

**ORDINANCE REGARDING
SELF INSURANCE TRUST FUND**

BE IT ORDAINED by the Town Council of the Town of Plainville in meeting duly assembled, that pursuant to the Charter of the Town and the provisions of Title 7 of the Connecticut General Statutes the following ordinance is adopted:

SECTION 1 - PURPOSE.

a. After investigation, research and study, the Plainville Insurance Commission has recommended to the Town Council that it is in the best interest of the Town to establish a Self Insurance Trust Fund. The Self Insurance Trust Fund is for the purpose of funding uninsurable liabilities, deductibles, and such other liabilities as from time to time the Town Council decides that it is in the best interest of the Town not to contract for insurance coverages.

b. The further purpose economically of the Self Insurance Trust is to make adequate provisions for payment of losses of and claims against the Town, using the insurance contracts and the Self Insurance Trust Fund.

SECTION 2 - FUNDING.

a. The funds and monies held within the Self Insurance Trust Fund shall be by action and authority of the Town Council, and shall be from the following sources:

1. Dividend returns on existing or prior years' policies;
2. Credits generated by any Town insurance policy;
3. Reimbursement of insurance claims;
4. Interest earned from investment of trust funds; and
5. Appropriations by the Town Council from Unappropriated General Fund Balance.

b. The Town Council shall maintain in said Trust Fund a minimum balance of Two Hundred Fifty Thousand and 00/100 (\$250,000.00) Dollars. Should at any time, the balance be reduced below said figure by payment of a claim or claims authorized by this ordinance, then the Town

Council shall appropriate funds from the Unappropriated General Fund Balance to said Trust Fund in a timely fashion to replenish said \$250,000.00.

c. Such trust fund shall be allowed to increase up to the amount of Three Million and 00/100 (\$3,000,000.00) Dollars. Thereafter, any funds under this ordinance shall revert to the General Fund of the Town.

SECTION 3 - PAYMENTS FROM THE TRUST FUND.

a. The following types of payments shall be made from the Self Insurance Trust Fund:

1. Claims for benefits and/or settlements provided for under Section 7-433c of the Connecticut General Statutes, commonly known as the Police Heart & Hypertension Statute. Such payments of settlements shall only be subsequent to approval of the settlements by the Town Council.

2. Payment of deductibles on policies of the Town as contracted for by the Plainville Insurance Commission. At no time shall the payment of any one deductible exceed Ten Thousand and 00/100 (\$10,000.00) Dollars unless approved by the Town Council.

3. Payment of retrospective rating liabilities under Workers' Compensation policies contracted for by the Plainville Insurance Commission. At no time shall the payment of any retrospective rating exceed Ten Thousand and 00/100 (\$10,000.00) Dollars unless approved by the Town Council.

4. Payment of any claim, settlement, judgement or award not covered by an existing insurance policy. These types of payment shall only be made after approval by the Town Council where such approval is required.

SECTION 4 - MANAGEMENT OF TRUST FUND.

a. The Self Insurance Trust Fund shall be administered (as to investments and accounting) by the Finance Director under the general direction and supervision of the Town Manager subject only to limitations imposed by the Town Charter, and Statutes as relating to the Town Treasurer and Town Attorney.

b. The Plainville Insurance Commission shall have the authority to interact with the Town Manager and the Town Council in setting policies, goals and aims of the Self Insurance Trust Fund.

c. The Plainville Insurance Commission shall implement programs to establish a data base as to losses paid from the fund to assist in projecting the funding of the Self Insurance Trust Fund.

SECTION 5 - SEVERABILITY.

a. The provisions of this Ordinance are declared to be severable, and the invalidity of any portion thereof shall not affect the validity of the remainder.

SECTION 6 - EFFECTIVE DATE.

a. This Ordinance shall take effect after passage and ten days after publication.

Adopted by Town Council Oct. 17,1988