

## **COUNCIL ACTION FORM**

**SUBJECT:** REIMBURSEMENT OF LIABILITY CLAIM

**BACKGROUND:**

The City's liability insurance carrier, the Iowa Communities Assurance Pool (ICAP), recently negotiated and settled a claim against the City from a resident who slipped and fell on an icy or snowy surface on a multi-use path. The amount of the settlement is \$75,000. In accordance with our policy provisions, ICAP is authorized to settle the claim without prior City approval.

The amount of the claim is less than the \$100,000 deductible which the City has under this policy. Since the amount of the settlement is \$75,000, it exceeds City staff's ability to approve payment. The City Council is being asked to approve a letter from ICAP, requesting reimbursement for the processed claim. Payment for this settlement will come from the Risk Management Fund reserves, which are collected from the various departments' operating budgets to cover unanticipated claims.

**ALTERNATIVES:**

1. The City Council can approve the request from ICAP for reimbursement of this settlement amount of \$75,000.
2. The City Council can not approve this payment at this time and can ask for additional information.

**MANAGER'S RECOMMENDED ACTION:**

It is unfortunate that a citizen was injured while walking on one of the City's multi-use trails. Fortunately, that is a rare occurrence, since substantial effort is put into cleaning the paths after snow events.

As the City's liability insurer, ICAP has chosen to settle this claim in the amount of \$75,000. Under the terms of the City's insurance coverage, the City is obligated to reimburse ICAP for that amount.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby approving the request from ICAP for reimbursement in the amount of \$75,000.