



# Code of Practice September 2020

[lgms.net.au](http://lgms.net.au)

# INTRODUCTION

Established by the Local Government Association of Queensland (LGAQ), the LGMS mutual schemes remain committed to providing Members with comprehensive coverage, claims and risk management solutions they need to give them the confidence to navigate the evolving local government risk landscape.

Owned by Members, each of the LGMS schemes operate as a mutual to advance the interests of Queensland local government across the spectrum of property, liability and workers' compensation risk.

We aim to provide our Members with sustainable insurance coverage and risk management solutions that:

- **Understand** the unique risks faced by Councils;
- **Deliver insight** and are **responsive** to emerging issues;
- **Empower** Councils to harness opportunity;
- **Minimise costs** over the long-term and provide a stable cost structure in the face of a variable insurance market;
- Are **flexible** and **innovative** and help Councils manage an increasingly complex and uncertain environment
- **Understand** the local government landscape and have a value proposition that mirrors Council's long-term sustainable vision for its community

This document provides Members with a range of information about LGMS including services and support provided as part of Council's membership.

We encourage Members to read everything here to better understand important aspects about:

- Who is LGMS?;
- How does LGMS work for Members?;
- How is LGMS Governed?;
- How is LGMS Committed to it's Members?;
- What services and support can you expect as part of your Membership?;
- What service levels and standards can Members expect from LGMS?;
- How can Members make a claim and the claim process?;
- What should Members do if they have complaint?

We are committed to providing our Members with risk management solutions that can help your Council thrive and provide lasting benefits for Local Government.

**Ian Leckenby**  
Chair – LGMS



**Greg Hallam**  
CEO – LGAQ



## WHAT IS OUR PURPOSE?

LGMS is more than just insurance.

LGMS exists to support and empower Queensland Councils to understand and respond to the evolving insurance landscape for the benefit of their Councils and communities.





# BENEFITS OF THE MUTUAL

## Members First

LGMS is owned by and exists solely to benefit our Members.

The LGMS proposition is based on deep knowledge, tailored advice and service excellence ensuring the mutuals act in the best interests of Members and achieves the best possible outcomes for Members.

LGMS fosters the value of mutuality for the collective benefit of Queensland local government.

## Specialist Risks of Local Government

LGMS protects and manages the specialist liability, asset and workers' compensation risks of local government.

The mutual schemes understand the Queensland local government risk and insurance landscape which enables LGMS to drive outcomes for and deliver coverage and risk management services tailored to the unique needs of Members.

## Collaborative & Collective

LGMS operates collaboratively and collectively.

Through collaboration and a collective approach LGMS will bring the best of the schemes to our Members and assist them to deliver value and efficiencies to achieve the best outcomes.

Together Members are stronger and can deliver better outcomes. Shared goals and mutual support underpinned by an intensive and targeted approach to the management of our Members insurable risks are the key to our long-term sustainable success.

## Results Based

LGMS will be judged based on our performance and strive to be a significant contributor to the performance of Queensland local government.

## Value Proposition

The LGMS Value Proposition highlights the purpose, vision and value of the LGMS schemes as well as its commitment to the achievement of the shared objectives of Members.

The LGMS **Value Proposition** is available online to Members at the [LGMS Member Centre](#).

## Accountability & Transparency

LGMS conducts all activities with complete and open transparency.

Through the LGAQ's trusteeship and with a Board and Management Committee our Members have a real involvement and a say in how we operate.

## Who is LGMS?

LGMS is the overarching brand incorporating the Queensland local government mutual self-insurance schemes – LGM Liability, LGM Assets and LGW Workcare.

LGMS was established by the Local Government Association of Queensland ('LGAQ') to manage and service the unique insurance coverage and risk management needs of local government in Queensland.

LGMS works with its Members to jointly identify opportunities to minimise risks through the introduction of proactive systems and processes in the area of risk and claims management. These services are available to all Queensland Councils reflecting our commitment to servicing the risk and coverage needs of Members.

The LGMS mutuals have a proven track record of delivering unrivalled value and mutual aggregation in local government and is a successful vehicle for providing Member Councils with liability, property and workers' compensation exposure.

LGMS ensures Members long term cost stability of contributions that would not otherwise be achievable outside of the mutual schemes and remains committed to supporting and empowering our Members to better understand and manage their risk exposures.

### LGM Liability

LGM Liability provides a suite of covers tailored to address members' legal liability exposures. Covers included as part of LGM Liability membership are:

- Public and Products Liability and Professional Indemnity;
- Councillors' & Officers' Liability and Employment Practices Liability;
- Cyber Liability; and
- Casual Hirers Liability.

### LGM Assets

LGM Assets provides protection for members' asset based insurable risks. Covers available as part of LGM Assets membership include:

- Property Protection (Industrial Special Risks);
- Motor Vehicle;
- Machinery Breakdown;
- Marine Hull;
- Personal Accident (Group and Voluntary Workers); and
- Business Travel.

### LGW Workcare

LGW Workcare provides unrivalled workers' compensation services to Queensland Councils.

The cover provided pursuant to membership of LGW Workcare meets members' statutory obligations in respect of Workers Compensation requirements.

LGW achieves higher rates of successful return to work than the statutory provider of workers' compensation cover.

Unlike the statutory provider, LGW does not charge a deductible and Stamp Duty is not payable.

## How Does LGMS Work for Members?

LGMS works closely with Members to help them better manage risk, improve claims and provide long term sustainable costs and outcomes.

### Ownership

The LGMS mutuals are owned by and operate solely to benefit their Members.

Ownership means that Members have the ultimate say in how the mutual operates. As owners, Members also retain the benefit of any surplus funds not required to pay claims.

### Protecting Your Needs

The LGMS mutuals provide comprehensive covers tailored to the needs of Queensland local government. LGMS works with Members, the LGAQ and various other state based mutuals in order to understand how the risk protection needs of local government are evolving in order to ensure that they remain responsive to this changing landscape.

The LGMS service team is also available to provide Members with expert advice to assist Councils to better understand their risk profile and identify risk management solutions suited to Member requirements.

### Service & Support

LGMS works with Members to provide a holistic service that aims to support Members to improve risk and claims management, and drive long term sustainable costs outcomes.

The service and support provided is responsive to all covers held through the LGMS schemes and encompasses detailed consideration of coverage and risk issues in the context of local government's operations and statutory obligations.

The LGMS service team are here to support Members to better manage the risk exposures faced by Councils.

### Stable & Sustainable Annual Contributions

The LGMS mutuals operate with the objective of providing Members with stable and sustainable annual contributions and minimising the cost of risk and insurance arrangements over the long term.

Avoiding direct dependence on commercial insurance markets, protects Councils from the volatility existing in the general insurance and financial sectors. This provides Councils with stability and greatly assists with the budgeting cycle.

### New Initiatives

LGMS uses insights gained from Member feedback as well as its comprehensive understanding of the risk exposure and claims experience to develop new initiatives to assist members to better respond to the current and emerging risks facing local government.

These initiatives are provided at no additional cost to Members.

## HOW IS LGMS Governed?

LGMS has a robust governance framework which ensures that it operates effectively, remains accountable and is able to achieve its objectives.

### Trust Deed and Scheme Rules

The LGMS mutual schemes are established by Deed and operate under Scheme Rules which set out the terms and conditions of mutual membership and the operational mechanisms by which the mutuals are administered.

Copies of the Trust Deed and Scheme Rules are available online at the LGMS Member Centre or can be requested from the LGAQ.

### Trustee

Each of the LGMS mutuals operate under the trusteeship of the LGAQ. As trustee, the LGAQ is bound by its fiduciary duty to act only in the interests of the scheme's beneficiaries, being the Members.

### Board and Committees

Operations are conducted and controlled by the LGM Board of Management (LGM Liability and LGM Assets) and the LGW Management Committee (LGW Workcare) and are each governed by a Corporate Governance Charter. The Board and Management Committee are comprised of:

- Representatives of the LGAQ;
- Elected Members and Senior Management representatives of Queensland local government;
- Insurance industry specialists and local government legal experts;
- The Scheme Manager and other advisers participate as required.

The LGM Board of Management and LGW Management Committee (including subsidiary Finance and Claims Committees) meet at a minimum on a quarterly basis and engage in regular strategic planning meetings.

### Scheme Manager

Management of each of the LGMS mutuals is undertaken by JLT Public Sector pursuant to an agreement administered by the LGAQ in its capacity as the trustee of each of the LGMS mutuals.

The Management Agreement details (among other things), the services to be provided by JLT Public Sector as the appointed Scheme Manager. The Management Agreement also incorporates ongoing reporting requirements, key performance indicators and service standards that the Manager is required to adhere to in the delivery of services to the mutuals.

Formal contract management is undertaken by the LGAQ in its capacity as trustee and in accordance with the KPI's and service standards incorporated within the Management Agreement.

### External Advisors and Stakeholders

In addition to the services provided by the Scheme Manager, the mutual's operations are further supported and overseen by a variety of specialists, each of whom have longstanding relationships with Queensland Local Government. These include:

- Queensland Treasury Corporation and Queensland Investment Corporation – providers of banking and investment services;
- Brett & Watson Actuarial Consultants – providers of actuarial advice;
- King & Company Solicitors – legal advisers to the LGAQ as Trustee, LGM Board of Management and LGW Management Committee;
- KPMG Accounting Services; and
- Queensland Audit Office – as auditors of the mutuals' financial statements.

## Key Policy Documents

The Trust Deeds and Scheme Rules are the documents governing the mutuals. A Corporate Governance Charter sets out the roles and responsibilities of the members of the LGM Board of Management and the LGW Management Committee.

Additionally, LGMS has developed a number of key policy documents which are reviewed annually:

- Risk Management;
- Capital Management;
- Investments;
- Member Contributions;
- Related Party Disclosures;
- Fraud Risk;
- Procurement; and
- Delegations





## HOW IS LGMS COMMITTED TO ITS MEMBERS?

Established by the LGAQ as a Member owned organisation LGMS exists solely to benefit its Members.

LGMS is committed to providing Members with quality services designed to support your Council to better understand, manage and engage with the risks facing local government. At all times LGMS will act professionally and ensure that our focus is on Members.

### Member Services

The LGMS Member Services team is here to provide Councils with access to all of the resources and expertise supporting the mutuals, enabling them to best respond to Member needs.

Councils can get in touch with the LGMS Member Services team by emailing [memberservicesqld@jlta.com.au](mailto:memberservicesqld@jlta.com.au) or calling 3000 5507.

### LGMS Member Centre – Online Services

The LGMS Member Centre provides mutual Members with access to a suite of online resources designed to assist Councils to better understand and manage risk. These resources include:

- Risk management guides and information sheets;
- WH&S materials;
- Dashboard claims reporting;
- Your Member Portfolio (providing a snapshot of the covers provided as part of your mutual memberships); and
- Claim forms.

You can find further information at <https://lgms.jlta.com.au>

### LGMS Stakeholder Engagement Strategy

The LGMS Stakeholder Engagement Strategy sets out the communication goals, communication activities and sponsorships aligned to Members and the key messages which LGMS (and the LGAQ) wishes to convey to its members.



# WHAT SERVICES AND SUPPORT CAN YOU EXPECT AS PART OF YOUR MEMBERSHIP?

LGMS exists to support and empower Members to respond to the evolving risk and insurance landscape for the benefit of local government.

The services and support provided by LGMS are aligned with these objectives and are targeted at helping Members:

- Reduce the severity and frequency of claims;
- Embed risk management within their Council as a means of enabling Members' to achieve their strategic objectives.
- Effectively and efficiently place and manage their insurance covers.

## Services and Support provided by LGMS to Mitigate Risks

There are a variety of services and support provided across each of the LGMS mutuals, details of which are provided below:

### Regional Risk Co-ordinator Program

The LGMS Regional Risk Coordinators partner at a strategic level with Elected Members, Councillors and Senior Managers to encourage Enterprise Risk Management and respond to requirements of regulatory authorities including the Department of Local Government and the Queensland Audit Office.

### Workplace Health & Safety Auditing and Consulting

LGW Workplace Health & Safety Consultants assist Members in meeting their Workplace Health and Safety responsibilities through the continuous improvement of their Safety Management Systems.

LGW Workplace Health & Safety Consultants are available to provide Members with advice with respect to safety requirements and their ongoing legislative obligations as well as practical input with respect to how they can continue to improve the safety culture within local government.

LGW Workplace Health & Safety Consultants also perform an audit function as a means of assisting Members to identify and rectify gaps in their Safety Management Systems.

### Injury Management Consulting

LGW has a team of Injury Management specialists with Allied Health qualifications to assist Members with early rehabilitation intervention.

The LGW Injury Management specialists aim to get injured workers back to full capacity as soon as possible, reducing the cost of time loss injury claims and lost productivity within Members' organisations.

### LGM Risk Management

Members of LGM Liability and LGM Assets can access technical yet practical liability and property protection risk management advice and materials, supported by a dedicated Senior Risk Consultant.

Additionally, Members also benefit from:

- Access to best practice risk management guidance responsive to the drivers of members' claims experience;
- Property Risk Engineering – inspection and advice by qualified risk engineers to assist members to improve the resilience of their assets and reduce the frequency and severity of losses (LGM Assets members only);
- Ad-hoc risk management advice;
- Risk management framework reviews; and
- Advice with respect to the local government legislative framework and facilitation of the development of policies and procedures.

## Supporting Your Day to Day Operations

The operations of local government are diverse and dynamic. LGMS is here to help and support you to manage uncertainty and provide insights and advice to enable you to operate with success.

Services and support available to LGMS members include:

- Ad-hoc coverage and risk management advice;
- Claims management assistance and advice by qualified professionals; and
- Below excess claims and recoveries support and advice.

These initiatives are supported by regular ongoing engagement and service visitation as per agreed service plans.





## WHAT SERVICE LEVELS AND STANDARDS CAN MEMBERS EXPECT FROM LGMS?

LGMS is committed to acting professionally and transparently when dealing with Members. The interests of our Members are paramount and for this reason we have developed the LGMS Member First Principles which are set out below.

### LGMS “Member First” Service Principles

The LGMS Member First Service Principles are designed to establish a framework governing our interactions with Councils and our commitment to providing you with the highest level and quality of service.

- **Understand** the issues that matter most to Councils;
- **Develop** solutions and advice targeted to Council's needs;
- **Communicate** with Councils regularly and transparently;
- **Support** Councils to improve risk outcomes and achieve your strategic objectives; and
- **Engage** with Councils regularly to assist implementation and obtain your ongoing input and feedback

In some instances, you will be provided with a detailed service plan as part of your mutual Membership(s). The principles above will inform the formulation of that plan and the performance of those services.

### Response Times

We understand that timely coverage, claims and risk advice is critical for members. LGMS has established the following response timeframes:

- **2 business days** – we will acknowledge your query within 2 business days;
- **5 business days** – we will respond to 70% of all queries within 5 business days
- **10 business days** – we will respond to 100% of all queries within 10 business days
- **Next business day** – we will return phone calls the same day or within the next business day



# HOW MEMBERS CAN MAKE A CLAIM AND THE CLAIM PROCESS?

Councils should notify the Scheme Manager of any claims as soon as possible.

If Members have a third-party claim, you must not admit liability. It is very important that Members observe all conditions relating to the reporting and handling of claims as a failure to do so could prejudice your entitlement to cover.

Claims reported by Members will be managed by our qualified and experienced claims officers who will:

- Lodge your claim on our electronic database;
- Make notification to supporting insurers as necessary;
- Provide you with a written acknowledgement;
- Negotiate with third parties;
- Appoint solicitors or loss assessors where appropriate;
- Arrange speedy resolution/settlement; and
- Administer all aspects of your claim.

## “Claims Made” Covers

Some of the covers Members hold as part of their mutual memberships may be subject to “Claims Made” provisions. This means that claims, or possible claims, must be notified to the insurer while the policy is current.

Such policies will not provide indemnity for claims, or possible claims, notified after the policy expires. We will advise you when your policy is a “Claims Made” policy.

## Claims Lodgement

Claims can be lodged by emailing LGMS at:

**LGM Liability** – [lgmclaims@jlta.com.au](mailto:lgmclaims@jlta.com.au)

**LGM Assets** – [lgmassetsclaims@jlta.com.au](mailto:lgmassetsclaims@jlta.com.au)

**LGW Workcare** – [lgwqld@jlta.com.au](mailto:lgwqld@jlta.com.au)

## LGMS Member First Claims Handling Principles

We are committed to providing Members with a prompt, professional and efficient claims service:

- We will diligently pursue the settlement of any claim;
- We will always seek to secure the fullest recovery possible;
- We will engage in robust defence of claims where you are not legally liable;
- We will proactively manage and keep Members informed of the progress of the claim;
- We will provide Members with written confirmation of the claim outcome and the amount of any settlement (except to the extent we may be prohibited by law from doing so); and
- We will use the learnings from our handling of claims to help Members better manage risk.

## Response Times

We understand the value and importance of a professional and efficient claims service. LGMS has established a claims handling framework that governs how we handle and respond to claims (including timeframes), which is set out below:

- **2 business days** – we will acknowledge receipt of Member claims and advise a course of action within 2 business days of receipt;







- **20 business days** – where you are the claimant we will provide Members with an update every 20 business days until a decision is made on your claim;
- **Settlement** – where we settle Member claims or a claim that is made against Council, we will consult with Council and provide Council with an opportunity to respond or have input into the decision;
- **Finalisation** – upon finalisation we will provide Councils with confirmation of the outcome and a breakdown of any amounts paid;
- **Next business day** – we will return phone calls the same day or within the next business day

The above framework and response times are intended to apply to all claims handled by LGMS, except to the extent they may be modified or amended by particular legislative requirements we are required to comply with.

## LGMS Claims Management

Set out below are the key factors that ensure value from the claims process for LGMS members.

 <p><b>Dedicated LGMS Claims Team</b></p> <ul style="list-style-type: none"> <li>• Specialists in Local Government claims</li> <li>• Claim file ownership from start to finish</li> <li>• Tailored services</li> </ul>	 <p><b>Qualified Professionals</b></p> <ul style="list-style-type: none"> <li>• Legally qualified and tertiary educated claims professionals</li> <li>• Experienced in management of Local Government claims</li> <li>• Advocating for Council utilising knowledge and expertise</li> <li>• In-depth understanding of claims processes in order to advocate for Council on issues relating to coverage, liability and loss assessment</li> </ul>
 <p><b>Proven Claims Strategies</b></p> <ul style="list-style-type: none"> <li>• Not incentivised to protect Insurer profits</li> <li>• We don't bow down to commercial pressure to settle unmeritorious claims</li> <li>• Tailored service to ultimately support Council and its community</li> <li>• Understand and interpret coverage wordings</li> </ul>	 <p><b>Robust Relationships with Service Providers</b></p> <ul style="list-style-type: none"> <li>• Strong and time endured relationships with lawyers, loss adjusters and investigators</li> </ul>

## What should members do if they have a complaint?

LGMS is committed to providing Members with risk management solutions of the highest quality. However, if Members are ever dissatisfied with any aspect of our services, then we have efficient dispute resolution procedures in place to help you.

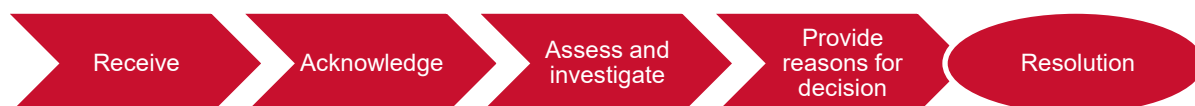
### LGMS Claims or Service Complaints – Scheme Manager

If Members have a complaint, Members can communicate it directly to your regular LGMS service contact in the first instance. Alternatively, you can refer it directly to our Complaints Manager in writing or by telephone at:

LGMS  
PO Box 2321  
FORTITUDE VALLEY Q 4006  
Phone: (07) 3000 5555  
Email: [memberservicesqld@ilta.com.au](mailto:memberservicesqld@ilta.com.au)

We will need Members to provide us with comprehensive details to help us investigate and resolve your complaint. Our process for handling and responding to complaints is set out below.

All complaints received by the Scheme Manager will be responded to within one business day



All information will be treated in the strictest confidence.

### LGMS Value, Governance or Unresolved Complaints – LGAQ as Trustee

If you are dissatisfied with the way in which your complaint is handled in the first instance you can refer your complaint to the LGAQ as the Trustee of the LGMS mutuals. Contact details for the LGAQ are as follows:

Principal Governance Advisor – Insurance Services  
PO Box 2230  
FORTITUDE VALLEY BC Q 4006  
Phone: 1300 542 700  
Email: [Rachael.Lindsay@lgaq.asn.au](mailto:Rachael.Lindsay@lgaq.asn.au)

The matter will then be referred by the LGAQ for further investigation and a response provided to the Member directly by the LGAQ.

Please note that the complaints handling procedures set out above do not remove or alter any legal or other rights Members may have.