



ARIZONA COUNTIES INSURANCE POOL

COUNTY SUPERVISORS' ORIENTATION

CYNTHIA MAALOUF – EXECUTIVE DIRECTOR

ACIP

- Risk pooling is the practice of sharing liability risks and claims adjusting costs among the Pool members. With risk pooling arrangements, the costs of lawsuits and claims, as well as liability claims payments, are shared among the members.
- ACIP was formed in 1988, based on statute crafted by the Legislature (A.R.S. Sec 11-952.02).
- Non-profit government entity, with over 10,000 County employees covered by the ACIP Pool.
- ACIP insures 13 of the 15 Arizona Counties.

NON-PROFIT GOVERNMENT ENTITY VS. INSURANCE COMPANY

- Lower expenses for staffing and administrative costs- approximately 40-50% less than insurance companies.
- As a government entity, ACIP does not pay taxes. Insurance companies pass along costs such as taxes to their customers.
- Workers' compensation expenses are lower- ACIP has a government exempt status with the Industrial Commission.
- County Administrators and/or Managers make up the ACIP Board of Directors- decisions are made in the Pool's best interest under a fiduciary duty standard of care. An insurance company makes decisions that are in their shareholders' best interest.
- Insurance companies price premiums and charge expenses to make a profit. ACIP's Board oversees the budget and financial expenditures- there is no profit.

ACIP PROTECTION

- Arizona Counties
- County Employees
- Elected Officials
- Certified Public Officers
- County Roadways
- Vehicles
- County Property

ACIP COVERAGE

Property/Casualty (1988)

- Property
 - Crime
 - Cyber
 - General Liability
 - Auto Liability
 - Law Enforcement Liability
 - Employment Liability
 - Elected Officials' Liability
- First Party
- Third Party
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graph LR; P[Property] --- FP[First Party]; C[Crime] --- FP; Cy[Cyber] --- FP; GL[General Liability] --- TP[Third Party]; AL[Auto Liability] --- TP; LEL[Law Enforcement Liability] --- TP; EL[Employment Liability] --- TP; EOL[Elected Officials' Liability] --- TP;
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## Workers Compensation (1994)

# WHY SELF-INSURE?

*With Insurance*

**ONE WAY**

- Standard Coverage
- Fee Based Loss Control
- Generic Claims Handling
- No Settlement Authority
- If premiums exceed costs in any year, money is retained by the insurance company

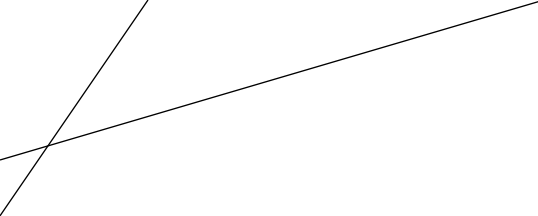
*With ACIP*

**Collective partnership**

- Flexible Coverage
- Loss Control/Safety
- Specialized Claims Handling
- Settlement Input
- Excess annual premiums for good loss years remains property of ACIP

# ACIP BENEFITS OF SELF-INSURED POOLING:

- Program customized for Arizona County Government – ALL we do is represent Arizona county government and government employees.
- Stability in managing the total cost of exposures and claims with our members.
- Specialized group of legal counsel.
- ACIP fosters collaboration among the counties (jail commanders; jail nurses; HR) which allows members to learn from one another and share resources.
- Internal staff specialized in risk and issues unique to government operations
  - Loss Control/Safety
  - Specialized Claims Handling
  - Education/Training
- Specialty Programs- Property review, highway safety, personnel policy review, online safety training platform, Public Practice Legal Seminar, contract review, jail inspections, Law enforcement training and continuous education.
- Close partnership with County Supervisors Association, other government pools and outside professional organizations.



## WHAT IS A LIABILITY CLAIM?

- A civil assertion by the party or parties of a loss, injury or deprivation of rights.
- A party can be members of the general public, a business or another government entity.
- Mandatory process timeframes defined by State and Federal law.
- Contain a financial demand to resolve the issue.
- Precursory to a lawsuit.
- Not all claims result in a lawsuit.





## COMMON LIABILITY CLAIM TYPES:

- Employment law claims – *Title VII, IA/Merit Issues, Misconduct*
- Roadway Design/Maintenance
- In-custody death
- Mental health decompensation/deterioration
- Use of Force
- Search and seizure
- Delay/restricted access to courts
- Unlawful detainment
- Auto Physical
- Auto Liability

## CURRENT TRENDS AND CHALLENGES

- Employment cases- Juries want to punish employers
- Inflation- Medical bills; vehicle and property replacement costs
- Nuclear Verdicts- Juries are awarding multi-million/billion \$ verdicts
- Excessive Force
- Jail Suicide/Mental Health
- Erosion of Government Immunity- Exposes law enforcement to increased lawsuits
- Reviver Statutes- Provides a 'window' for specific claims from incidents that may have occurred decades prior.



**THANK YOU**

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