



2021-2022 Premium Rates

The Trust's Board of Trustees evaluates loss projections every year to ensure premium rates are adequately set to respond to future claims experienced by Minnesota cities. Here is information about premium rates going into effect for property/casualty coverages renewing on or after Nov. 15, 2021, and for workers' compensation coverages renewing on or after Jan. 1, 2022.

Property/casualty rates

What does property/casualty coverage include?

The Trust's coverage is tailored specifically for Minnesota cities, and it's generally broader than commercial policies. It includes coverage for things like loss or damage to city buildings, liability claims resulting from actions or incidents involving city staff or elected officials, land use, sewer back-up liability, auto liability and auto physical damage, and cyber-related claims.

How does the Trust set rates?

Rates are set at a level to generate enough premium to cover 1) projected administrative expenses for the program; 2) expected claim costs for the year based on actuaries' calculations; and 3) a contingency margin to protect the Trust and its members from the possibility that losses will be higher than expected.

What do property/casualty rates look like for 2022?

Property/casualty rates will decrease by an average rate of 1.5% for 2022. However, each member will be impacted differently, with some members seeing a higher rate increase and others a lower rate increase or decrease for the following reasons (members and agents can contact their underwriter for details that are member-specific).

Property rates will decrease 7% on average, but overall rates have been restructured for specific buildings types (see "other variables" below) so that rates align with the risk that certain building types present. This means that rates for some building types will increase and for others, rates will decrease. Each members' actual rate change will depend on its particular mix of covered property.

Property types with biggest rate increases include general civic buildings like city halls, fire stations, community centers, police stations, and water, sewer, and electric utility property; while biggest decreases include park property and property in the open (property in the open is items like benches, picnic tables, statues, playgrounds, sports apparatus, etc.). Members with a mix of property that proportionately matches the program as a whole will not be impacted much, as increases and decreases for property types will largely offset each other.

Other changes:

- There will be a new premium charge for first-party cyber coverage. It's important to note we formerly funded for first-party cyber coverage costs implicitly through property premiums, and part of the reason we're able to decrease property rates by so much is because we're no longer funding for first-party cyber coverage costs through property premiums.
- Land use litigation and sewer backup rates will decrease 3%.
- Excess liability rates will increase 9%.

What about other variables?

Members should note their premiums will be affected by other individual factors such as changes in expenditures, property values, payroll, experience ratings, and others. Contact the Trust's underwriting specialists for questions about your specific rates.

Workers' compensation rates

What is workers' compensation coverage?

Workers' compensation provides coverage for members that have employees who are injured while in the course and scope of employment.

What are the rate changes for 2022?

As was the case last year, public safety post-traumatic stress disorder (PTSD) claims have had significant cost implications, resulting in an average rate increase of 10% for the coming year.

Additionally, the Trust will make job class rate relativity adjustments, which means rates for some job classes will increase and for others the rate will decrease. Individual members' premiums will be impacted differently depending on the particular mix of payroll by job class.

Here's a look at the specific rate changes by job class:

Rate Relativity Adjustments Effective Jan. 1, 2022				
This table details 2022 class rate changes for the bulk of city payrolls. Most job class rates are shown per \$100 of payroll.				
Rates for volunteer firefighters are shown per 100 of population.				
Class Code	Description	2021 Rates	2022 Rates	Rate change
7380	Ambulance	\$ 6.16	\$ 6.44	4%
7381	Ambulance: volunteer	\$ 12.04	\$ 10.83	-10%
9015	Building maintenance	\$ 7.77	\$ 7.32	-6%
9182	City arena operations	\$ 3.83	\$ 4.25	11%
8227	City shop & yard	\$ 4.90	\$ 4.41	-10%
8810	Clerical office employees	\$ 0.82	\$ 0.74	-10%
9063	Community centers	\$ 2.87	\$ 2.58	-10%
9411	Elected or appointed officials	\$ 0.56	\$ 0.51	-10%
7539	Electric & steam plant	\$ 3.69	\$ 3.42	-7%
7706	Firefighters	\$ 9.09	\$ 10.77	18%
7716	Firefighters: non-smoking	\$ 8.18	\$ 9.69	18%
7708	Firefighters: volunteer	\$ 265.55	\$ 265.55	0%
7718	Firefighters: volunteer, non- smoking	\$ 239.00	\$ 239.00	0%
9403	Garbage	\$ 9.95	\$ 8.96	-10%
7502	Gas company	\$ 8.00	\$ 8.07	1%
9060	Golf course	\$ 1.34	\$ 1.74	30%
9033	Housing authority	\$ 3.07	\$ 3.99	30%
9410	Municipal employee	\$ 0.71	\$ 0.92	30%
8017	Off sale liquor store	\$ 4.57	\$ 4.11	-10%
9084	On sale liquor store	\$ 3.50	\$ 4.28	22%
9102	Parks	\$ 6.31	\$ 7.68	22%
7720	Police	\$ 8.28	\$ 10.76	30%
7722	Police reserves	\$ 3.02	\$ 3.77	25%
7723	Police reserves: non-smoking	\$ 2.72	\$ 3.39	25%
7721	Police: non-smoking	\$ 7.45	\$ 9.68	30%
7580	Sewage disposal plant	\$ 5.25	\$ 4.73	-10%
5506	Street construction	\$ 10.42	\$ 9.37	-10%
7520	Waterworks	\$ 4.38	\$ 3.95	-10%

Members and agents can contact their underwriter for member-specific details.

What about other variables?

Individual member premiums for the workers' compensation program will also be affected by other factors like changes in member expenditures, payrolls, experience rating, and other exposure measures.

What role does PTSD play in workers' compensation rate increases?

Since PTSD claims first became compensable in 2013, they have risen to a point where they're currently projected to make up about 37% of the Trust's annual workers' compensation claim costs, with most of that arising from police claims. The majority of PTSD costs are attributable to covering lost wages for employees who do not return to work after their diagnosis.

What is the Trust doing to address PTSD costs?

The Trust understands pressures on city budgets faced with rising premium rates. The Trust and its members have taken a leading role — along with public safety professional

organizations, other local government insurance pools across the country, and other significant stakeholders — to address workers' compensation costs associated with PTSD.

The Trust's PTSD specialist, hired in 2020, continues to work with Trust staff and external stakeholders on outreach and educational efforts with member cities in an effort to promote PTSD prevention and treatment among public safety personnel. This past year, a Duty Disability Group was formed among stakeholders to work with the League of Minnesota Cities' Intergovernmental Relations team to identify and seek a workable state legislative solution that will involve a PTSD disability funding solution without ties to the state's workers' compensation system. The Trust has also planned a robust public information campaign for 2022 emphasizing that PTSD among first responders is treatable and does not need to be permanently debilitating.

What can members do?

In addition to the financial burden posed on the workers' compensation system, PTSD has a dramatic impact on law enforcement staffing, departmental morale, and the well-being of affected employees and their families, friends, and communities. For tips on preventing, recognizing, and acknowledging PTSD within your city's law enforcement and first responder communities, please visit the Trust's [PTSD and Mental Health Toolkit](#).

The Trust has developed this resource to help our members address issues of PTSD and general mental health. It also addresses topics such as suicide prevention, creating a supportive environment, PTSD treatability, and more. The toolkit also includes a Media Room that shares stories and perspectives from the public safety community related to PTSD and mental health. Understanding and implementing the action steps described in these resources can play significant roles in mitigating costly PTSD claims. Even more important, it will help return injured employees to a full and healthy life.

Your LMC Resource

Underwriters are available to assist with questions about coverages and more.

[Connect with Underwriters](#)

choose "Underwriting" under "Department"