of safeguarding Members’ assets and, after enduring everything that 2020 could throw at us, WMMIC has demonstrated that we have “Strength in Members.”

Sincerely,



Dan Lowndes
Chairman of the Board

Board of Directors

Dan Lowndes

Risk Manager - Dane County
Chair

Eric Veum

Risk Manager - City of Madison
Director

Ben Wehmeier

County Administrator - Jefferson County
Director

Ken Witt

County Administrator - St. Croix County
Director

Brian Massey, CPA

Finance Director - Outagamie County
Director

Colleen Schian, AIC

Risk Manager - City of Eau Claire
Vice Chair

Laura Stauffer, CPCU, ARM

Risk/Purchasing Manager - Waukesha County
Director

Officers

Mary Jo Maly

Risk Manager - Marathon County

Bob Ries

Waukesha County

Executive Director's Message

The onset of COVID-19 in 2020 created a lot of unusual challenges for both the insurance industry and business and governments overall. Fortunately, WMMIC was well positioned with an established “work remote” policy already in place.

WMMIC was able to seamlessly provide service to our members while ensuring the safety of our employees and their families from exposures to COVID-19. The pandemic created a new technology opportunity for the industry to develop new communication and service delivery options via the internet. Some of these options will continue to be used and will ultimately mean budget savings for WMMIC.

Our commitment to service allowed us to again renew all our members while maintaining our record of

Never having lost a member!

WMMIC had another positive year as we continue to grow our surplus to be in a sound financial position to protect our members.

WMMIC continues to monitor emerging risks in the public entity insurance realm, and we will continue to provide a stable source of liability insurance and risk management services for our members.

Sincerely,



Dean Boes
Executive Director

Financial Statement Preparation

The preparation of the financial statement requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements as well as the reported amount of income and expenses during the accounting period.

WMMIC utilizes estimates fundamental to the valuation of reserves (including reserves for unreported claims – IBNR). Estimating reserves requires experience and sound judgment as they are subject to a significant degree of variability since the facts that underlie those reserves develop over time. **Management makes subjective and complex decisions in the reserve estimation process.** These estimates are subject to material change as the facts and circumstances evolve. Although variability is inherent in these estimates, **management believes the amounts provided are appropriate and conservative based on the facts available** and the direction the board of directors wishes for WMMIC.

Property and casualty reserves are estimates of losses and loss development and, by their nature, will differ from the final results. Municipalities in Wisconsin are also subject to municipal immunities and statutory caps, limiting liability. These caps and immunities impact reserving procedures. WMMIC makes specific assumptions and utilizes those assumptions from year to year. Those assumptions include the methodology for underwriting and claim handling, current estimates of legal and other expenses, as well as the inflation rate and social environment. Changes in, or deviations from the assumptions used to develop the loss reserves can significantly affect WMMIC's reserve levels and financial results, both at the end of the year and in the future years.

WMMIC retains an outside independent actuary to provide a loss reserve opinion and a range for WMMIC's loss reserves. WMMIC's policy has been to book reserves (including IBNR) to ultimate expected losses.

WMMIC Staff

Dean Boes

CEO/Executive Director

Danielle Rogacki

Deputy Executive Director

Kimberly Weihert

*Senior Workers' Compensation
Claim Representative*

Nicole Nysse

Claim Assistant

Jackie Kaul

*Senior Liability Claim
Representative*

Brandon Johnson

Liability Claim Representative

Keegan Petsel

*Workers' Compensation
Claim Representative*

Hope Hansen

Administrative Assistant

Jen Reichelt

Liability Claim Analyst

Sara Veith

Workers' Compensation Supervisor

Management's Discussion and Analysis

For the year ending December 31, 2020

WMMIC is a Municipal Insurance Company domiciled in the State of Wisconsin. Organized as a non-assessable mutual insurance company, it began operations on November 1, 1987. WMMIC is exempt from federal income taxes under Section 115 of the Internal Revenue Code. The company also is exempt from state income taxes as well.

All public agencies in Wisconsin are eligible for WMMIC membership, but, WMMIC is selective in its marketing efforts. It prefers to focus on specific entities that have been identified after due diligence is performed to ensure that an increase in membership would be mutually beneficial.

WMMIC had twenty members in 2020 – three cities, fifteen counties and two special park districts. All members purchase general liability (including law enforcement professional), as well as auto and public officials' errors and omissions liability from WMMIC. WMMIC also provides workers' compensation claims administration services (as a TPA), a workers' compensation excess program, and a cyber liability program.

Responsibility for the management and operation of WMMIC is delegated to the executive director by the board of directors. WMMIC members (govern

the company) through the board of directors (via board-approved policies), and a strong committee structure that meets four times a year. Board meetings and the annual meeting are open to all member representatives.

The board of directors and its standing finance committee review WMMIC's financial results at each regular meeting or more often if necessary.

For the general liability and auto liability lines of coverage, WMMIC purchases excess of loss reinsurance above the WMMIC retention of \$1,500,000 per occurrence. The company's reinsurance renewal continued the quota share structure from the previous year with an A++ rated reinsurer company taking the lead. WMMIC has an equity ownership in GEM. GEM is a protected cell captive reinsurance company governed by the District of Columbia Insurance Department's captive insurance laws. GEM has eighteen members.

The WMMIC executive director is also a director on the GEM & MPIC Board. Management intends to continue to establish and maintain positive relationships with insurance brokers that specialize in municipal and pooling insurance arrangements for the long-term benefit of the company.

2020 Coverages and Services

Liability Coverage

- ◆ Bodily Injury and Property Damage
- ◆ Personal Injury
- ◆ Public Officials Errors and Omissions
- ◆ Unfair Employment Practices
- ◆ Employee Benefits
- ◆ Automobile Liability

\$12 Million per occurrence

Cyber Liability

- ◆ Website Publishing
- ◆ Security Breach
- ◆ Privacy Breach Liability and Costs
- ◆ Privacy Regulatory Proceedings Costs and Penalties
- ◆ Extortion Threat
- ◆ Damage to Computer Systems
- ◆ Business Income and Extra Expense

Various program limits

2020 Coverages and Services

Workers Compensation Excess Program

- ◆ Statutory limits in excess of member self-insured retentions

Loss Control Programs

- ◆ Lexipol Funding for Members
- ◆ Jail Risk Assessments
- ◆ Seminars and Webinars on emerging risks tailored specifically for membership
- ◆ Local Gov U and DuPont Online Videos available to all members
- ◆ Funding provided for Member specific Loss Control Initiatives

WMMIC's philosophy on loss control has been to focus on high severity and high frequency claim trends and to contract with the best sources in the market to address these issues.

WMMIC Membership



Brown County



Chippewa County



City of Eau Claire



City of La Crosse



**Green Bay Brown
County Stadium District**



Jefferson County



Kenosha County



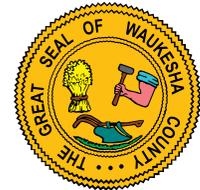
La Crosse County



St. Croix County



Walworth County



Waukesha County



City of Madison



Dane County



Dodge County



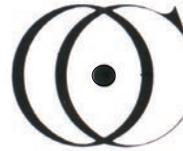
Eau Claire County



Manitowoc County



Marathon County



Outagamie County



Rock County



Miller Park District

Comparative Financial Statement

	2020	2019
Net Premiums Written	\$4,607,748	\$4,343,885
Net Underwriting Gain or (Loss)	\$705,690	\$1,309,593
Dividends to Policyholders	\$1,059,596	\$1,039,961
Net Income	\$611,062	\$1,261,551
Total Assets	\$52,684,035	\$50,949,210
Total Adjusted Capital	\$32,428,174	\$30,584,377
Gross Losses Paid	\$1,656,945	\$6,129,170

Our Vision

Wisconsin Municipal Mutual Insurance Company has firmly established itself as a leader in insurance and related products and services for Wisconsin Municipalities. The Company's high standards for participation have resulted in moderate growth of member municipalities. WMMICs' excellent claims and risk management services have minimized both loss and exposure. This has resulted in the Company's excellent financial condition.

WMMIC
Proud owners of



gem





WISCONSIN MUNICIPAL MUTUAL INSURANCE COMPANY

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