

## **DIVIDEND ANNOUNCEMENT**

**DECEMBER 7, 2022**

Dear Member,

**We are pleased to enclose a check for your share of the \$10 million dividend being returned to members of the League of Minnesota Cities Insurance Trust's property/casualty program.** Since 1987, the property/casualty program has returned a total of \$315 million in dividends, and the workers' compensation program has returned an additional \$38 million.

Along with your check, also enclosed is your dividend history and an information sheet showing the data used to calculate your dividend. Your agent will also receive this information, and we encourage you to share it with your city council or other governing body.

### **Why is a dividend being returned?**

If the Trust's fund balance reaches a level where it's more than sufficient to pay claims and plan for contingencies, the Trust can return funds to its members. We re-evaluate every year based on losses experienced by members, actuarial projections, investment results, legislative and coverage changes, reinsurance costs, and the Trust's long-term strategic direction.

### **What is the dividend formula?**

Dividends are calculated based on a formula that recognizes members with a longer history of coverage with the Trust and greater success in avoiding and controlling claims. The breakdown of your share is shown on the enclosed information sheet.

### **Is there any pattern or trend to the amount of dividend to expect in the future?**

Yearly fluctuation in dividend returns is to be expected, and members should not include dividend returns in their yearly budget projections.

Thank you for your continued membership and confidence in the Trust. We are honored to partner with you to serve your community. Feel free to contact Sarah Fredericks, Program Assistant, at [sfredericks@lmc.org](mailto:sfredericks@lmc.org) or (651) 281-1228 if you have any questions.

### **The League of Minnesota Cities Insurance Trust Board of Trustees**

Jake Benson, Councilmember, Proctor  
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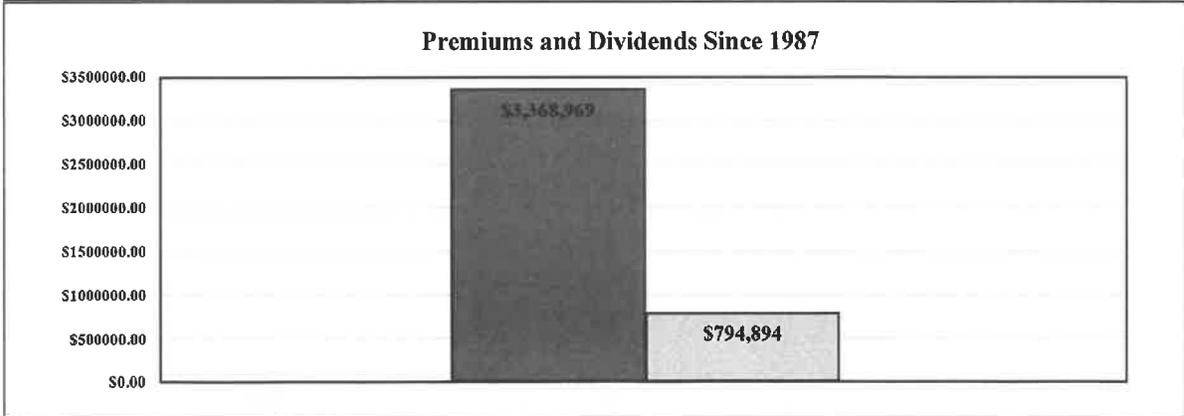
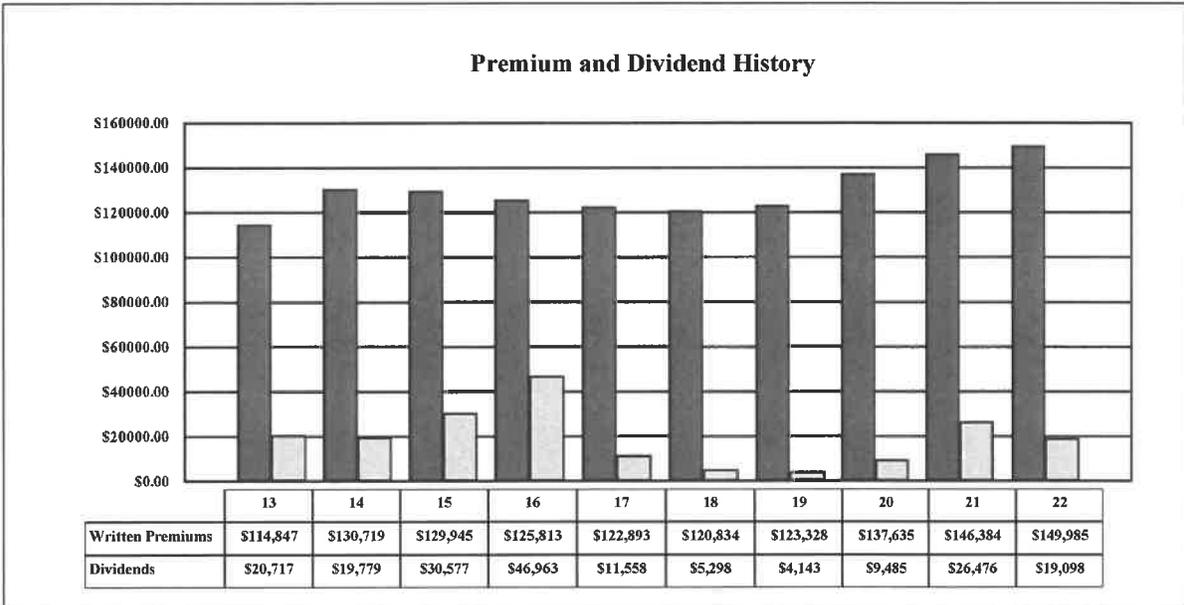
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**LEAGUE OF MINNESOTA CITIES INSURANCE TRUST  
PROPERTY/CASUALTY  
2022 DIVIDEND CALCULATION  
AT MAY 31, 2022**

**Princeton Insurance Agencies**  
104 S Rum River Dr  
Princeton MN 553711816

**Princeton**  
705 2nd Street North  
Princeton, MN 553711558

<b>GROSS EARNED PREMIUM</b>	<b>\$2,205,869</b>
<b>ADJUSTED LOSSES</b>	<b>\$696,511</b>
<b>MEMBERS DIVIDEND PERCENTAGE</b>	<b>0.00190976000</b>
<b>DIVIDEND AMOUNT</b>	<b>\$19,098</b>



The "gross earned premium" figure is the member's total earned premiums as of May 31, 2022 for the past 20 years. This is the premium figure that's used in the dividend calculation.  
The "2022 written premium" figure is the member's total premium for the member's most recent renewal prior to May 31, 2022 (for most members, only a portion of that 2022 written premium would be earned as of May 31, 2022)