STATE OF NEW YORK

5138

2021-2022 Regular Sessions

IN ASSEMBLY

February 11, 2021

Introduced by M. of A. BENEDETTO, COLTON, JACKSON -- Multi-Sponsored by -- M. of A. TAYLOR -- read once and referred to the Committee on Education

AN ACT to amend the education law, in relation to insurance reserve funds

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

Section 1. Section 3653 of the education law, as separately amended by chapters 414 and 416 of the laws of 2016, is amended to read as follows:

§ 3653. Insurance reserve funds. In addition to the provisions of this article and to the provisions of section six-n of the general municipal law, any school district that establishes and maintains an insurance reserve fund to make expenditures from such reserve fund for any loss, claim, action, or judgment for which the school district is authorized or required to purchase or maintain insurance for the kinds of risks for which insurance is authorized pursuant to paragraph three of subsection (a) of section eleven hundred thirteen of the insurance law, pursuant to section six-n of the general municipal law or any other chapter of law, shall make all reserve fund transactions transparent to the public by adopting a written insurance reserve fund policy, to be posted on the school district's website, that includes: the purpose of the reserve fund, the optimal amount of funding of the reserve fund, its intended duration, the conditions under which reserve fund assets will be used or replenished, a periodic analysis by the school board of the reserve fund balances to determine if reserves are at reasonable and appropriate levels, how the school authorities should reduce reserve funds to reasonable levels when conditions warrant, how school authorities will discontinue the reserve fund if no longer needed and any additional policies that the school authorities deem appropriate. **Such reserve fund shall not exceed twenty percent of prior year actual expenditures for health insurance authorized pursuant to paragraph three of subsection (a) of section eleven hundred thirteen of the insurance law.**

§ 2. This act shall take effect immediately.

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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