



City Council Action Item

Subject: 2025-2026 Excess Liability Insurance

Meeting Date: June 10, 2025	
Submitted/Presented by/Department: Char Stark/Treasurer	
Action Type	
☒ Consent Item	☐ Discussion/Direction
☐ Public Hearing	☐ Informational Only
☐ Action/Motion	☐ Report
☒ Resolution	☐ Other: Click or tap here to enter text.
Action	
Approve the resolution to not waive the statutory limits on insurance coverage.	
Background	
Each year during the annual renewal of insurance coverage the Council must decide if there is a need to increase the insurance liability coverage. The limits set by the state for an individual claimant would be no more than \$500,000 on any claim to which the statutory tort limits apply. The total, which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply, would be limited to \$1.5 million. It was decided during last year's discussion the current policy year that the city would elect to not waive the statutory limits. Staff recommends again to not waive the statutory limits. The city would limit the amount a single claimant could recover to \$500,000 and a total limit for all parties in a single occurrence to \$1.5million.	
Attachments	
Form	
Resolution	
Previous Relevant Actions	
Alternatives	
Financial	
Budgeted: ☐ Yes	☒ No Financial Impact
Fund	Click or tap here to enter text.
Department: Click or tap here to enter text.	
Account: Click or tap here to enter text.	
Amount: Click or tap here to enter text.	

**CITY OF SUNFISH LAKE
DAKOTA COUNTY MINNESOTA
RESOLUTION 25-3**

**RESOLUTION APPROVING NON-WAIVER OF
STATUTORY TORT LIABILITY LIMITS**

WHEREAS, the City of Sunfish Lake is renewing the Property and Liability Insurance coverage with the League of Minnesota Cities Insurance Trust (LMCIT); and,

WHEREAS, the City's Municipal Tort Liability is covered under Minnesota Statute 466.04, which limits the amount that the City would be obligated to pay out in the event of a claim under which the limit would apply; and,

WHEREAS, the City must decide whether to waive the statutory tort liability limits to the extent of the coverage purchased.

NOW, THEREFORE, BE IT RESOLVED, that the Sunfish Lake City Council does not waive the monetary limits on Municipal Tort Liability established by Minnesota Statutes 466.04, for coverage year 2025-2026.

Adopted by the City Council of the City of Sunfish Lake, Minnesota, this 10th day of June 2025.

Dan O'Leary, Mayor

ATTEST:

Christy Wilcox, City Clerk

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 their effective date of coverage. [Email completed form to your city's underwriter, to \[psstech@lmc.org\]\(mailto:psstech@lmc.org\), or fax to 651.281.1298.](mailto:psstech@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:

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:

Signature: _____

Position: