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 must 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.
Development of Pools

- 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
- 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
Important

- Don’t terminate an employee without well documented cause!
- Don’t retaliate or create a hostile work environment.
- Discuss all Employment Practices issues with HR or County Attorney and your carrier.
- Don’t enter contracts without review by County Attorney and your carrier.
- Insurance in lieu of Bonds
- Don’t terminate an employee without well documented cause!