



MONTANA MUNICIPAL INTERLOCAL AUTHORITY PROPERTY PROGRAM

TO: Jessica Chamberlin
City of Sidney

FROM: Alan W. Hulse, CEO

DATE: April 11, 2025

RE: PROPERTY PROGRAM FINAL RATES FY 2025/2026

MMIA's Board of Directors adopted, with the Program Actuary's recommendation, **final rates** for the fiscal year 2025/2026 for the Property Program. Auto Physical Damage (APD) is rated separately from Contractor Equipment and Real & Personal Property to reflect the cost of coverage more accurately for each property type. These approved rates represent a **2.26% increase in the aggregate rate for APD** and a **1.02% increase in the aggregate rate for Contractor Equipment and Real & Personal Property** from last year's rates. For member-owners that have elected to participate in the Crime and Fidelity Coverage in addition to participating in the Property Program, that rate has remained at \$7.50 per person.

These rates represent a significantly improved year in the Property Program. Cost of construction and inflation have also shown improvement, however keeping insured values up to date is still a critical component to stabilizing rates in the future. As such, we took a 2% increase for real property (buildings) and 1.5% increase for personal property (contents) with locations scheduled with replacement cost coverage, and an 11% increase for vehicles listed with an insured value equal to the minimum replacement cost. These are mandatory increases imposed by the reinsurance Underwriters. These increases are reflected in the total insured values listed in Table 2.

Factors that impact individual member-owner's financial responsibility include: the deductible level elected, additions to the property schedule, and valuation changes on scheduled items. To calculate the 2025/2026 assessment, use the total insured values from Table 2, and the corresponding rates for each coverage category in Table 1 based on the deductible selected with the following formula: Total Insured Value/\$100 x Rate. Complete this calculation for each category and sum the totals. The last step is to add the cost of crime coverage to the sum for property coverage. The crime coverage formula is Rate x Number of Employees. As noted earlier, the 2025/2026 rate for crime coverage is \$7.50.

Table 1: FY 2025/2026 Rates

Deductible	APD per \$100 TIV	Contractor Equipment per \$100 TIV	Real & Personal Property per \$100 TIV
\$1,000	\$.467	\$.168	\$.168
\$2,500	\$.417	\$.163	\$.163
\$5,000	\$.361	\$.155	\$.155
\$10,000	\$.289	\$.142	\$.142
\$25,000	\$.117	\$.120	\$.120

Table 2: FY 2025/2026 Total Insured Value (TIV)

TIV for Auto Physical Damage (Vehicles)	\$5,438,825
TIV for Contractor Equipment	\$4,488,748
TIV for Real & Personal Property	\$24,460,049

Table 3: Current Deductibles/Crime & Fidelity Coverage Headcount

Current Auto Physical Damage deductible	\$1,000
Current Contractor Equipment deductible	\$1,000
Current Real & Personal Property deductible	\$1,000
FY2025/2026 Number of Employees	45

Deductible Elections

Member-owners may elect a deductible level for each property type on an annual basis. The deductible level may be the same across all three property types, or a member-owner can choose to elect a different deductible level for each property type. Member-owners may maintain their current deductible level as listed in table 3 or select a deductible level that is not more than two deductible levels on either side of their current deductible level. **If you choose to change your deductible, you *must* indicate this on the property program proposal and submit a request on letterhead for MMIA approval within 60 days of receiving the proposal. Proposals, including the schedules submitted during the property renewal process, will be sent in May via email through the Origami Riskplatform.**

Policy Documents

The Declaration Pages will be issued in early July. Vehicle ID cards and invoices will be issued in June, with payment due by August 15, 2025.

Crime & Fidelity Coverage

The MMIA works with our broker, Alliant, to provide Crime & Fidelity coverage to our member-owners through a group purchase policy with National Union Fire Insurance Company of Pittsburgh, PA (the carrier). For those member-owners that choose to participate in this optional Crime & Fidelity coverage, our policy requires a renewal application every three years. Full time, part time, elected/appointed officials, and volunteers may be included in the count for coverage. Total headcounts for coverage are included in Table 3.

If you have any questions, please contact Britani Laughery at 406-495-7004 or blaughery@mmia.net.