



## Governmental Liability Caps

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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## Governmental Liability Caps

**Reference Number:** MTAS-275

The act caps at specified dollar amounts the liability exposure of local governments for tort claims. Every policy or insurance contract purchased by a governmental entity must provide these minimum coverage amounts. The caps (or minimum coverage amounts) in the chart below apply in each accident.

Governmental vehicles may be considered uninsured motor vehicles. However, the applicable limits of liability for cities for claims arising out of the operation of a government vehicle are equal only to the limits of T.C.A. § 29-20-311, T.C.A. § 56-7-1201(d), and T.C.A. § 56-7-1202(b).

The law is comprehensive, but it does not affect certain statutes. Any action in eminent domain initiated by a landowner (inverse condemnation) under T.C.A. § 29-16-123 and T.C.A. § 29-16-124 is explicitly exempted from the caps. T.C.A. § 29-20-105. Similarly, the caps do not apply to any action brought by an employee under Tennessee’s workers’ compensation laws. T.C.A. § 29-20-106.

Date Cause of Action Arose	Liability cap for Death or Injury to One Person	Liability Cap for Death or Injury to All Persons	Liability Cap for Property Damage
On or after July 1, 1987, but before July 1, 2002.	\$130,000	\$350,000	\$50,000 ( <i>applies to causes of action arising on or after July 1, 1992</i> )
On or after July 1, 2002, but before July 1, 2007.	\$250,000	\$600,000	\$85,000
On or after July 1, 2007	\$300,000	\$700,000	\$100,000

*DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.*

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