



Informational Bulletin

Joint Ventures

Many of our clients are members of joint regional organizations. Examples include regional planning commissions, police emergency response teams, and regional emergency management agencies. There are liability coverage issues that need to be considered for joint ventures.

Officials that you appoint as your representative are included in your municipal liability coverage. However, the joint entity itself is not automatically covered by your policy. There are two methods to address this exposure.

One method is that the joint entity could be added to one of the member's policies. Usually this is not the preferred method since it places the responsibility for claims with just one of the member municipalities. These claims can impact that municipality's premium. The various members' policies will also respond to claims asserted against the individual members. This can result in a very fractured claim defense situation.

The second method is that the joint entity can purchase its own coverage. While this adds an additional expense to its budget, it provides a fairer and more cost effective method to handle claims. Currently we handle numerous joint entities this way. Please contact your account manager if you have questions about your participation in a joint venture.