



104 S. Rum River Dr.
Princeton, MN 55371

763-389-3650 Phone
763-389-3651 Fax
www.princetonins.com

City of Princeton

Insurance Package Renewal

July 1, 2021 to July 1, 2022

2019-2020 Premium
\$137,635
Dividend 2019 \$4,143

2020-2021 Premium
\$146,384
Dividend 2020 \$9,485

2021-2022 Premium
\$149,985
Dividend 2021 TBD

- The property premium increased \$458 due to the recent appraisal which increased values by \$1,728,107. (This includes the 4% inflation guard and adding the new communications tower and public safety storage garage.)
- The liability and liquor premium is up \$2,470 due to an increase in expenditures and increased liquor sales
- The auto premium is up \$666 based on the additional vehicles (we added 6 new vehicles and removed 2).

Options to Act On

- **Waive the per person Statutory Liability limit of \$500,000** to the \$1,500,000 Statutory Liability Maximum at a cost of \$2,382
(See the waiver form attached for further explanation.)



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Things to consider about purchasing higher limits:

The Trust makes available the option of carrying higher coverage limits than the basic limit of \$2 million per occurrence. The Trust's excess liability coverage is available in \$1 million increments up to a maximum of \$5 million. There are several reasons why cities may consider carrying the excess liability coverage.

Statutory limits may not apply

The statutory tort caps do not or may not apply for the following types of claims:

- Claims under federal civil rights laws, including Section 1983, the Americans with Disabilities Act.
- Claims for tort liability the member has assumed by contract, which occurs when a member agrees in contract to defend and indemnify a private party.
- Claims based on liquor sales, which mostly affects cities with municipal liquor stores, but it could also relate to beer sales at a fire relief association fundraiser.

➤ **Consider adding Umbrella Liability**

\$1,000,000 for an additional \$15,032 annual premium

\$3,000,000 for an additional \$26,307 annual premium

\$5,000,000 for an additional \$29,041 annual premium



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Insurance Workers Compensation Renewal

July 1, 2021 to July 1, 2022

2019-2020 Premium

\$84,858

Experience Mod 2019 .73

2020-2021 Premium

\$103,722

Experience Mod 2020 .79

2020-2021 Premium

\$117,295

Experience Mod 2021 .75

- Payroll increase of \$94,627
- Police had a rate increase – see below
- Experience Mod went from .79 down to .75

The workers' compensation program's fund balance remains strong and costs have remained stable or improved in many job classifications, but public safety PTSD claims have had significant cost implications, resulting in an average rate increase of 13% for the coming year. That will be implemented by way of a 35% rate increase for police job classes and a 4.5% increase in all other job classes.