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MEMORANDUM

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ROBIN PIKAL, FINANCE DIRECTOR
CC: JOSHUA TETZLAFF, CITY ADMINISTRATOR
SUBJECT: 2024 PROPERTY & CASUALTY RENEWAL – REMOVAL OF MED PAY
DATE: JANUARY 29TH, 2024

The City's property & casualty coverage through the League of MN Cities is renewed annually. For 2024 coverage, our Insurance Agent, James Lundquist with Nesbit Insurance Services, recommended that we consider eliminating med-pay coverage which would reduce the City's annual premium by \$7,474 in 2024. Med-Pay has a \$2,500 deductible and per LMCIT: "The medical payments coverage only comes into play in situations where the city is not legally liable for the injury (if the city is legally liable for the injury, it will be covered as a liability claim). In many cases, the medical payments coverage pays costs that would otherwise be covered by the individual's own health insurance". Mr. Lundquist explained that most commonly, med pay claims are for slips and falls, which as stated by the League, are typically covered by individual insurance. Of the 26 Cities Nesbit Insurance works with, we are only 1 of 2 that has this coverage, the other city must have it due to a contract requirement.

Recommendation

Staff recommends Council approves the removal of med pay, an optional coverage, from the property and casualty renewal, effective Jan. 1, 2024.