

**RESOLUTION ESTABLISHING THE CITY'S LIABILITY INSURANCE
DEDUCTIBLE AMOUNT AS THE MAXIMUM AMOUNT OF
INDEMNIFICATION FOR CITY EMPLOYEES.**

WHEREAS, the City of Rapid City purchases liability insurance coverage for the City and its employees; and

WHEREAS, the City of Rapid City maintains a high deductible on its liability insurance coverage, in essence, treating the coverage as a stop loss policy with the City acting as a self insurer; and

WHEREAS, SDCL § 3-19-2 sets a maximum amount for indemnification of City employees by the City unless changed by the governing body of a municipality; and

WHEREAS, the City of Rapid City incurs additional cost to purchase liability coverage for employees as a result of the provisions of SDCL § 3-19-2; and

WHEREAS, the City of Rapid City has determined that it is in the best interests of the City of Rapid City to set the maximum indemnification amount in an amount equal to the deductible of the City's liability policy.

NOW THEREFORE BE IT RESOLVED by the City of Rapid City that the City of Rapid City will indemnify employees to the extent allowed by SDCL § 3-19-1.

BE IT FURTHER RESOLVED that such indemnification shall not exceed the deductible amount of the primary liability insurance policy providing coverage to the employee.

Dated this _____ day of _____, 2003.

CITY OF RAPID CITY

Mayor

ATTEST:

Finance Officer

(SEAL)

Prepared By: CITY ATTORNEY'S OFFICE