

A dark blue silhouette of a construction site with multiple cranes and buildings under construction. The scene is set against a lighter blue background with a fine grid pattern.

TML  
RISK POOL

*Building for the Future:  
The Next 50 Years*

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Workers' Comp.



Liability



Property



Cyber Liability



Special Risk

## Our WHY?

To partner with local governments so that Texas communities are **STRONGER, TOGETHER**

## **CREATED BY LOCAL GOVERNMENTS, FOR LOCAL GOVERNMENTS**

In 1973, the Texas Legislature passed legislation mandating that Texas cities provide workers' compensation coverage to their employees. At that time, most traditional insurance companies refused to write the coverage or quoted exorbitant rates. For those reasons, the legislation also authorized the creation of the first municipal risk pool in the United States, which was the predecessor of the *TML Intergovernmental Risk Pool* as we know it today.

The Texas Municipal League and several cities used the 1973 legislation to "pool" their resources. Using contracts called "interlocal agreements," they created the "Texas Municipal League Workers' Compensation Joint Insurance Fund." The Fund began operating on July 1, 1974, with close to 100 Members.

Today, the Pool provides workers' compensation coverage for almost 2,400 local governments, which employ 200,000 local government employees, including 34,000 first responders. A 17-member Board of Trustees — composed primarily of city officials — oversees 250 Pool employees who administer the coverages.

In 1982, cities saw other coverages becoming scarce and expensive, so TML created a liability fund that year and a property fund the following year. (In the mid-1980s, the U.S. insurance market essentially crashed.) According to *Time Magazine*, that was "a time of frantic efforts to obtain insurance that, at best, was available only in limited amounts with high retentions at exorbitant rates."

The Pool truly came into its own during that period, and — today — the Pool provides liability coverage to over 2,700 local governments (with over 1,000 being cities), and property coverage to over 2,400 local governments (again, with over 1,000 being cities). That includes protecting more than \$50 billion in local government property. Also, in 2024, the Pool created a new Cyber Fund to protect Members from that emerging risk.

The Pool celebrated its 50th anniversary in 2024. The focus now shifts to serving our Members for the next 50 years by **Building for the Future**.

**The bottom line: We were the first municipal risk pool in the nation, and we'll be here as long as local governments need us.**





## **THREE REASONS WE'RE THE BEST CHOICE FOR CITIES AND OTHER LOCAL GOVERNMENTS**

### **1. We provide sustainable economic value:**

- The long-term cost of our coverage is less than in the commercial market because we don't generate profit for shareholders. In fact, our "operating ratio (how much comes in v. how much goes out)" over the last 10 years is equal. Commercial insurers typically bring in 10 percent or more over operating costs as profit for shareholders.
- Members' equity remains within the Pool and is used specifically for the benefit of Members when claims and costs are less than expected. When it's financially prudent, we return excess equity to our Members.
- We won't come and go from covering Member risks if they become more or less profitable. Insurance companies frequently leave markets entirely when they can't make a profit, but we're in it for the long-term benefit of local governments.
- We write public entity coverage even when commercial carriers won't. For example, most commercial insurers won't write coverage for entities with first responders because they know the long-term costs for workers' compensation claims are expensive. We have prepared financially through a special workers' compensation fund designed to ensure lifetime income benefits for seriously injured first responders and their families should they pass away from a disease or injury.

***"... we're in it for the long-term benefit of local governments."***

## 2. We build and maintain meaningful long-term relationships with our Members:

Our Pool reflects our Members' interests because it is governed by the Members we serve. Our 17-member Board of Trustees consists of seven city managers, a city attorney, two mayors, two city councilmembers, and others interested in local governments and their employees.

- **We value long-term relationships with our Members** over short-term profitability. Many Members have been with the Pool since its inception.
- We help Members with complex issues, providing assistance even if the issue doesn't directly align with a possible covered loss. Through internal efforts and coordination with the Texas Municipal League, **we help local officials with general questions related to risk management and more.** In fact, most Members have a dedicated Risk Management Advisor to assist with finding the right coverage, deductibles, and more.
- We champion legal, legislative, and other advocacy outcomes that are "the right thing to do." For example, **we supported legislation in 2023 clarifying that a first responder with a traumatic brain injury is entitled to lifetime benefits.**

*"... we are governed  
by the Members  
we serve."*

### **OUR OBJECTIVES**

- Educate Members about avoiding and reducing risks
- Control losses with effective legal defense and claims handling
- Anticipate emerging risks
- Be aware of and anticipate emerging state and national trends
- Provide appropriate coverages that meet the needs of the Pool's Members
- Serve as an expert source of information on risk management for cities, other units of local government, and the Texas Municipal League
- Develop, train, and retain highly qualified staff

### 3. We act ethically, sustainably, and consistently with our internal Mission Statement and Core Values:

- We maintain focus on our **Mission Statement**, which is “to offer and provide Texas municipalities and other units of local government with a stable and economic source of risk financing and loss prevention services.” And our **Core Values** instruct every decision we make:

**Public Service:** Serving the public good — for the benefit of local governments and their tax-paying citizens.

**Fiscal Responsibility:** Responsibly managing our Members’ pooled funds for the protection of their financial stability.

**Operational Excellence:** Delivering excellent Member service in all components of our risk financing and loss prevention services.

**Integrity:** Serving with honesty, integrity, and professionalism.

- Our governance structure keeps us aligned with what’s most important to our Members. **Our Board consists of local officials** who understand that their Pool-related decisions affect their constituents back home.
- **We recognize the importance of human outcomes when we analyze claims.** We actually seek ways to provide coverage, when some private insurers do the opposite.
- We invest around \$800 million in assets in accordance with the Texas Public Funds Investment Act, with **protection of principle being our primary objective.** The legislature gave some investment flexibility for a portion of the portfolio to support lifetime income benefits under the workers’ compensation system.

*“We recognize the importance of human outcomes when we analyze claims.”*



## **LOSS PREVENTION SERVICES**

### **HOW WE HELP YOU SAVE LIVES, PREVENT INJURIES, AND PROTECT PROPERTY**

Loss prevention is a key component of your local government's overall risk management strategy. Essentially, it helps you identify sources of risk and take action to reduce them. Most in the industry refer to loss control. The Pool's department is called *Loss Prevention* because our goal isn't just to "control" losses, it's to prevent them from happening. In fact, the Pool's mission statement speaks directly to our loss prevention focus.

**We come to you:** To implement that mission, the Loss Prevention Department consists of 21 staff, including 12 safety and loss control consultants, two training specialists (human resources and public works), and two law enforcement consultants who regularly interact with Members.

How can they help you? Through individual visits, a consultant can discuss your entity's efforts, review loss history and current trends, and deliver practical recommendations about your exposures or operations. We also assist with specialized exposures and operations, such as law enforcement, natural gas utilities, electric utilities, aquatic surveys, and property valuations.

**Training close to home:** We provide training programs to Members at no additional cost and through various methods, including onsite training, online learning, and media channels. The goal is to grow a culture of safety at your entity. Employee supervision remains a key focus area, including human resources programs on navigating challenging laws, changing workforces, and increasing responsibilities.





*“The goal is to grow  
a culture of safety  
at your entity.”*

**Additional Member resources:** In addition to training programs, the department provides:

- Sample manuals, inspection forms, an accident prevention plan, and more
- Loss Prevention TIPS (Together Improving Processes and Safety) Sheets that cover numerous safety topics with links to additional resources
- Specialized publications on disaster preparedness, return to work, excavation documentation, fireworks safety, and more
- In conjunction with the Risk Services Department, cyber liability resources, including two dedicated employees to assist with Members' cyber hygiene and prevention efforts
- In conjunction with the Pool's legal department, the “call before you fire” hotline for Members with E&O coverage to discuss employment actions up front to avoid problems later
- Funding for Member police departments' first-year fees for the Texas Police Chiefs Association's Best Practices Recognition Program and for Member fire departments in the Texas Fire Chiefs Association's Best Practices Recognition program.
- Two dedicated law enforcement safety and outreach consultants to help police departments stay out of the headlines. We also partner with the Texas Police Chiefs Association and support their Vincible training program ([www.vincible.org](http://www.vincible.org))

Check out the resources available at [www.tmlirp.org](http://www.tmlirp.org) and reach out to your Safety and Loss Control Consultant today to get started! Don't know who yours is? Reach out to [lossprevention@tmlirp.org](mailto:lossprevention@tmlirp.org) or (512) 491-2300 to find out!

### **DID YOU KNOW?**

- The Risk Pool finances the coverage needs of 95% of Texas Cities (around 1,100 of them) for *less than* the annual budget of each of the top five largest cities in Texas. The pooling mechanism is incredibly efficient, and much of that is due to the diversifying nature of the way the Pool goes about its business.



## RISK SERVICES

### ENSURING YOU'VE GOT THE COVERAGES, LIMITS YOU NEED

Choosing the appropriate coverage and deductibles is an important part of your risk management strategy. Our Risk Management Advisors can help with individual visits to discuss the following coverages:

**Workers' Compensation:** We provide statutory Workers' Compensation Coverage as well as Employer's Liability Coverage. Highlights include:

- Self-Insured Retention Options
- Risk Financing and Excess Programs
- The Alliance program consists of high-quality medical providers dedicated to excellent medical care while reducing medical costs



**Workers' Comp.**



**Liability**

**Liability:** We offer General Liability, Automobile Liability, Law Enforcement Liability, Public Officials' Errors and Omission Liability, Cyber Liability, and Airport Liability. Highlights include:

- Claims management by specialists who know and understand immunities and tort caps applicable to local governments
- Broad coverages designed for the unique needs of local governments
- Errors and Omissions coverage includes employment-related claims



**Property**



**Cyber Liability**



**Special Risk**

*“The Pool’s Risk Services Department annually reviews coverages for each Member and manages \$52 billion in property value, 88,000 automobiles, and \$6.7 billion in payroll.”*



**Property:** We offer coverage for buildings, contents, mobile equipment, and boiler and machinery.

**The marquee feature of our property program is our turnkey recovery partners. If you have a catastrophic loss or severe roof damage, call us first. Turnkey recovery means just that: we can have people on site immediately to stabilize damage and — at your option — handle every facet of reconstruction.**

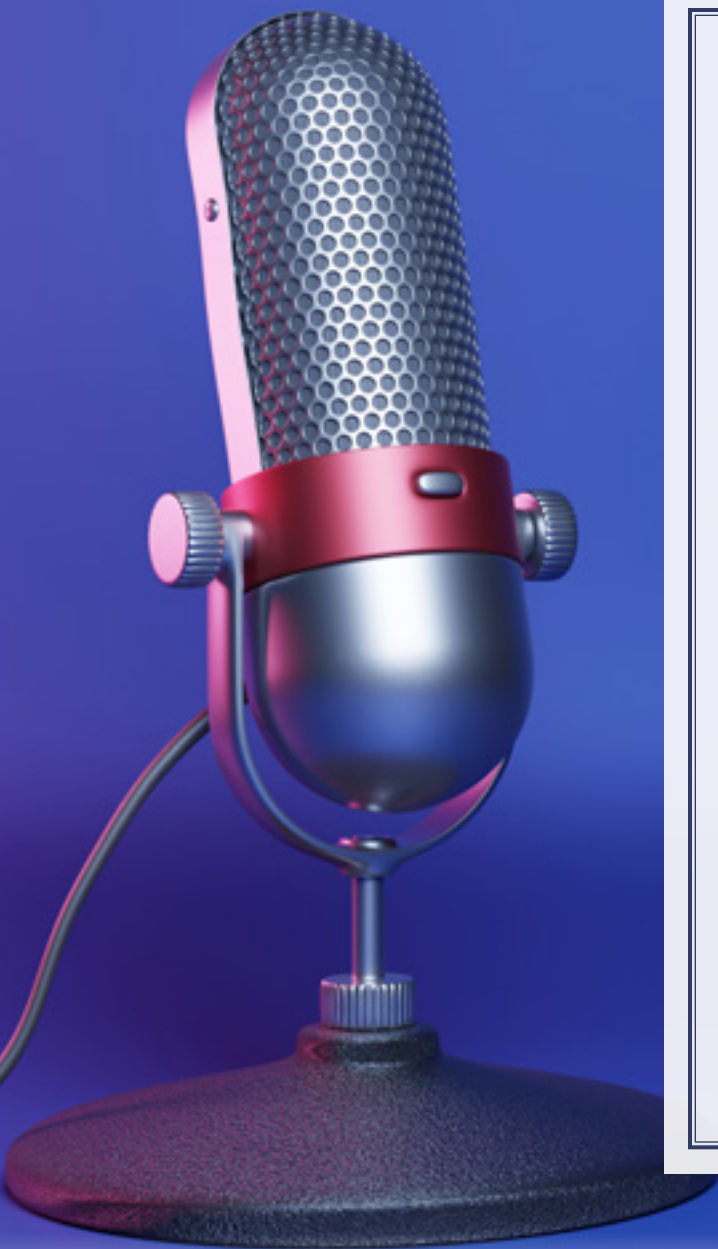
**Special Risk:** We cover special risks, including:

- Crime coverages — public employee dishonesty, theft disappearance and destruction, forgery or alteration, and computer fraud
- Animal mortality and theft
- Special events
- Fine arts
- Drones (UAV)

**Cyber Liability:** We offer robust loss prevention services related to cybersecurity, including two dedicated employees to help Members avoid an attack, and the following coverages:

- Information Security and Privacy Liability Coverage
- Website Media Content Liability Coverage
- Regulatory Defense and Penalties Coverage
- PCI (Payment Card Industry) Fines, Expense, and Cost Coverage
- Cyber Extortion Coverage
- Data Protection Coverage
- Network Business Interruption Coverage

***“Risk Pool Member survey results show that 90 percent of Members find the claims process easy or very easy.”***



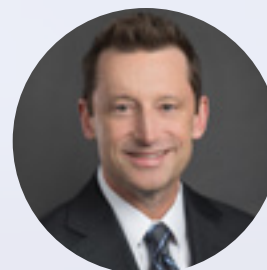
LOCAL OFFICIALS:  
**STP**  
Stronger, Together Podcast

The Pool's podcast series educates members through discussion about key legal issues and Pool services.

Each 15-minute episode covers topics such as:

- ♦ What's the Stronger, Together Podcast Series and Why I Should be Listening?
- ♦ Local Governments and Firearms: Avoiding a Jam
- ♦ Sewage Backups: Know Before You Go
- ♦ The Storm has Passed, Now What? The Pool's Turnkey Recovery Programs

YOUR HOST  
**SCOTT  
HOUSTON**



Visit **TMLIRP.ORG** and click on the **"STP Podcast"** link or listen on Apple Podcast Platforms



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