



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: July 12, 2023

AGENDA ITEM: Consider a motion to approve the July 1, 2023 renewal of the General Liability and Commercial Property Insurance with LMCIT in the amount up to \$162,423, authorize payment of premium, and authorize the President to sign the annual Liability Coverage Waiver Form accepting the monetary limits on municipal tort liability established by MN SS 466.04.

PREPARED BY: Jean Lane, Business Services Manager

BACKGROUND:

Attached is the Insurance Summary for Grand Rapids Public Utilities Commission General Liability and Commercial Property Insurance with the League of Minnesota Cities Insurance Trust (LMCIT). The GRPUC general liability insurance agency is Greater Insurance Service. Also, please see the attached liability coverage waiver form. It has been past practice for GRPUC to select “does not waive” the monetary limits on municipal tort liability established by MN SS 466.04.

There is a substantial increase in the general liability insurance premium for property coverage. The total general liability insurance increased from \$137,025 to \$163,423 in 2023 which is a \$26,398 or 19% increase. About 11% of the property premium increase is due to increased coverage. Please refer to page 8 in the insurance summary for changes in the annual premiums by coverage type

New for the 2023/2024 policy year is an insurance agency fee which is negotiated at a flat rate versus the historical compensation formula based on 10% of the annual premium. The change in compensation fee structure is to better match the insurance agency service level with the compensation and have the ability to control compensation costs. The negotiations with Greater Insurance Service will be completed early next week. The compensation for the agency is included in the total premium amount and paid by LMCIT directly to the agency.

For reference, the 2022 increase was \$25,587 or 23% increase. Property and crime insurance coverage increased from \$45,059 to \$64,142 or 42% even with a 5.5% credit for the 2022/2023

premium year. Also, to note the first party cyber premium increased from \$500 to \$4,368 for the 2022/2023 premium year.

Attachments:

2023/2024 Insurance Summary – League of MN Cities Insurance Trust

2022/2023 Insurance Summary – League of MN Cities Insurance Trust

Liability Coverage – Waiver Form

RECOMMENDATION:

Consider a motion to approve the July 1, 2023 renewal of the General Liability and Commercial Property Insurance with the League of Minnesota Cities Insurance Trust (LMCIT) in the amount up to \$162,423; authorize payment of premium, and authorize the President to sign the annual Liability Coverage-Waiver Form accepting the monetary limits on municipal tort liability established by MN SS 466.04.