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.
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 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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