



Insuring Enforcement Approaches Blind Corner



The Manager Insights Series: As you know if you've been watching this space, I interviewed each NWCCOG municipal and county manager during the first quarter of 2023 and asked each a series of questions on housing, sustainability, marketing, policing among other topics. Last week, we took a short detour to discuss [SB-213](#) because it was important and timely. The previous week, I reported on [Law Enforcement](#) costs and wage shopping. This week, we continue with that theme, introducing the topic of Insurance costs relative to Law Enforcement.

Thanks to Tami Tanoe, Executive Director CIRSA, for important input.

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In the last installment we reported that competition for wages has bloated local law enforcement budgets, causing policing to absorb larger and larger portions of General Funds in 2023. That trend is on a collision course with the cost of insuring police. On March 2nd, 11 News' reported [Colorado Springs' police liability insurance doubling](#). The city claims it isn't a result of known settlements they have paid but is a result of the fallout from the George Floyd incident (something beyond their control). The City and County of [Denver was hit with a \\$14 million verdict](#) in 2022 over the Denver PD's response to the George Floyd protests in 2020. Those agencies are self-insured. Judgments and settlements for smaller law enforcement agencies in the state of Colorado are also hitting high numbers which eventually will impact the cost of insurance for all public agencies. The City of Northglenn had a record-setting [\\$8.75 million law enforcement liability settlement](#) a few years ago. That record was broken in 2022 by a [\\$9.5 million settlement in Kiowa County](#).

Asked "is increased insurance liability for police/sheriff an issue for your general fund budget" during those same calls to managers, the answer was a resounding "no" or "not yet." The insurance cliff is not visible yet. That is largely because all but a couple municipalities are insured by CIRSA, a self-insurance pool that insures 154 police departments around the state. More than half of NWCCOG member *counties* are self-insured, meaning they were not impacted by the County Casualty and Property Pool (CAPP) rate increases for loss control for 2023. That insurance pool does for Counties what CIRSA does for Colorado municipalities. Self-insured counties did not report that insuring law enforcement as a portion of overall liability coverage has changed. In other words, only a couple agencies in the region have yet to absorb the increasing cost of insuring their law enforcement agency. NWCCOG Counties covered by the CAPP pool include Summit, Routt, Jackson and Grand. Eagle and Pitkin are self-insured.

Tami Tanoue, Executive Director for CIRSA notes, "For our members that have police departments, 60

percent of the total cost of property/liability insurance, on average, goes to the cost of law enforcement liability (LEL) coverage.” She continues, “Think about that for a moment. Add up all the liability exposures that your city or town has, along with all of the exposures of loss or damage to your buildings and structures--60 percent of the cost of covering all of those exposures is attributable to police liability coverage.” While CIRSA’s members have been fortunate to maintain \$10 million per occurrence in LEL coverage for 2023, Tanoue reports that “the cost and availability of LEL coverage grows more challenging each year.”

Calls to managers across the region by NWCCOG revealed that for small to mid-sized municipalities, the overall cost of policing as a portion of the General Fund ranges from a reasonable 13% to as high of 54%. County sheriff budgets range from 18% to 32% as a portion of the six county General Fund budgets across the NWCCOG region. The ratio is largest in the smaller towns trying to maintain a local police force. Others mitigate that cost through contracting with the sheriff for services. When law enforcement approaches one third of the overall discretionary budget, it greatly reduces opportunities to address other key strategic priorities, especially capital improvement projects. In other words, law enforcement is already absorbing a large portion of civic budgets *before* increased liability has been factored.



Meredith Burcham, Executive Director at CTSI notes, “the Colorado Casualty and Property Pool (CAAP)-not CTSI, did have increases and adjustments of our limits as an all-risk policy that was driven by Law Enforcement losses, social inflation and the hard market. In addition, we were forced to separate our towers, one for Law Enforcement and one for our General Liability to be able to maintain coverage for our members.”

Our region hasn’t had the kind of publicly released settlements like L.A. County’s [\\$28.85 million dollar settlement with the Bryant family](#) as reported in the Los Angeles Times recently. Colorado Springs response, if evasive blaming their insurance costs on protests is not entirely incorrect. The national discussion on police mis-use of force led Colorado to be the first state to enact legislation to address the issue. As covered in NWCCOG’s and CIRSA’s joint report from the Fall of 2020, [Regional Impacts to Law Enforcement](#), many of agencies across the region understood that when Colorado set the national standard with SB -217 placing \$25,000 of financial liability on individual officers in June of 2020, some departments said it would decimate their ranks. It hasn’t done that, though it has added to the overall cost of policing from training to risk management. For those that had not purchased body camera systems there have been increased costs for acquiring equipment, for training and for managing the data produced. The wage chasing phenomenon reported on earlier may or may not be attributable to an overall reduction in the number of deputies or certified officers in circulation, and I have yet to see data on how many law enforcement officers in Colorado may have retired, quit or moved out of state due to the law. That would be interesting to know. It is true that the complexity of law enforcement has increased along with increased public scrutiny, both of which may factor into liability increases as much as the many other theories about policing currently making the rounds.

It should be no surprise that with the door opened to individual officers to be held accountable, that parallel liability exposure would extend to the agencies. In the past, individual incidents have often been sealed through a settlement agreement between the parties. SB 217 has reporting requirements that have opened a window to some of those cases. [CPR news](#) reported in 2021 that officers were increasingly being held accountable for misconduct. If you are interested in the paper trail of incidents, legal cases and policies that contribute to the opacity of this problem, *Shielded: How the Police Became Untouchable* by Joanna Schwartz which is a thorough accounting that draws direct lines from case law to local government practices.

The problem is not police training, police diversity, or police methods. The problem is policing itself.

Alex S. Vitale

**The
End of
Policing**
Updated edition

At the end of the day, the cost of police conduct cases is paid by someone. Those costs tend to be unintentionally obscured by layers of insurance pools, liability being budgeted separately from departments and complicated general fund budgets. That said, eventually that someone who has to pay is the taxpayer. With the taxpayer footing the bill, it is also important to not “blame” the police for these increased costs. As Alex S. Vitale notes in *The End of Policing*, the problem is with our laws which have contributed to “an unprecedented expansion and intensity of policing in the last 40 years,” and that “excessive use of force, however, is just the tip of the iceberg of over policing.” It is no wonder that the cost of law enforcement is escalating rapidly when we expect police to address mental health, homelessness, suicide, gun violence, our national drug crisis, or prison system that needs reforming as well as our deep national divide over issues such as equity, poverty, immigration and social justice. One unfortunate response, well reported by Radley Balko in *Rise*

of the Warrior Cop: The Militarization of America's Police Forces, is the hardening of police practices and equipment which is directly attributable to a history of political rhetoric of "getting tough on crime" or our failed War on Drugs. Increased costs of policing also come from that trend. The bottom line is that the increased cost of policing has direct lines to decades of failed public policy, and for that the only solution to the rising cost of policing begins with us.

Note about the Manager Insights series: The data collected for this series demonstrates the depth of knowledge among area managers and I felt honored to be entrusted with their candid reflections. Raw data will be shared directly back to managers and packaged data and quotes will be published only after review and with permission from each manager. I take responsibility for any inaccuracies or cumulative insights not directly attributed to one of my fine colleagues.

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