Tennessee Local Government Insurance Pool (LGIP)

LGPCF = Local Govt Property & Casualty Fund
LGWCF = Local Govt Workers’ Compensation Fund
What is an Insurance Pool?

- Members pool their financial resources together to guarantee an alternative to insurance companies who have to profit from our tax dollars.

- Each member is self-insuring, but instead of doing it alone, they share the risk and the cost of expenses with other county members.

- A pool allows members to have stable coverage, premium contributions and the benefit of lower group rates.
In the 1970’s and early 1980’s, it had become difficult, if not impossible, for governmental entities to find liability and Workers’ Comp insurance.

Out of the need for stable, consistent coverage and pricing, the public sector began to consider the pooling concept.

States enacted laws providing the legal basis for public entities to enter into pools and self insurance agreements.
Statutes

- **Tennessee Code 29-20-401 (1973)**
  
  Creation of reserve or special fund -- Pooling agreements with other governmental entities -- Election to self-insure.

  
  Authorization for purchase of insurance without bidding, if such insurance is purchased through a plan authorized and approved by any organizations of governmental entities representing cities and counties. *(TCSA)*

  **Bidding undermines the STABILITY of the Pool**
LGIP

- Developed by TCSA in 1981
- Member-Owned
- Self-Insured & Reinsured
- Not-For-Profit
- Provide Budget Stability
- Advocacy and Loss Control
The County Pool for Tennessee

- LGIP is governed by a Board of Directors
  
  Jeff Huffman, Tipton County Executive, Chairman
  Mike Garland, Former CTAS Executive Director/TCSA Designee and Secretary
  Larry Waters, Sevier County Mayor
  Van Boshers, Maury County Highway Chief Admin Officer
  Robert Wormsley, LGIP President/CEO
You will get sued and we want to be able to defend you!
As soon as possible after an incident occurs that could give rise to a claim...

NOTIFY YOUR INSURER!!!
Claims – Property & Liability

7/1/2011 to 7/1/2021 (as of 8/1/2022)

- All Other Depts. Claim Cost: 52%
- Sheriff Dept. Claim Costs: 48%
Claims – Liability Only

7/1/2011 to 7/1/2021 (as of 8/1/2022)

- Sheriff Dept. Claim Costs: 66%
- All Other Depts. Claim Cost: 34%
Claims – Liability Only

Law Enforcement Liability
Jail vs. Road
7/1/2011 to 7/1/2021 (as of 8/1/22)

ROAD
46%

JAIL
54%
Workers’ Comp by Policy Year

All Departments - Total Incurred as of 8/1/22

Work Comp Reform Act took effect
Important

- Don’t terminate an employee without well documented cause!
- Don’t enter into contracts without review by County Attorney and your carrier.
- Insurance CAN NOT be your deferred maintenance plan.
- Insurance in lieu of Bonds
- Don’t terminate an employee without well documented cause!
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