

CITY OF MINNETRISTA

CONSENT AGENDA ITEM



Subject: Approve City of Minnetrista “Not to Waive” the Monetary Limits on Municipal Tort Liability Established by Minnesota Statutes 466.04

Prepared By: Paula Bauman, Assistant City Administrator

Meeting Date: November 3, 2025

Issue:

The City of Minnetrista purchases liability coverage through the League of Minnesota Cities Insurance Trust (LMCIT). Each year, the City of Minnetrista must set its monetary limits on the City’s tort liability.

Background:

All cities obtaining liability coverage from the LMCIT must decide whether to waive the statutory tort liability limits to the extent of the coverage purchased. Historically, the City of Minnetrista has chosen the “not to waive” option. A brief explanation of the options is below:

If the city chooses the option of **not to waive** the statutory tort limits:

- An individual claimant can recover no more than \$500,000 per claim
- The total payout for all claimants from a single incident is limited to \$1,500,000

If the city **waives** the statutory tort limit and **does not** purchase excess liability coverage:

- A single claimant could recover up to \$2,000,000 per incident
- The total payout for all claimants combined from a single incident would be capped at \$2,000,000

If the city **waives** the statutory limits and **does** buy excess liability coverage:

- A single claimant could recover up to the amount of excess coverage purchased
- The total for all claimants combined from a single incident would also be capped at the amount of coverage purchased.

Recommended City Council Action: Approve and opt “Not to Waive” the statutory tort monetary limits on the municipal tort liability coverage established by Minnesota Statutes 466.04.

Does Recommended Action meet City Mission Statement? Yes No

Does Recommended Action meet City Goals/Priorities? Yes No

Explain:

Mission Statement:

The City of Minnetrista will deliver quality services in a cost-effective and innovative manner and provide opportunities for a high quality of life while protecting natural resources and maintaining a rural character.



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.

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.

LMCIT Member Name: City of Minnetrista

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: Monday, November 3, 2025

Signature: *Paula Bauman* Position: Assistant City Administrator