

**MEETING DATE:** April 11, 2019

**TITLE:** Authorization to Accept Tort Liability Limits

**RESOLUTION NUMBER:** 19-041

**PREPARED BY:** Cathy Reynolds

**E-MAIL:** creynolds@minnehahacreek.org

**TELEPHONE:** 952-641-4503

**REVIEWED BY:**  Administrator       Counsel       Program Mgr. (Name): \_\_\_\_\_  
 Board Committee       Engineer       Other:

**WORKSHOP ACTION:**

<input type="checkbox"/> Advance to Board mtg. Consent Agenda.	<input type="checkbox"/> Advance to Board meeting for discussion prior to action.
<input type="checkbox"/> Refer to a future workshop (date): _____	<input type="checkbox"/> Refer to taskforce or committee (date): _____
<input type="checkbox"/> Return to staff for additional work.	<input type="checkbox"/> No further action requested.
<input checked="" type="checkbox"/> Other (specify): Approval at April 11, 2019 Board Meeting	

**PURPOSE or ACTION REQUESTED:**

The Board is asked to accept the monetary tort liability limits for municipalities as set out in Minnesota Statute 466.04. The statutory limit for individual recovery is set at \$500,000 and combined recovery total is \$1.5 million for claims arising after January 1, 2009.

**PROJECT/PROGRAM COST:**

There is no budgetary cost associated with this action.

**PAST BOARD ACTIONS:**

This is an annual action last acted on by the Board on April 26, 2018.

**SUMMARY:**

The District's property and liability insurance is contracted through the League of Minnesota Cities Insurance Trust. Our insurance policies are due for renewal on May 24, 2019. As part of the renewal process the Board of Managers must decide if they want to waive or accept the monetary limits on tort liability established by Minnesota Statutes 466.04. The statute sets the limits for individual recovery at \$500,000 per occurrence and combined recovery for a single occurrence at \$1.5 million for claims arising after January 1, 2009.

In previous actions the Board has decided to not waive the statutory tort liability limits.

Attachment: LMCIT Liability Coverage - Waiver Form





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### LIABILITY COVERAGE – WAIVER FORM

**Members who obtain liability coverage through the League of Minnesota Cities Insurance Trust (LMCIT) must complete and return this form to LMCIT before the member’s effective date of coverage. Return completed form to your underwriter or email to [pstech@lmc.org](mailto:pstech@lmc.org).**

*The decision to waive or not waive the statutory tort limits must be made annually by the member’s governing body, in consultation with its attorney if necessary.*

Members who obtain liability coverage from LMCIT must decide whether to waive the statutory tort liability limits to the extent of the coverage purchased. The decision has the following effects:

- *If the member does not waive the statutory tort limits*, an individual claimant could recover no more than \$500,000 on any claim to which the statutory tort limits apply. The total all claimants could recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits would apply regardless of whether the member purchases the optional LMCIT excess liability coverage.
- *If the member waives the statutory tort limits and does not purchase excess liability coverage*, a single claimant could recover up to \$2,000,000 for a single occurrence (under the waive option, the tort cap liability limits are only waived to the extent of the member’s liability coverage limits, and the LMCIT per occurrence limit is \$2,000,000). The total all claimants could recover for a single occurrence to which the statutory tort limits apply would also be limited to \$2,000,000, regardless of the number of claimants.
- *If the member waives the statutory tort limits and purchases excess liability coverage*, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total all claimants could recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Claims to which the statutory municipal tort limits do not apply are not affected by this decision.

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LMCIT Member Name: \_\_\_\_\_

Check one:

- The member **DOES NOT WAIVE** the monetary limits on municipal tort liability established by [Minn. Stat. § 466.04](#).
- The member **WAIVES** the monetary limits on municipal tort liability established by [Minn. Stat. § 466.04](#), to the extent of the limits of the liability coverage obtained from LMCIT.

Date of member’s governing body meeting: \_\_\_\_\_

Signature: \_\_\_\_\_ Position: \_\_\_\_\_