



**MINNEHAHA CREEK**  
WATERSHED DISTRICT  
QUALITY OF WATER, QUALITY OF LIFE

**Meeting:** Board of Managers  
**Meeting date:** 2/13/2020  
**Agenda Item #: 7.1**  
**Request for Board Action**

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

**Resolution number:** 20-008

**Prepared by:** Name: Cathy Reynolds  
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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.

**Budget considerations:** Fund name and code: N/A

**Past Board action:**

**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, 2020. 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 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 accept the statutory tort liability limits.

**Supporting documents (list attachments):**

LMCIT Liability Coverage –Waiver Form



**RESOLUTION**

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**Resolution number:** 20-008

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

WHEREAS, entities obtaining liability coverage from the League of Minnesota Cities Insurance Trust (LMCIT) are required to decide whether to waive or accept the statutory tort liability limits found in Minnesota Statute Section 466.04; and

WHEREAS, by accepting the statutory tort liability limits, the maximum an individual would be able to recover on an individual claim is \$500,000 to which statutory tort limits apply and the total that all claimants can recover from a single incident is \$1,500,000.

WHEREAS, the District has historically accepted the statutory 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 20- **008** was moved by Manager \_\_\_\_\_, seconded by Manager \_\_\_\_\_. Motion to adopt the resolution \_\_\_ ayes, \_\_\_ nays, \_\_\_ abstentions. Date: 2/13/2020

\_\_\_\_\_  
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](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: \_\_\_\_\_