



March 24, 2021

Committee Members
Public Safety and Criminal Justice Reform Finance and Policy
Minnesota House of Representatives
100 Rev. Dr. Martin Luther King Jr. Blvd., Saint Paul, MN 55155
By email – Jamael.Lundy@house.mn

Re: Committee Consideration of HF 440

Dear Committee Members:

The League of Minnesota Cities Insurance Trust (LMCIT) is a self-insurance pool providing property, automobile, and liability coverage to almost all cities and standalone police departments in Minnesota, excluding Minneapolis, St. Paul, and Duluth. I am writing in regard to HF 440, which would require peace officers to obtain individual liability insurance policies.

We have a number of practical concerns about this legislation. We are not convinced a viable commercial market will offer the required coverage. If a market is created, the cost of obtaining coverage is currently unknown, and can be expected to be expensive, uncertain, and volatile, given the current state of the insurance environment. Insurers are unlikely to underwrite and price coverage in a way that furthers the legislation's goal of accurately assigning the cost of risk to individual officers. Other mechanisms in the insurance industry may well lead to results from this legislation that are contrary to its presumed intent. Finally, assuming the proposal meets constitutional muster, a great deal of existing law and labor contract language will have to be reviewed, revised, and overruled in order to implement this change.

We also have policy concerns. To begin with, law enforcement agencies are already having a difficult time recruiting qualified applicants. Excluding them from the type of indemnification provided to virtually every other employee in the state will make that situation much worse.

In addition, this approach essentially delegates a great deal of control over local law enforcement policy to large, private insurance companies that exist to earn a profit for their shareholders. While the idea of allowing the marketplace to objectively compare risk profiles of individual officers has a certain theoretical appeal, the financial and operational realities of commercial insurance operations will not always align with public policy goals. Imagine, for example, a city that wants to embed a social worker in a special departmental mental health crisis response unit and an insurer that refuses to provide coverage to officers in that unit because it perceives an unpredictable but increased risk of taking that approach. Private insurers justifiably dislike uncertainty, yet good public policy innovation often demands it.

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In short, our concerns are extensive, and those described in this letter are only some of the most prominent among them. While we respectfully urge the committee to not act with undue haste on this proposed legislation, our cities also want to provide effective public safety services that are responsive to community needs. We would be happy to provide additional information and engage in conversations as to how to best advance that goal.

Very truly yours,

A handwritten signature in black ink, appearing to read "Daniel J. Greensweig". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Daniel J. Greensweig
Administrator
League of Minnesota Cities Insurance Trust