



CITY COMMISSION POLICY MANUAL

Claims Settlement Policy

Department:
City Treasurer-Clerk's Office

Date Adopted:
October 1, 1986

Last Revised Date:
October 22, 2025

200.01 AUTHORITY City Commission

200.02 PURPOSE

This policy, and the procedures implemented to accomplish its objective, shall be applicable to all negligence claims brought against the City covered under the self-insured automobile and general liability program established by City Commission Policy 214.

200.03 STATEMENT OF POLICY:

It is the policy of the City of Tallahassee to promptly respond to and investigate all claims for personal injury and/or property damages filed as negligence actions against the City. The City, through its Risk Management Department, shall implement a claims administration process that concludes each claim by payment of fair and equitable compensation for those claims for which the City is determined to be legally liable or by denial and defense of those without merit and liability.

200.04 PROCEDURES:

1. All claims filed against the City shall be reported initially to the City Risk Management Department. As prescribed and defined within this policy, a full and complete investigation shall be made and handled as appropriate including negotiating and settling all claims for which the City is legally liable.

The Risk Management Department shall make final determinations as to the merits of each claim. If the investigation fails to support the claims or allegations of negligence against the City, the claimant will be notified of the denial. Should litigation ensue, the City Attorney shall coordinate and defend the City's position up to and including civil trial.

All claims that are found to be meritorious shall be negotiated and settlement made as authorized by this policy. Claims settlement limits are established by this policy to define the levels of authority for settlement.

Property damage claims shall be adjusted on an actual cash value basis (replacement cost less depreciation) and compensation shall not exceed the fair market value of the property. Only direct damages arising from the loss will be considered. Damages resulting from a failure to clean up or mitigate will not be considered. The City will not repair or replace the entire property when only a designated section was damaged and

can be reasonably repaired. Unrelated and/or pre-existing damages will not be included. Repairs or other work required by contract, any third-party agreement, or Code/Ordinance enforcement not directly part of the actual damage will not be considered.

The City will pay for reasonable food and lodging expenses when a residence is uninhabitable as determined and authorized by the Risk Management Division. Any business income loss will be considered at a net figure (sales less expenses both continuing and non-continuing). Any loss of stock or equipment will be considered at cost or actual cash value. The City will not be responsible for delays due to Code/Ordinance enforcement, contractor performance, disputes between involved parties including landlord-tenant issues, bankruptcy or any other legal issues.

Should an affected party file a claim with their own insurance carrier, any subrogation claim from said carrier would be subject to liability review and evaluation of damages by the City.

2. When events which are described in the City's Underground Utilities (UUPI) Gravity Sewer Service Later Policy occur, responsibility for initial clean-up costs and claims for damages will be determined by UUPI's policy in place at the time of the occurrence. The amount of the damages will be determined through a generally accepted estimating and adjusting process. This coverage shall apply to both commercial and residential buildings.

Claims for damage to real and personal property resulting from rising water, flood or storm water surcharge, whether mixed with sewage or not, will not be covered by the City. This shall not restrict or limit Underground Utilities from responding to and sanitizing or treating such affected areas as they deem necessary and appropriate.

200.05 SETTLEMENT:

A. Liability Claims:

The Risk Management Department shall negotiate and settle all such claims as authorized by this policy.

- Level I - The Risk Management Director is authorized to negotiate and make settlement of all liability claims up to \$75,000 per claimant whether an individual or entity. Level II - The Risk Management Director is authorized to negotiate and make settlement of all liability claims between \$75,000 to \$150,000 per claimant whether an individual or entity upon review by and consultation with the City Attorney, City Manager, City Treasurer-Clerk, Director of Resource Management and Director of the department involved in the claim.
- Level III - All claims reviewed at Level II which are recommended for settlement in excess of \$150,000 per claimant, whether an individual or entity shall be agendaed and brought before the City Commission for final approval and authorization.

200.06 ADMINISTRATION:

The City Treasurer-Clerk, through the Risk Management Division shall be responsible for administering, updating and revising this policy as required. Any substantial changes, additions or deletions shall be approved by the City Commission. specify the City Department having responsibility for the administration of the policy.

200.07 SUNSET REVIEW:

This policy is subject to sunset review by the City Commission no later than five (5) years from the date of adoption. Subsequent reviews by the City Commission are to occur no later than five (5) years from the date of the prior review. Revisions will become effective immediately upon City Commission approval.

200.08 EFFECTIVE DATE:

This policy shall become effective upon approval by the City Commission.

REVISIONS:

July 17, 1991

December 7, 1994

May 24, 1995

February 24, 2010

January 27, 2016

December 9, 2020

October 22, 2025