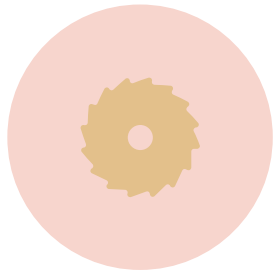


# LMCIT Updates

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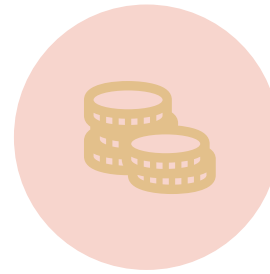
# Agenda



COVERAGE CHANGES  
(MATERIAL AND NOT-  
SO-MATERIAL)



PREMIUM RATES



DIVIDENDS



POTPOURRI OF OTHER  
STUFF

# Coverage Changes



# Membership

Property/Casualty	Work Comp
<ul style="list-style-type: none"><li>•832 Cities</li><li>•393 Other Entities</li><li>•\$200M Assets</li><li>•\$80M Premiums</li><li>•\$34B property values</li><li>•25,000 vehicles</li><li>•300 police depts</li></ul>	<ul style="list-style-type: none"><li>•791 Cities</li><li>•213 Other Entities</li><li>•\$440M Assets</li><li>•\$75M Premiums</li><li>•25,000 employees</li><li>•\$2.3B payroll</li></ul>

# Board of Trustees



Jake Benson  
Proctor Councilmember



Luke Fischer  
LMC Executive Director



Jorge Prince  
Bemidji Mayor



Phil Kern  
Delano Administrator



Audrey Nelsen  
Willmar Councilmember



Alison Zelms  
Rochester Administrator



Laurie Hokkanen  
Chanhassen Manager

# Coverage Changes

## MATERIAL CHANGES

- Law enforcement liability assumed in contracts
- Other liability assumed in contracts
- Vacant buildings
- Police dog limits and valuations
- Metal roofing copay

## CLARIFYING CHANGES

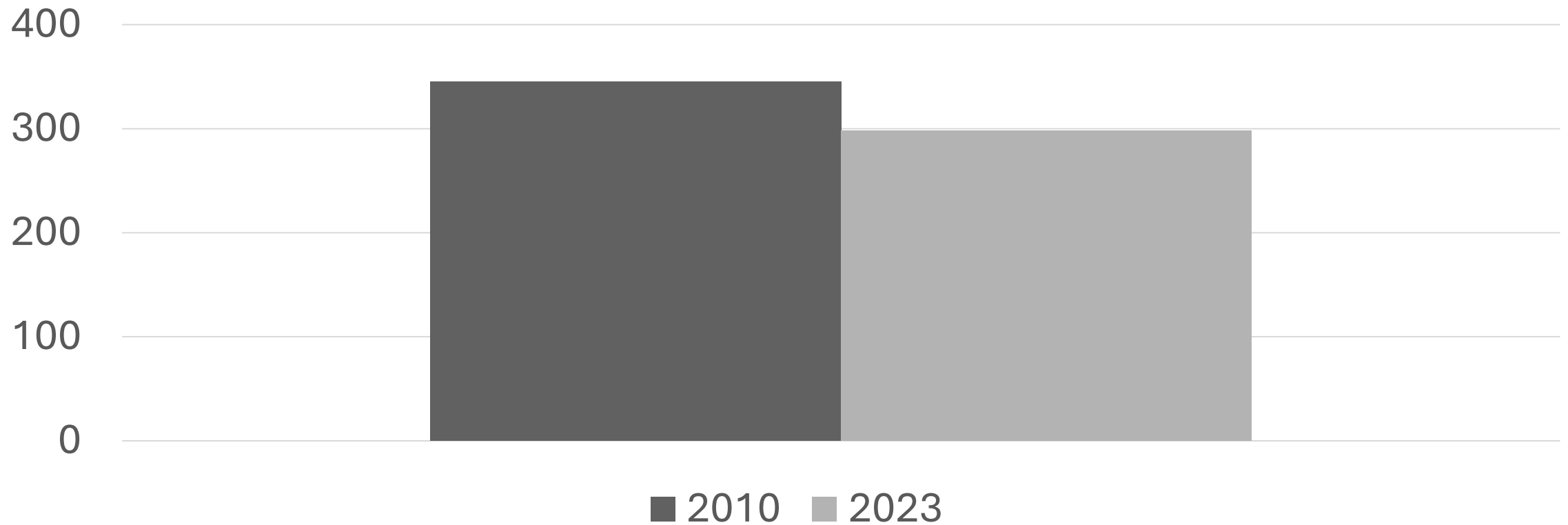
- Auto towing, storage, teardown costs
- Auto liability assumed in contract
- Cannabis dispensaries and sales
- First-party cyber claim trigger
- Professional engineering services assumed in contract
- Pollutant exposure wording
- Sexual abuse and molestation claims
- Reverse incarceration claims
- Insect damage to plants exclusion
- Mobile property endorsement
- Cyber/war exclusions
- Underground wiring
- Underground piping at swimming pools
- Electric generation and substation locations

# Law Enforcement Liability in Contracts

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# Municipal Police Departments





POLICING

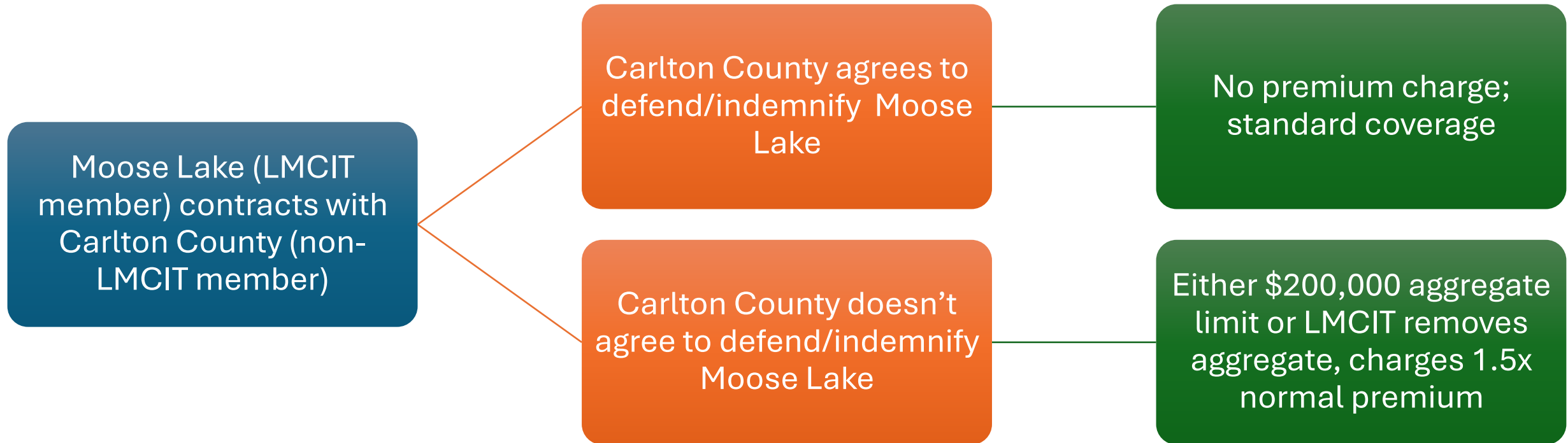


6:03 | 33° national Falls Today: Cloudy and Mild Hi: 29° N Ashland Today: Cloudy and Mild Hi:



# Law enforcement liability assumed in contracts

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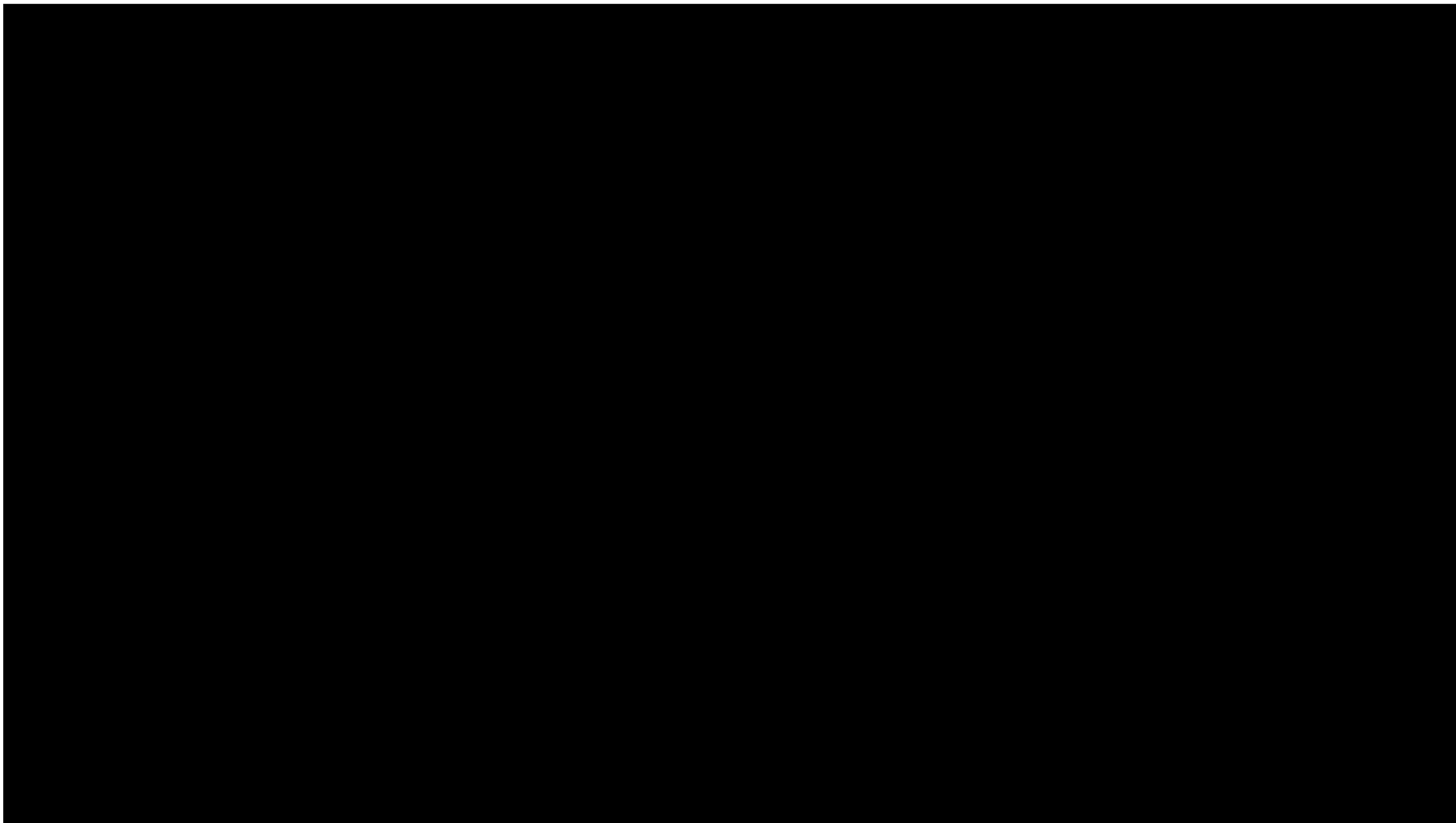


# Other liability assumed in contracts

Q: Is there coverage if in a contract we assume the liability of another party?

A: Yes, and it applies to payment obligations, tort liability, prior occurrences. However, there will now be exclusions for anticipated damages and state law contradictions.





# Vacant buildings

Q: Do we have coverage if there's property damage caused by continuous or repeated leakage or seepage of water in a vacant building?

A: Yes, but it's excluded if it's been happening over period of 14 days or more.





## Vacant buildings

Q: Is there a maximum limit LMCIT will pay for damage to vacant buildings?

A: Yes, it's \$500,000, which can be increased if mitigation factors in place.



# Metal roofing copay



Q: Do we have coverage if our metal roof has been damaged, but we only want to repair aesthetic imperfections?

A: Yes, there's a 30% copay. Definition expanded to include any roofing system or components that need to be replaced to repair damaged metal.

**FIRST ON**



6:08  
38°





# Police Dogs

Q: Is there coverage if our police dog has been injured and can't perform their duties?

A: Yes, property coverage clarified to cover cost for training, to replace dog, and handler expenses. Limit of coverage will depreciate based on injured dog's age.



## Clarifying coverage changes

- Auto towing, storage, and teardown costs
- Auto liability assumed in a contract
- Cannabis dispensaries and cannabis sales
- **First-party cyber claim trigger**
- **Professional engineering services assumed in contract**
- Pollutant exposure wording
- **Sexual abuse and molestation claims**
- **Reverse incarceration claims**
- Insect damage to plants exclusion
- Mobile property endorsement
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# First-party cyber claims

Clarified that first-party cyber claims are handled on claims-made basis



# Future cyber coverage?

- Merge first party and third party cyber coverages into common coverage document
- Higher limits





# Professional engineering services

Relocated exclusion for damages arising out of professional services provided by contracted engineers and surveyors to “standard professional services” exclusion



# Sexual abuse and molestation claims

Strengthened wording to  
prevent limit stacking due to  
same related cause or  
common perpetrator, or over  
multiple coverage terms

# Reverse incarceration claims

\$2 million municipal liability limit  
applies to reverse incarceration  
claims





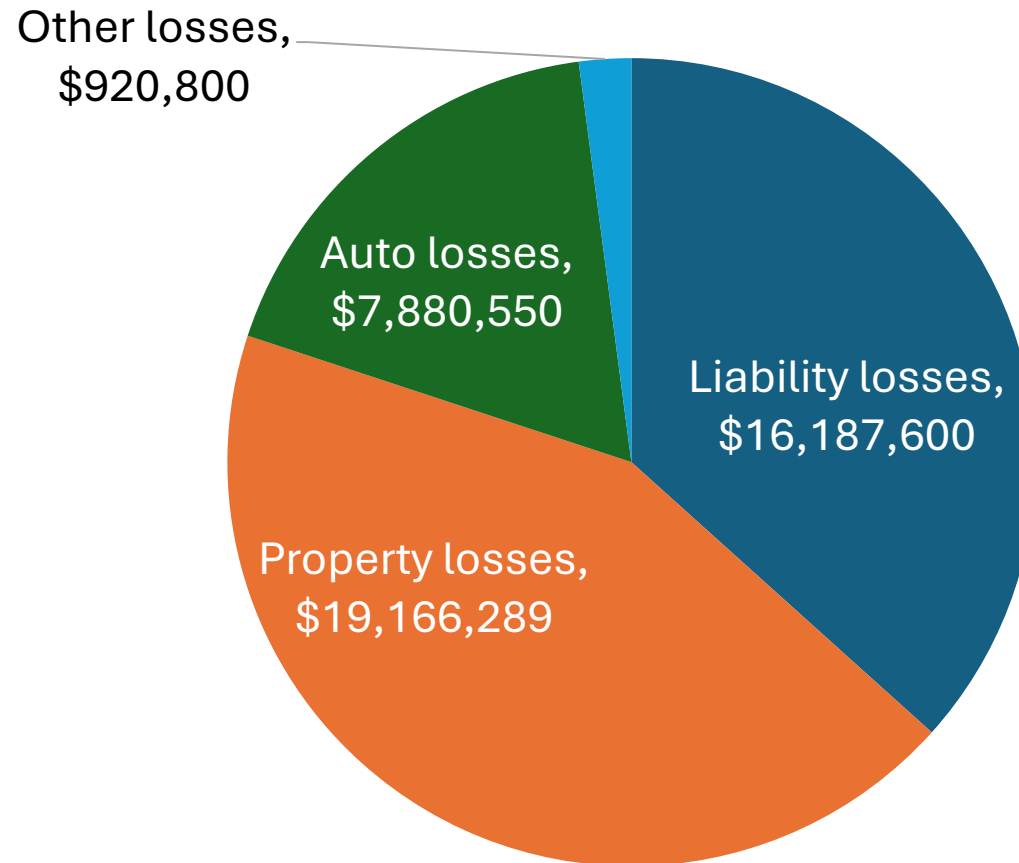
# Property/Casualty Premium Rates

Average decrease of 6.5%. That consists of:

Liability	-8%
Property	-8%
First party cyber	-8%
Equipment breakdown (optional coverage)	-8%
No rate changes for all other coverages	

# Why the change?

## 2025 Projected Property/Casualty Losses



# Property/casualty minimum deductible increasing

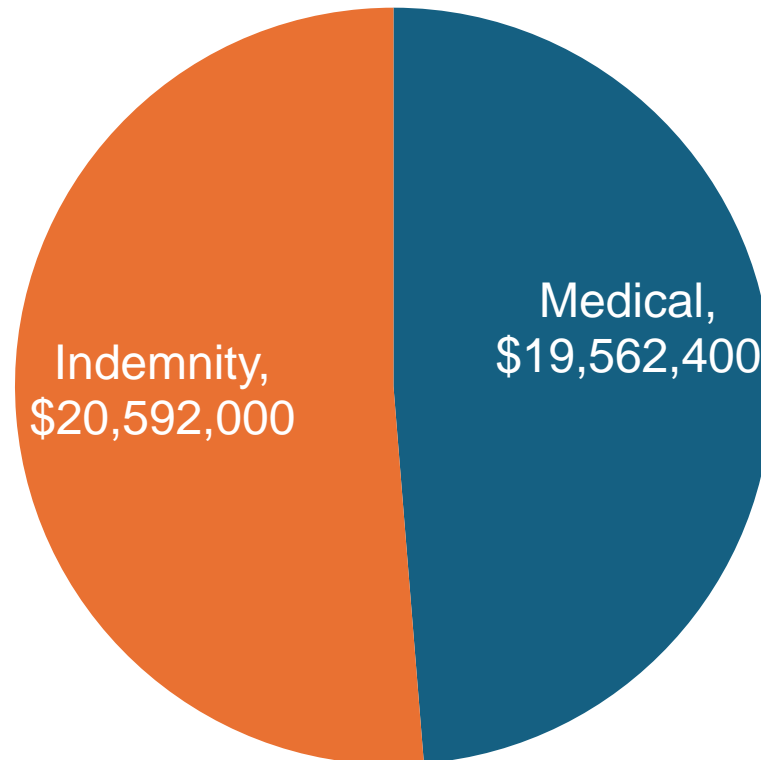
Deductible Level	Old Deductible Credit	New Deductible Credit — Auto	New Deductible Credit — Property/Liability
500	3.5%	2.2%	0.5%
1,000	6.0%	6.2%	1.4%
2,500	11.5%	15.9%	7.1%
5,000	17.0%	21.2%	12.9%
10,000	24.5%	28.3%	20.7%
15,000	30.0%	33.5%	26.5%
20,000	34.0%	37.3%	30.7%
25,000	37.5%	40.6%	34.4%
50,000	48.0%	50.6%	45.4%
75,000	54.0%	56.3%	51.7%
100,000	57.0%	59.2%	54.9%
150,000	60.7%	62.7%	58.7%
200,000	64.5%	66.3%	62.7%
300,000	68.0%	69.6%	66.4%

# Work Comp Rates Decreasing 20% on Average

Job Class Code	Job Class	2024 Rates	2025 Rates	Rate Change
5506	STREET CONSTRUCTION	8.21	4.51	-45.0%
7380	DRIVERS & HELPERS	5.63	4.60	-18.4%
7381	VOLUNTEER AMBULANCE SERVICE	9.48	5.58	-41.2%
7502	GAS COMPANY	7.07	3.89	-45.0%
7520	WATERWORKS	3.45	2.57	-25.7%
7539	ELECTRIC & STEAM PLANT	2.99	1.85	-38.0%
7580	SEWAGE DISPOSAL PLANT	4.14	2.28	-45.0%
7706	FIREFIGHTERS (NOT VOL)	8.87	7.61	-14.2%
7708	FIREFIGHTERS (VOL)	225.19	202.98	-9.9%
7716	FIREFIGHTERS (NOT VOL) NON-SMOKING	8.48	7.61	-10.2%
7718	FIREFIGHTERS (VOL) NON-SMOKING	215.34	202.98	-5.7%
7720	POLICE	8.86	7.72	-12.9%
7721	POLICE NON-SMOKING	8.48	7.72	-8.9%
7722	POLICE RESERVES	3.10	3.88	25.0%
8017	OFF SALE LIQUOR STORE	3.60	1.98	-45.0%
8227	CITY SHOP & YARD	3.86	4.12	6.7%
8810	CLERICAL OFFICE EMPLOYEES	0.64	0.41	-36.0%
9015	BUILDINGS-OPER BY OWNER	6.41	3.53	-45.0%
9033	HOUSING AUTHORITY-ALL EMPLOYEES	3.49	3.00	-14.0%
9060	CLUB-COUNTRY/GOLF	1.53	1.91	25.0%
9063	COMM. CENTERS-ALL EMPLOYEES	2.26	1.43	-36.6%
9084	ON SALE LIQUOR STORE	3.68	2.17	-41.0%
9102	PARKS	6.72	5.50	-18.2%
9182	CITY ARENA-OPERATIONS	3.72	3.57	-4.1%
9403	GARBAGE OR REFUSE COLLECTION	7.84	5.99	-23.7%
9410	MUNICIPAL EMPLOYEES	0.81	0.76	-5.9%
9411	ELECTED OR APPOINTED OFFICIALS	0.44	0.55	25.0%

# Why the change?

## 2025 Project Work Comp Losses

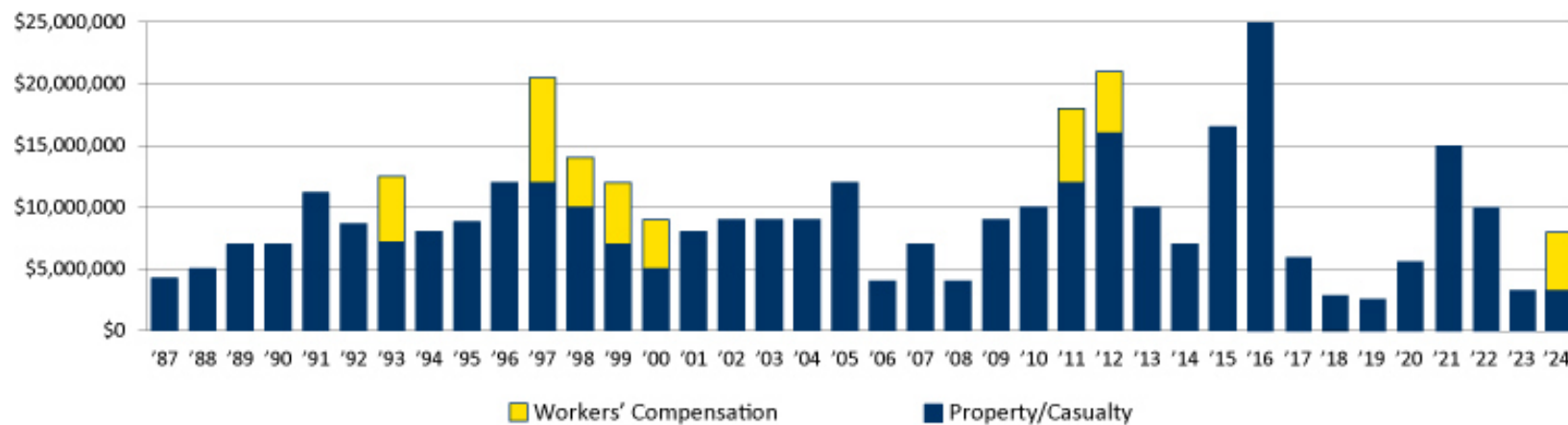


Nonsmoking  
credit  
eliminated



# Dividends

League of Minnesota Cities Insurance Trust Dividends  
\$374 Million Since 1987



# All the other stuff

Member Center  
functionality

Electronic funds transfer  
fraud

ADA accessibility  
standards for city websites

Cybersecurity services





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