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Text of law should be given as amended. Do not include matter being eliminated and do not use italics or underlining to indicate new matter.

County  
~~XXXX~~ of Montgomery  
~~XXXX~~  
~~XXXX~~

Local Law No. 10 of the year 19 87

A local law Establishing an Insurance Reserve Fund for the County of Montgomery,  
(Insert title)  
New York

Be it enacted by the Board of Supervisors of the  
(Name of Legislative Body)

County  
~~XXXX~~ of Montgomery as follows:  
~~XXXX~~  
~~XXXX~~

in accordance with Section 6-n of the General Municipal Law:

Legislative Intent: The Montgomery County Board of Supervisors wishes to establish an Insurance Reserve Fund for the purposes of payments of judgments, actions and claims against the County for which the County is authorized or required to purchase or maintain insurance. The fund shall be established within the County's budgetary appropriations in an account from which expenditures may be authorized. Such Insurance Reserve Fund will not be utilized to cover risks for the following types of insurance: life, annuities, accident, health, fidelity, surety, credit, title, residual value, mortgage guaranty or unemployment or for which the County has authority to establish a reserve fund under any other provisions of law.

Section I. Definitions:

"Judgments", "actions" and "claims", as used in this Local Law, shall mean those judgments, actions and claims against the County that arise out of those kinds of risks for which expenditures may be made pursuant to the Legislative intent of this Local Law.

Section II. Insurance Reserve Fund:

The Montgomery County Board of Supervisors hereby establishes a reserve fund to be known as the Insurance Reserve Fund. Upon the creation of the fund, the County may make expenditures from the fund for any loss, claim, action or judgment for which the County is authorized or required to purchase or maintain insurance, except those kinds of risks for which insurance is authorized pursuant to paragraph one, two, three, sixteen, seventeen, eighteen, twenty-two or twenty-three of subsection (a) of section one

thousand one hundred thirteen of the Insurance Law; provided however, that the County does not make an expenditure from such fund for any loss, claim, action or judgment for which the County has authority to establish a reserve fund under any other provision of law or for payments in lieu of contributions under article eighteen of the Labor Law.

Section III. Maintenance of the Fund:

- A. There may be paid into such fund:
  - 1. Such amounts as may be provided by budgetary appropriations;
  - 2. Amounts from any other fund authorized by Resolution of the Board of Supervisors subject to permissive referendum; and
  - 3. Such other funds as may be legally appropriated.
- B. The amount paid into such fund during any fiscal year shall not exceed the greater of thirty-three thousand dollars or five per centum of the total budget for such fiscal year.
- C. The moneys in such fund shall be deposited in one or more of the banks or trust companies designated in the manner provided by law as depositories of the funds of the County. The County Treasurer may invest the moneys in such fund in obligations specified in section six-f of General Municipal Law. Any interest earned or capital gain realized on the money so deposited or invested shall accrue to and become part of such fund.
- D. The County Treasurer shall account for this fund separate and apart from all other funds of the County. Such accounting shall show: the source, date and amount of each sum paid into the fund; the interest earned by such fund; capital gains or losses resulting from the sale of investments of this fund; the order, purpose thereof, date and amount of each payment from this fund; the assets of the fund, indicating cash balance; and a schedule of investments. The County Treasurer, within sixty days of the end of each fiscal year, shall furnish a detailed report of the operation and condition of this fund to the Board of Supervisors. The County Treasurer shall also keep a separate account for each kind of risk funded.
- E. Notwithstanding any provision of law to the contrary, the County shall not have the power to enter into agreements with other municipalities to pool a reserve fund established for the payment of judgments, actions and claims.
- F. Any action or claim shall be compromised or settled by the Board of Supervisors, officer or employee of the County authorized to settle or compromise actions or claims on behalf of the County.
- G. An expenditure may be made from this fund for the payment of all or part of the cost, including interest, of:
  - 1. Judgments;
  - 2. Actions that have been compromised or settled and that have been approved by the court in which the action or proceeding is pending;

3. Claims that have been settled or compromised and that have been approved by a justice of the supreme court of the judicial district in which the County is located;
  4. The uninsured portion of any loss if such loss arises out of a kind of risk described in Section II. of this Local Law;
  5. Expert or professional services rendered in connection with the investigation, adjustment or settlement of claims, actions or judgments.
- H. The order of the court or the justice approving such settlement or compromise may be granted upon motion of the Board of Supervisors, officer or employee of the County authorized to do so, supported by an affidavit setting forth the cause of action or claim against the County and also such other information which, in its or his opinion, will enable the court or justice to arrive at a determination that such compromise or settlement is just, reasonable and to the interest of the County. Such Board of Supervisors, officer or employee may also present the affidavit of other persons in support of such motion. The court or the justice, in order to arrive at such a determination, may require the Board of Supervisors, officer or employee to present additional information by a supplementary affidavit or affidavits or may require other persons to present additional information by their affidavits.
- I. Notwithstanding subdivisions F. and G. of this Section or any other provision of law to the contrary, the Board of Supervisors may, without judicial approval, compromise or settle any action or claim and make an expenditure from this fund where the amount of such settlement or compromise does not exceed twenty-five thousand dollars.
- J. The members of the Board of Supervisors shall be guilty of a misdemeanor if they:
1. Authorize a withdrawal from this fund for any purpose except as provided in this section; or
  2. Expend any money withdrawn from this fund for a purpose other than as provided in this Section.
- K. If, after the establishment of such fund, the Board of Supervisors determines that such fund is no longer needed, the moneys remaining in such fund may be transferred to any other reserve fund of the County that is comprised of moneys which were raised on the same tax base as the moneys in the reserve fund established under this Section, only to the extent that the moneys in this fund shall exceed the sum sufficient to pay all liabilities incurred or accrued against it. Prior to the discontinuance of such fund, the fiscal and legal officers of the County shall certify to the Board of Supervisors the amount that may be necessary to retain in such fund to satisfy all liabilities incurred or accrued against it and such sum shall be retained in the fund for payment of such amounts or until later certified that such funds are no longer needed.

Section IV. Saving Clause:

If any clause, sentence, paragraph, section or part of this Local Law shall be adjudged by any court of competent jurisdiction to be invalid, such judgement, decree or order shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which the remainder of this Local Law shall not be affected thereby and shall remain in full force and effect.

Section V. Effective Date:

This Local Law shall take effect within 20 days or upon it being filed with the Secretary of State of the State of New York.