

**Sec. 81. TRANSITIONAL PROVISION.**

In establishing the correctional employees retirement fund under section 20, the board of directors of the Minnesota state retirement system shall allocate the assets currently held by the state employees retirement fund between that fund and the newly created fund. The assets shall be allocated based on the actuarial valuations of the state employees retirement plan and the correctional employees retirement plan prepared by the actuary retained by the legislative commission on pensions and retirement as of July 1, 1986, and adjusted for the actual receipts of contributions and investment income and actual disbursements of benefits, refunds, and administrative expenses attributable to the correctional employees retirement plan occurring between July 1, 1987, and the date on which the correctional employees retirement fund is established.

**Sec. 82. TEMPORARY PROVISION.**

The provisions of sections 11, 12, 14 to 16, 23, 25, 28 to 30, 33, 35 to 38, 40, 44, 46, 47, 49, 61, 62, 65, 69, 71 to 74, and 78 to 80 may not be construed to require any immediate change in current actuarial assumptions, optional annuity forms, optional annuity factors, and early retirement reduction factors and shall only apply to any changes in these items after the effective date of this section and may not be construed to require any change without a significant deviation from actual experience.

**Sec. 83. REPEALER.**

Minnesota Statutes 1986, section 352B.26, subdivision 2, is repealed.

**Sec. 84. EFFECTIVE DATE.**

Sections 1 to 19 and 21 to 83 are effective on the day following final enactment. Section 20 is effective as soon as is practicable following final enactment.

Approved May 27, 1987

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**CHAPTER 260—H.F.No. 1083**

*An act relating to government liability; authorizing municipal insurers to settle tort claims; clarifying that instrumentalities of municipalities incorporated as nonprofit corporations may be included in the self-insurance pool; amending Minnesota Statutes 1986, sections 466.06; 466.08; and 471.98, subdivision 2.*

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:**

Section 1. Minnesota Statutes 1986, section 466.06, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

## 466.06 LIABILITY INSURANCE.

The governing body of any municipality may procure insurance against liability of the municipality and its officers, employees, and agents for damages resulting from its torts and those of its officers, employees, and agents, including torts specified in section 466.03 for which the municipality is immune from liability. The insurance may provide protection in excess of the limit of liability imposed by section 466.04. If the municipality has the authority to levy taxes, the premium costs for such insurance may be levied in excess of any per capita or millage tax limitation imposed by statute or charter. However, a school district may not levy pursuant to this section for premium costs for motor vehicle insurance protecting against injuries or damages arising out of the operation of district owned, operated, leased, or controlled vehicles for the transportation of pupils for purposes for which state aid is authorized under section 124.223, or for purposes for which the district is authorized to levy under section 275.125, subdivision 5d. Any independent board or commission in the municipality having authority to disburse funds for a particular municipal function without approval of the governing body may similarly procure liability insurance with respect to the field of its operation. The procurement of such insurance constitutes a waiver of the defense limits of governmental immunity liability under section 466.04 to the extent of the liability stated in the policy but has no effect on the liability of the municipality beyond the coverage so provided. Procurement of commercial insurance, participation in a self-insurance pool pursuant to section 471.981, or provision for an individual self-insurance plan with or without a reserve fund or reinsurance shall not constitute a waiver of any of the immunities conferred under section 466.03.

Sec. 2. Minnesota Statutes 1986, section 466.08, is amended to read:

## 466.08 COMPROMISE OF CLAIMS.

Notwithstanding sections 466.03 and 466.06, the governing body of any municipality, the administrator of a self-insurance pool, or the authorized representative of a private insurance carrier may compromise, adjust and settle tort claims against the municipality for damages under section 466.02 and may, subject to procedural requirements imposed by law or charter, appropriate money for the payment of amounts agreed upon. When the amount of a settlement exceeds \$2,500, the settlement shall not be effective until approved by the district court.

Sec. 3. Minnesota Statutes 1986, section 471.98, subdivision 2, is amended to read:

Subd. 2. **POLITICAL SUBDIVISION.** "Political subdivision" includes a statutory or home rule charter city, a county, a town, a watershed management organization as defined in section 473.876, subdivision 9, or an instrumentality thereof, including but not limited to instrumentalities incorporated under chapter 317, having independent policy making and appropriating authority. For the purposes of this section and section 471.981, the governing body of a town is the town board.

Approved May 27, 1987

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