



Title: Authorization to Accept Tort Liability Limits on the District P&C Insurance Policy

Resolution number: 21-018

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Recommended action: The Board is asked to accept the monetary tort liability limits for municipalities as set out in Minnesota Statute 466.04.

Past Board action: February 13, 2020 Acceptance of Tort Liability Limits

Summary:

The District's property and liability insurance is contracted through the League of Minnesota Cities Insurance Trust (LMCIT). The insurance policies are due for renewal on May 24, 2021. As part of the renewal process the Board of Managers must decide if they wish 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 accepted the statutory tort liability limits.

Supporting documents:

LMCIT Liability Coverage –Waiver Form



RESOLUTION

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WHEREAS, the District’s property and liability insurance is contracted through the League of Minnesota Cities Insurance Trust (LMCIT);

WHEREAS, the insurance policies are due for renewal on May 24, 2021;

WHEREAS, a policy 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;

WHEREAS, a board determination must be made to waive or accept these monetary limits on tort liability established by Minnesota Statutes 466.04; and

~~WHEREAS, historically in previous actions the Board has accepted the statutory tort liability limits.~~

WHEREAS, the Board of Managers concurs with the legislature’s provision for public asset protection through establishing tort liability limits.

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers accepts the statutory tort liability limits as set out in Minnesota Statute 466.04 and authorizes the Administrator to advise the LMCIT accordingly.

Resolution Number 21- 018 was moved by Manager _____, seconded by Manager _____. Motion to adopt the resolution ___ ayes, ___ nays, ___ abstentions. Date: 3/11/2021

Secretary Date: _____

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.

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.

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: _____