**Appointing a City Insurance Agent, LMCIT Model Resolution**

*League staff thoughtfully develops models for your city’s consideration. Models should be customized as appropriate for an individual city’s circumstances in consultation with the city’s attorney.* *Helpful background information on this model may be found in our discussion of* [*“The Agent’s Role and Compensation in the Trust.”*](https://www.lmc.org/resources/the-agents-role-and-compensation-in-lmcit/)

**This icon marks places where the city must customize the model. They offer additional provisions, optional language, or comments for your consideration. The icon, and language you do not wish to include, should be deleted from this model before use. Make other changes, as needed, to customize the model for your city.**

**RESOLUTION NO.** \_\_\_\_\_

**A RESOLUTION TO APPOINT A CITY INSURANCE AGENT.**

WHEREAS, the League of Minnesota Cities Insurance Trust (LMCIT) requires cities to use the services of an agent in order to participate in the LMCIT property/casualty program; and

WHEREAS, the City Council has reviewed and considered the written materials from LMCIT discussing the agent’s role and compensation in LMCIT; and

WHEREAS, \_\_\_\_\_has agreed that \_\_\_\_\_ *(he/she/they is/are)* willing to provide to the city the services listed below under the terms and conditions listed below.

The City Council of the City of \_\_\_\_\_resolves as follows:

**NOW THEREFORE**, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF \_\_\_\_\_, MINNESOTA AS FOLLOWS:

**Appointment**

1. The City of \_\_\_\_\_ hereby appoints as its agent for purposes of the City’s participation in the LMCIT property/casualty program.

*If appropriate the city should also add “and workers’ compensation program”*.

##### **Term**

2. This appointment shall remain effective until \_\_\_\_\_. *(date)*

*Alternatively, the city may resolve “This appointment shall remain effective indefinitely unless and until it is terminated or amended by council action.”*

**Compensation**

3. As compensation for the services provided to the city as described in Paragraph 4 below, the agent will receive annually a fee equal to \_\_\_\_\_ percent of the annual premiums paid by the city to LMCIT for property, liability, and auto coverages [and \_\_\_\_\_ percent of the annual premiums paid by the city to LMCIT for workers’ compensation coverage]. This fee shall be included in the amounts billed to the city by LMCIT and shall be paid to the agent by LMCIT on the city’s behalf.

*Alternatively, the city may provide: “As compensation for the services provided to the city as described in Paragraph 4 below, the city will pay to the agent a fee of $ \_\_\_\_\_ annually for property/casualty coverage and a fee of $ \_\_\_\_\_ for workers’ compensation coverage. The city hereby directs LMCIT not to include any allowance for an agent’s fee in quoting and billing the city’s premiums for property, liability, automotive, and workers’ compensation coverage.”*

**Services**

*The following list is intended as a starting point. The city and agent should review and discuss this list to determine if specific services should be added to or deleted from this list to meet the city’s needs and situation.*

4. The agent will perform the following services:

1. Advise and assist the city in assembling and accurately reporting underwriting data, including updating property values, for rating purposes.
2. Advise and assist the city in evaluating and selecting among coverage alternatives such as deductibles, limits, optional coverages, alternative coverage forms, etc.
3. Review coverage documents and invoices to assure coverage has been correctly issued and billed.
4. Advise the city on potential gaps or overlaps in coverages.
5. Assist the city as requested in submitting claims and interpreting coverage as applied to particular claims.
6. Review loss reports for correct reporting, appropriate reserves, etc.
7. Assist as requested with safety and loss control activities.
8. Assist the city in identifying risk exposures and developing appropriate strategies to address those exposures.

Passed by the City Council of \_\_\_\_\_\_\_, Minnesota this \_\_\_\_\_ day of Month, Year.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Mayor

Attested:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

City Clerk