

STATE OF NEW YORK

2067

2019-2020 Regular Sessions

IN SENATE

January 22, 2019

Introduced by Sen. JORDAN -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

AN ACT to amend the general municipal law, in relation to authorizing school districts to establish an insurance reserve fund in an amount and manner determined by a qualified and independent actuary certified by the American Academy of Actuaries to be suitable, reasonable and necessary

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Paragraph (a) of subdivision 2 of section 6-n of the general municipal law, as separately amended by chapters 414 and 416 of the laws of 2016, is amended to read as follows:

2 (a) The governing board of any municipal corporation may establish a
3 reserve fund to be known as the insurance reserve fund. Upon the
4 creation of the fund, the municipality may make expenditures from the
5 fund for any loss, claim, action or judgment for which the municipal
6 corporation is authorized or required to purchase or maintain insurance,
7 except those kinds of risks for which insurance is authorized pursuant
8 to paragraph one, two, three, fifteen, sixteen, seventeen, eighteen,
9 twenty-two or twenty-three of subsection (a) of section one thousand one
10 hundred thirteen of the insurance law, or for payments in lieu of
11 contributions under article eighteen of the labor law; provided however,
12 that no municipality shall make an expenditure from such fund for any
13 loss, claim, action or judgment for which the municipal corporation has
14 established a reserve fund under any other provision of law; provided,
15 further that the Scarsdale union free school district and the Vernon
16 Verona Sherrill central school district may establish insurance reserve
17 funds in compliance with this section and article seventy-four of the
18 education law and the Minisink Valley central school district and any
19 other school district may establish insurance reserve funds in compli-
20 ance with this section and article seventy-four of the education law, in
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EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

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1 an amount and manner determined by a qualified and independent actuary
2 certified by the American Academy of Actuaries to be suitable, reason-
3 able and necessary and such school districts may make expenditures in
4 compliance with this section and article seventy-four of the education
5 law from such reserve fund for any loss, claim, action or judgment for
6 which the school districts are authorized or required to purchase or
7 maintain insurance for the kinds of risks for which insurance is author-
8 ized pursuant to paragraph three of subsection (a) of section one thou-
9 sand one hundred thirteen of the insurance law.

10 § 2. This act shall take effect on the first of July next succeeding
11 the date on which it shall have become a law.