



MISSISSIPPI  
WATERSHED  
MANAGEMENT  
ORGANIZATION

# Request for Board Action

Attachment 4.1

**Agenda Item:** League of Minnesota Cities Insurance Renewal

**Presenter:** K. Reich

**Meeting Date:** 12 May 2026

**Flexibility:**  Yes  No

**Estimated Time:**  Consent Agenda  10 Min.  15 Min.  30 Min.  45 Min.  1 Hour

**Action Request:**  Information/Review  Motion to approve  Budget Change  Other

**Board Action:**  Approved  Denied  Tabled  Accepted Report  Other

**Date of Action:** 12 May 2026

## Background (Attach Supporting Documents as needed)

League of Minnesota Cities Insurance Trust (LMCIT) members purchasing coverage must decide whether to waive the statutory tort liability limits to the extent of the coverage purchased and return to the LMCIT a form showing their decision before the effective date of the coverage. This decision must be made by the member's governing body every year.

The decision has the following effects:

- **If the member does not waive the statutory tort limits**, an individual claimant would be able to recover no more than \$500,000 on any claim to which the statutory tort limits apply. The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits apply regardless of whether the city purchases the optional excess liability coverage.
- **If the member waives the statutory tort limits** and does not purchase excess liability coverage, a single claimant could potentially recover up to \$2,000,000 for a single occurrence. (Under this option, the tort cap liability limits are waived to the extent of the member's liability

coverage limits, and the LMCIT per occurrence limit is \$2 million.) The total all claimants would be able to 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 would be able to 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.

This decision does not affect claims to which the statutory municipal tort limits do not apply.

The MWMO has, in all prior years, decided NOT to waive the limit. The attached resolution would support the MWMO not waiving the limit again this year.

# Mississippi Watershed Management Organization

## RESOLUTION 2026-012

### A RESOLUTION REAFFIRMING THAT THE MWMO DOES NOT WAIVE MONETARY LIMITS ON MUNICIPAL TORT LIABILITY

WHEREAS, The State of Minnesota has established liability limits under Minnesota Statutes 466.03; and

WHEREAS, The League of Minnesota Cities Insurance Trust (LMCIT) members obtain liability coverage from LMCIT and must decide whether to waive the statutory tort liability limits to the extent of the coverage purchased, and this decision must be made by the member's governing body every year; and

WHEREAS, Claims to which the statutory municipal tort limits do not apply are not affected by this decision; and

WHEREAS, The MWMO has not waived monetary limits on tort liability for any prior year.

NOW THEREFORE BE IT RESOLVED, the MWMO Board of Commissioners Do Not Waive monetary limits on municipal tort liability established by Minnesota Statutes, Section 466.04, and authorizes MWMO staff to take all necessary administrative actions to implement the resolution.

Adopted this the 12<sup>th</sup> day of May, 2026.

Review for the Board: \_\_\_\_\_

Connie Buesgens, Chair

Review for Administration: \_\_\_\_\_

Kevin Reich, Executive Director