

LOCAL LAW
INTRODUCTORY NO. 4-22
CHAUTAUQUA COUNTY

A LOCAL LAW AMENDING THE CHAUTAUQUA COUNTY SELF-INSURANCE PLAN
AND PROVIDING FOR THE ADMINISTRATION THEREOF
PURSUANT TO ARTICLE 5 OF THE WORKERS' COMPENSATION LAW

BE IT ENACTED, by the County Legislature of the County of Chautauqua as follows:

Section 1. The Chautauqua County Self-Insurance Plan ("Plan") provided for by Local Law 4-1984, as amended by Local Laws 3-1989, 7-1993, 4-2007, and 5-2014, and adopted pursuant to Article 5 of the Workers' Compensation Law, is hereby amended by substitution to read as set forth herein.

Section 2. The Plan shall be administered by the Chautauqua County Director of Finance ("Administrator"). The Administrator shall supervise all activities of other county officers and employees relating to the administration of the Self-Insurance Plan.

Section 3. The Administrator, within the limits of appropriations provided therefore, and subject to the approval of the County Executive as may be provided in the County Charter, may contract for such services as are necessary for the proper and efficient administration of the Plan. The Administrator shall audit all bills or claims against the Plan before payment and shall have authority to perform all acts necessary and proper in the settlement of any case subject to such rules, regulations, and limitations as the County Legislature may establish from time to time and in accordance with statute.

Section 4. (a) The County of Chautauqua shall be a participant in the Plan. The cities of Dunkirk and Jamestown, the towns and villages located within the geographical boundaries of Chautauqua County, and other eligible public entities within the County which are not members of the Plan, may elect to become participants in the Plan. Any eligible municipality or public entity electing to become a participant shall file a certified copy of the local enactment of its governing body electing to become a participant on or before the 1st day of July in any year, with membership to be effective on the 1st day of January following such election, provided, however, that the County Legislature may impose fair and equitable terms and conditions to be fulfilled by such new participant as a condition precedent to acceptance as a participant in said Plan. Any municipality or public entity which has been a participant in the plan under the terms and conditions of Local Law 4-1984, as amended, shall continue to be deemed a participant in the plan and shall not be required to file a certified copy of its election to become a participant, as aforesaid.

(b) Any participant may withdraw from the Plan, effective at the end of their fiscal year, by filing a certified copy of a local enactment of its governing body electing to withdraw by the preceding July 1 upon the condition that it agree to pay its Proportionate Share of the estimated Outstanding Liabilities of the Plan, together with an amount equal to its share of Future Administration Costs for a period of five (5) years minus a Proportionate Share of Plan Reserves at the time of its withdrawal. No later than March 31 of the year following a municipality's withdrawal from the Plan, the municipality's final Proportionate Share shall be determined by

multiplying their Proportionate Share times the Plan's terminal liability as of December 31 of their final year of participation in the Plan. This payment shall be due to the Chautauqua County Plan Administrator no later than April 15 of the year following their termination from the Plan. If payment is not received by April 15, Chautauqua County may offset the amount due against the municipality's sales tax payments until the Plan is made whole. Payment of such liabilities shall be made in a lump sum or the Administrator may, with the authorization of the County Legislature, permit said payment to be made in installments.

Section 5. All participants in the Plan shall cooperate fully with the Administrator in the administration of the Plan. Each participant shall annually within 30 days of the close of each calendar year, and at such other times as the Administrator may require, render such reports as may be requested, and shall promptly furnish all pertinent information relative to any claim and aid in the investigation of any claim.

Section 6. The Administrator may require a physical examination or re-examination of employees of any participant in the Plan, in which case the participant employing such employees shall arrange for such physical examination that shall be paid from the funds of the Plan.

Section 7. For any violation of the provisions of Section 5 and 6 of this Local Law or the requirements of the Workers' Compensation Law by a participant, the Administrator shall charge a penalty of up to \$500.00 against said participant. In addition thereto, the County Legislature may, by majority vote, expel such participant from the Plan.

Section 8. (a) The annual estimate of expenses shall be apportioned among the participants. The apportioned share of each participant shall be based forty percent (40%) on the total amount of the participant's gross wages in the proportion that the wages bear to the aggregate gross wages of all participants, and sixty percent (60%) on the loss-percentile experience of the participant, said loss percentile to be calculated based on the losses of each participant in relation to aggregate losses of Compensation and Medical for the entire Plan for each of five (5) preceding years immediately preceding the year in which said budget estimate is presented, omitting the current year.

(b) There shall be no monetary cap for any single occurrence in any one year assessed against a participant's annual experience charge, provided, however, that the increase or decrease in the experience factor used to determine the participant's share pursuant to this section shall be limited to the greater of five thousand dollars (\$5,000) or twenty percent (20%) of the amount used for the experience factor for the prior year.

(c) The share of each participant in the Plan shall be collected as provided in Section 67 of the Workers' Compensation Law. Participants that fail to pay such share when due shall be liable for a penalty of one percent (1%) for each month, or fraction thereof, that such payment is late, provided, however, that the Administrator may authorize a participant to pay in installments the amount of any substantial increase in the annual share of a participant that may occur.

Section 9. The Plan Reserve shall not to exceed Three Million Dollars (\$3,000,000). There shall be contributed to such reserve a sum to be determined by the Administrator annually,

and any existing balance in the Workers' Compensation Fund on December 31 of any year may be transferred to the reserve by resolution of the County Legislature.

Section 10. The Administrator may purchase excess or catastrophe insurance. The cost of such insurance shall be paid from the funds of the plan.

Section 11. The County Department of Finance shall pay to claimants workers' compensation benefits as provided in Section 25 of the Workers' Compensation Law upon the order of the Administrator.

Section 12. Any representative or agent under contract with the Plan shall perform such duties as may be necessary to operate the plan in accordance with the Workers' Compensation Law; shall make the reports required by law; shall attend hearings of cases before the Workers' Compensation Board; and in accordance with such contract, shall have the power to authorize necessary medical care which appears from medical reports and information to be reasonable and necessary and to purchase supplies, stationery, forms, books and equipment necessary for the operation of said plan.

Section 13. As used in this Local Law, the following terms shall have the following meanings:

Proportionate Share - The proportionate share shall be equal to the participating municipality's average percentage of annual premium compared to the total Plan premium for the last three years of the municipality's participation.

Outstanding Liabilities – The Plan's outstanding liabilities shall consist of the Plan's fully developed case reserves.

Future Administration Costs – Future administration costs shall be the cost of administering Outstanding Liabilities for the municipality withdrawing from the Plan for a period of five (5) years from the date of withdrawal from the Plan, to include, but not be limited to, the municipality's share of excess liability coverage, third party administrator expenses, Chautauqua County internal administration costs, and New York State assessments.

Plan Reserves – Cash reserves or fund balance of Workers' Compensation Fund as of December 31st of the last year of participation.

Section 14. This local law shall become effective upon filing with the Secretary of State.
Sponsor: Chairman Pierre Chagnon

Emailed: 05/11/22

Adopted by Legislature: 05/25/22

Public Hearing by County Executive: 06/10/22
Adopted As Local Law 4-22

R/C Vote: R/C Vote: 15 YES – 3 NO
(Bankoski, Parker, Torres voting "No")
– 1 absent (Muldowney)
Date State Filed: 06/16/22