



MONTANA MUNICIPAL INTERLOCAL AUTHORITY LIABILITY PROGRAM

TO: Jessica Chamberlin
City of Sidney

FROM: Alan W. Hulse, CEO

DATE: April 11, 2025

RE: **LIABILITY PROGRAM FINAL RATES FY 2025/2026**

The MMIA Board of Directors adopted, with the Program actuary's recommendation, **final rates** for the Liability Program for fiscal year 2025/2026. This year's rates **will decrease, on average, 2% from last year's rates**. Additionally, the MMIA Board of Directors has decided to distribute to the member-owners \$1,000,000 in unrestricted surplus this year. With this year's distribution, the MMIA has distributed \$26,100,000 to the member-owners overall.

Factors that affect individual member-owners financial responsibility include: the deductible level elected, individual experience rating modification (MOD) factor, changes in total payroll, and any retrospective assessment (retro). All these factors assist in balancing the burden of individual member-owner losses against the financial impact on the total program membership. To estimate your annual assessment, take the payroll amount and the corresponding rate from Table 2 below, based on the deductible selected, and use the following formula: $\text{Payroll}/\$100 \times \text{Rate}$. The last step is to multiply the total by the MOD (listed in Table 1 below). If the amount is less than \$1,840, your assessment will be the minimum assessment listed in Table 1.

Deductible Elections – Member-owners may select the deductible level that is not more than two deductible steps from their current deductible. If you change your deductible, you must indicate this on your assessment invoice and submit a request on letterhead for MMIA's approval. Invoices will be sent in June, with payment and supporting documentation due by August 15, 2025. For questions regarding deductible elections, payroll, and invoices, please contact Kayla Forgey at 406-495-7019 or kforgey@mmia.net, or JT Linder at 406-495-7023 or jlinder@mmia.net.

Table 1: FY 2025/2026 Experience Modification Factor and Current Deductible Election

FY 2025/2026 MOD	0.82
Current deductible	\$1,500
Minimum assessment for municipalities with limited payroll	\$1,840

Table 2: FY 2025/2026 Deductibles and Rates

Deductible	Base Rate (per \$100 payroll)
\$750	\$4.14
\$1,500	\$4.08
\$3,750	\$3.93
\$7,500	\$3.80
\$11,250	\$3.69
\$15,000	\$3.60
\$25,000	\$3.41
\$50,000	\$3.08