



Wexford Joint Planning Commission

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Wexford Joint Planning Commission INSURANCE REPORT

Re: Special Meeting – Insurance Premium

Dear Commissioners –

The Wexford Joint Planning Commission has been insured through the Michigan Township Participating Plan since January 2017. The initial premium amount was \$2,602.00 and incrementally increased to a premium of \$3736.00 for this past calendar year (2024) – an average annual increase of approximately 4%.

Our most recent premium for the calendar year 2025 began at \$10,000.00 and has since been reduced / negotiated to \$9,000.00 – still, **a 241% premium increase**.

This premium increase may have been prompted by a recent WJPC claim when a ZBA case was appealed to the Wexford County Circuit Court. Our training (for staff) tells us that this is the point in time to notify your legal counsel and insurance provider – which we did.

Upon receipt of the new premium statement, staff took immediate action to seek new quotes on behalf of the Wexford Joint Planning Commission. Because of the ‘open claim’ reserve ⁽¹⁾ in the amount of \$25,000.00 that shows on our loss report with our current insurer (MTPP), we cannot obtain a quote from another company.

There are several options in moving forward:

1. Pay the increased premium and move on with MTPP – file for the approximately \$7000.00 claim for legal expenses – this ‘may’ not look favorable in the future if we remain with MTPP or seek new quotes.
2. File the claim with MTPP (seeking financial compensation) so that the open claim reserve will reflect the actual amount paid out and seek out new quote(s). This ‘may’ not look favorable in the future if we remain with MTPP **or** seek new quotes.
3. Close the claim (without payment)² – do NOT file for any financial compensation (**WJPC absorbs costs with current budget and / or legal contingency funds**) – seek new quote(s) – this ‘may’ be the most favorable option whether we choose to stay with MTPP or go with another insurer.

¹ This is a ‘reserve’ amount anticipated by the insurance company – it does NOT reflect an actual loss as the WJPC has NOT sought reimbursement for the legal expenses incurred.

² We would show a claim paid out with 0 (zero) dollars instead of \$7000.00

The Zoning Administrator recommends that the Wexford Joint Planning Commission pursue **option #3** for the following reasons:

- A. The 'immediate' financial burden is not substantial.
 - a. The WJPC anticipated increased legal expenses in fiscal 2024/2025 with the receipt of the MDARD - Rural Readiness Reimbursement Grant – our legal expenditures have been very minimal. We budgeted \$10,000.00 and have exhausted less than 30% of this line item to date.
 - b. The WJPC has approximately \$18,980.00 in the legal contingency fund based upon our total budget.
- B. Having been insured by the same carrier for the last 8 years, this will provide an opportunity to analyze our needs and 'shop' around for comparable coverage(s) and rates.
 - a. Should we receive comparable coverage / quotes, the WJPC can decide accordingly.
 - b. If the WJPC does not receive comparable quotes, then remaining with MTPP is still a viable option.

Respectfully,



Planning and Zoning Director
Wexford Joint Planning Commission