This Is Minnesota Counties Intergovernmental Trust

Program Year 2023
Presented by:
Gerd Clabaugh
MCIT Executive Director
gclabaugh@mcit.org
651.209.6407

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Today’s Conversation

• Introduction to MCIT
• Lines of coverage
• Claims trends and emerging concerns
• Advantages of MCIT membership
• Preventing losses and mitigating risks
What Is MCIT?
MCIT Is ...

• ... A line item in the county’s budget
• ... County’s coverage provider for:
  - Work-related injuries for county employees
  - Vehicles for property damage and liability
  - Actions that result in the county being sued
• ... Your partner:
  - In claims management
  - Risk management
MCIT Is a Public Entity

- Risk sharing pool for Minnesota county governments and associated public entities
- Reflects counties
- Established in 1979 with workers’ compensation program
  - Property and liability program added in 1984

- MCIT headquarters
  - Tenants include:
    - Minnesota Sheriffs’ Association
    - Minnesota County Attorneys Association
    - Minnesota Counties Computer Cooperative
    - Minnesota Community Action Partnership
    - Minnesota Association of Soil and Water Conservation Districts
  - Meeting rooms available for all MCIT members’ use
Joint Powers Structure

- Enabling legislation:
  - Minnesota Statute 471.59
  - Minnesota Statute 471.981

- Transferred and pooled assets and liabilities to:
  - Administer the program
  - Cover losses
  - Provide risk management advice
  - Provide loss control services
  - Purchase reinsurance for catastrophic losses
MCIT Membership

Members by the Numbers

- 81 of Minnesota’s 87 Counties
  - Anoka, Dakota, Hennepin, Ramsey, St. Louis and Olmsted Counties Are Not Members
- 92 soil and water conservation districts and associated joint powers
- 350 other public entities

Membership Is a Privilege

- Minnesota Statute 466
  - Provides Certain Immunities and Defenses
  - Limits Liabilities for State Tort Claims
- Committed to managing risks
MCIT Board of Directors

- Elected and appointed county officials
  - 5 county commissioners
  - 2 county auditors or auditor-treasurers
  - 1 county coordinator/administrator
  - 1 vacancy
- Diverse backgrounds but all have experience in local government
- Experience the outcome of their decisions
MCIT Staff

• Program and contract administration
• Underwriting
• Claims administration
• Risk management and loss control

• Communications
• Systems support
• Accounting and finance
• Facility management
Service Providers

- Defense counsel
- Actuarial work (Actuarial Advisors)
- Independent audit (EideBailly)
- Employee Assistance Program (Sand Creek)
- Minnesota Safety Council
- Variety of attorneys and consultants
Lines of Coverage

Tailored to Minnesota Counties
# Tailored Coverage for Counties

### Lines of Coverage

- **Property:** buildings, contents, property in the open
- **Inland marine:** contractors equipment, electronic data processing equipment, miscellaneous personal property
- **Liability:** general, public employees, law enforcement
- **Auto:** physical damage and liability
- **Workers’ compensation**

### Scope of Coverage

- Approximately 26,000 employees
- $6.8 billion in property value
- 11,000 vehicles
Application of Coverage to Commissioners

• Public employee liability coverage
  ▪ Covered party:
    ◆ Only acts within the scope of their employment by or duties on behalf of the member [county], in their official capacity
    ◆ Any elected or appointed official of the member
    ◆ Subject to the terms and conditions of the Coverage Document

• MS 466.02
  ▪ Provides that every municipality is subject to liability for its torts and the torts of its officers, employees and agents acting within the scope of their employment or duties …

• Workers’ compensation
  ▪ Elected officials are covered subject to a county board resolution (MS. 176.09)
Claims and Emerging Concerns
Claim Trends

- Law enforcement
  - Increasing claims in the last five years (excluding employment related claims)
  - Frequency and severity – jail operations
    - Medical treatment
    - Mental illness/suicides

- Cyber
- PTSD and workers’ compensation
- Employment/personnel
- Land use decisions
- Complicated by “bad actors” - Minnesota Statutes, Chapter 466
Advantages of Membership
Fully Funded Program

- Created by counties for counties
  - Will not decide to leave public sector market
- Rates set to cover expected cost of claims
  - No profit motive
- Coverage for unique exposures of county government operations
Rate Stability

• Homogenous membership
• Economy of scale
• Reduced expenses
  ▪ No commissions or sales fees
  ▪ Tax exempt
Dividends

- Equity is returned when:
  - Fiscally prudent
  - Actuarially sound

<table>
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<th>Year</th>
<th>Aggregate Dividend</th>
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<tr>
<td>2022</td>
<td>$7 million</td>
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<tr>
<td>2021</td>
<td>$12 million</td>
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<td>2020</td>
<td>$10 million</td>
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Enhanced, New Coverage

- Coverage reviewed annually
- Enhancements, new coverage added as appropriate to address members’ risk exposures

- Recently added or enhanced coverage:
  - Drones
  - Liability for class III dams as classified by DNR
  - Cyber, misdirected payment and computer fraud
Commitment to Members

- 44 years of service and commitment to Minnesota counties
- Responsive to members
- Program administered by MCIT staff
- Staying connected to members:
  - Bulletin newsletter
  - Website
  - Phone and email conversations
  - Annual meeting
  - Conference participation
Preventing Losses, Mitigating Risks
Advice, Recommendations

- Risk management consultants:
  - Coverage questions
  - Contract review from a risk management perspective

- Loss control consultants:
  - Safety committee meetings
  - Property surveys

- Staff counsel:
  - Risk management advice, recommendations
No-cost Services, Products

- Information and education:
  - Training events
  - Videos
  - Publications
  - Website

- Loss control and risk management tools, resources

- Property appraisals
- Employee Assistance Program
  - Elected officials and dependents can use the EAP
- Minnesota Safety Council membership
Final Thoughts
New Leaders: Help Prevent Claims

- Ask questions, engage with MCIT:
  - MCIT report to county boards
  - Training events
  - AMC district meetings
  - Contact MCIT:
    - 1.866.547.6516
    - info@mcit.org

- Integrate risk management, loss control into county operations
- Support staff’s involvement in risk management, loss control efforts
- Be involved:
  - Join the county’s safety committee
Congratulations in your new role!

Welcome to

- County government
- Minnesota Counties Intergovernmental Trust

It promises to be …

- Exciting
- Challenging
- Fun

MCIT is ready to assist you!