

2022-2023 Premium Rates

The Board of Trustees evaluates loss projections every year to ensure premium rates are adequately set to respond to future claims experienced by the Trust's members. Here is information about premium rates going into effect for property/casualty coverages renewing on or after Nov. 15, 2022, and for workers' compensation coverages renewing on or after Jan. 1, 2023.

Property/casualty rates

What does property/casualty coverage include?

The Trust's coverage is tailored specifically for Minnesota cities and related entities like HRAs, joint powers organizations, and other special districts and instrumentalities, and it's generally broader than commercial policies. It includes coverage for things like loss or damage to city buildings, liability claims resulting from actions or incidents involving staff or elected officials, land use, sewer back-up liability, auto liability and auto physical damage, and cyber-related claims.

How does the Trust set rates?

Rates are set at a level to generate enough premium to cover 1) projected administrative expenses for the program; 2) expected claim costs for the year based on actuaries' calculations; and 3) a contingency margin to protect the Trust and its members from the possibility that losses will be higher than expected.

What do property/casualty rates look like for 2023?

Property/casualty rates will increase by an average rate of 5%.

Specific rate changes by coverage are as follows:

- Property rates will increase 5%.
- Liability rates will increase 5%.
- Auto physical damage rates will increase 5%.
- Auto liability rates will increase 5%.
- Excess liability (optional coverage) rates will increase 15%.
- No-fault sewer backup (optional coverage) rates will increase 20%.

What about other variables?

Members should note their premiums will be affected by other individual factors such as changes in expenditures, property values, payroll, experience ratings, and others. Contact the

Trust's underwriting specialists for questions about your specific rates.

Workers' compensation rates

What is workers' compensation coverage?

Workers' compensation provides coverage for members that have employees who are injured while in the course and scope of employment.

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What are the rate changes for 2023?

Workers' compensation rates will increase by an average of 3% for renewals occurring in 2023. There will be an additional rate increase of 3% for the volunteer firefighter job class (for a total 6% rate increase), because rates for this class of employees is based on population served, which does not increase with inflation in the same manner that payroll does. Payroll is the rating base used for all other job classes.

Members and agents can contact their underwriter for member-specific details.

What about other variables?

Individual member premiums for the workers' compensation program will also be affected by other factors like changes in member expenditures, payrolls, experience rating, and other exposure measures. It's especially important to keep an eye on your experience mod if budgeting for workers' compensation premiums.

[Learn how experience ratings are used to adjust members' future premiums](#)

What role does PTSD play in workers' compensation rate increases?

PTSD claims now make up about 31% of the Trust's annual workers' compensation claim costs, with most of that arising from police claims. The majority of PTSD costs are attributable to covering lost wages for employees who do not return to work after their diagnosis.

What is the Trust doing to address PTSD costs?

The Trust understands pressures on city budgets faced with rising premium rates. The Trust and its members have taken a leading role — along with public safety professional organizations, other local government insurance pools across the country, and other significant stakeholders — to address workers' compensation costs associated with PTSD.

The Trust's PTSD specialist, hired in 2020, continues to work with Trust staff and external stakeholders on outreach and educational efforts with members to promote PTSD prevention and treatment among public safety personnel. The League of Minnesota Cities will continue to seek workable state legislative solutions that would relieve pressure on the workers' compensation system.

What can members do?

In addition to the financial burden posed on the workers' compensation system, PTSD has a dramatic impact on law enforcement staffing, departmental morale, and the well-being of affected employees and their families, friends, and communities. For tips on preventing, recognizing, and acknowledging PTSD within your city's law enforcement and first responder communities, please visit the Trust's [PTSD and Mental Health Toolkit](#).

Understanding and implementing the action steps described in these resources can play significant roles in mitigating costly PTSD claims. Even more important, it will help return injured employees to a full and healthy life.

Your LMC Resource

Underwriters are available to assist with questions about coverages and more.

[Connect with Underwriters](#)

choose "Underwriting" under "Department"