

TO: EDA President and Board
FROM: Finance Director
DATE: January 11, 2016
SUBJECT: Non-Waiver of Statutory Limit on Municipal Tort Liability



City of West St. Paul

BACKGROUND INFORMATION:

The renewal of the EDA's property and liability insurance coverage provides an opportunity to waive the statutory limit on municipal tort liability established by M.S. 466.04. By not waiving the limit, an individual claimant would be able to recover no more than \$500,000 on any claim to which the statutory tort limits apply. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000.

If the EDA were to waive the limit and not purchase excess liability coverage, a single claimant could potentially recover up to \$1,500,000 on a single occurrence. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to \$1,500,000, regardless of the number of claimants.

If the EDA were to waive the statutory tort limits and purchase excess liability coverage, a single claimant could potentially recover up to the limit of the coverage purchased. The total which all claimants would be able to 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.

FISCAL IMPACT:

There is no immediate fiscal impact to the EDA. Rather, the EDA's liability in the event of a tort claim is protected by this provision within the policy.

		Amount
Fund:		
Department:		
Account:		

STAFF RECOMMENDATION:

Staff recommends that the EDA Board continue to rely upon the statutory limits established by M.S. 466.04 to limit loss exposure and that Board approve of the attached resolution.