

To: **Mayor and City Council**  
 Through: **Ryan Schroeder, City Manager**  
 From: **Char Stark, Finance Director**  
 Date: **January 4, 2021**

**Annual Excess Insurance**

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**BACKGROUND INFORMATION:**

Each year the City has an insurance renewal process to complete. Each year, Council is asked to determine if excess insurance is needed and if the City should waive the statutory tort limits established by M.S. 466.04. This helps in determining how much liability coverage the City wishes to purchase. Historically the City has not waived the statutory tort limits. 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 that all claimants would be able to recover for a single occurrence to which the limits apply would be \$1,500,000. If it were determined to waive the limits, this would allow for more potentially recovery for the claimants. There are two options to consider if the waiver of tort limits is applied. If the City chose to waive the monetary limits on municipal tort liability then claimants could recover up to \$2,000,000 on a single occurrence or more if the City were to purchase excess insurance at a greater level then \$2,000,000 on a single occurrence. I have included the League of MN Cities language on the options the City Council has to consider.

**FISCAL IMPACT:**

		<b>Amount</b>
<b>Fund:</b>		
<b>Department:</b>		
<b>Account:</b>		

**STAFF RECOMMENDATION:**

Staff recommends that the City Council continue to rely upon the statutory limits established by M.S. 466.04 to limit loss exposure and that Council approves the resolution has presented.

Attachment:

League of MN Cities Information and Liability Coverage waiver form  
 Resolution