



Vergas Insurance Agency, LLP

106 East Main St, PO Box 67

Vergas, MN 56587

Lee Dahlgren, Cheryl Hanson, agents

sherrih@vergasstatebank.com - Phone (218) 342-2481

03-12-2025

City of Vergas Insurance

Information has been received back from the League of Minnesota Cities regarding two questions – Increase of deductibles and Coverage for the Boardwalk.

Deductibles:

Although the league does not usually endorse changes mid-term, they did say that an underwriter would consider.

The city presently has a \$1000.00 property deductible, with \$2500 deductible for equipment breakdown. The \$2500 deductible for equipment breakdown would stay.

Options:

- \$2500.00 property deductible – Savings of **\$1,719.00 annually**
- \$5000.00 property deductible – Savings of **\$3,430.00 annually**
- \$10000.00 property deductible – Savings of **\$5,765.00 annually**

Boardwalk:

The LMC would want this insured for replacement cost, and it was unclear what that might be until we determine from the Boardwalk Company:

Options:

- \$250,000.00 RCT – Annual premium would be \$1340.00
- \$300,000.00 RCT – Annual premium would be \$1,607.00

Our original investment for the Boardwalk was \$385,751.00.

Let me know of questions.

Sherri Hanson