

Assembly Bill 656, Stats. 2015, ch. 250

Government Code § 990.8

(a) Two or more local public entities, or a mutual water company and a public agency, as authorized under subdivision (b) of Section 6525, by a joint powers agreement made pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7, may provide insurance authorized by this part or for any other purpose by any one or more of the methods specified in Section 990.4. Where two or more hospital districts have joined together to pool their self-insurance claims or losses, any nonprofit corporation created pursuant to subdivision (p) of Section 32121 of the Health and Safety Code, and affiliated with a hospital district which is a party to the pool may participate in the pool.

(b) Two or more local public entities having the same governing board, or a mutual water company and a public agency, as authorized under subdivision (b) of Section 6525, may be coinsured under a master policy and the total premium may be prorated among those entities.

(c) The pooling of self-insured claims or losses among entities as authorized in subdivision (a) of Section 990.4 shall not be considered insurance nor be subject to regulation under the Insurance Code.

(d) Any liability or loss under a joint powers agreement for the pooling of self-insured claims or losses authorized by this part and provided pursuant to this section may, notwithstanding Section 620 of the Insurance Code or any other provision of law, be reinsured to the same extent and the same manner as insurance provided by an insurer.

(e) Where a joint powers agreement authorized by this part or authorized pursuant to Section 6516 provides for the pooling of self-insured claims or losses among entities, if any peril insured or covered under contract has existed, and the joint powers authority or other parties to the pool have been liable for any period, however short, the agreement may provide that the party insured or covered under contract is not entitled to the return of premiums, contributions, payments, or advances so far as that particular risk is concerned.

(f) For purposes of this section, "mutual water company" has the same meaning as the term does in Section 14300 of the Corporations Code.

Government Code § 6525

(a) Notwithstanding any other provision of this chapter, a mutual water company may enter into a joint powers agreement with any public agency for the purpose of jointly exercising any power common to the contracting parties.

(b) (1) Notwithstanding any other provisions of this chapter, a mutual water company and a public agency may enter into a joint powers agreement for the purpose of risk-pooling in accordance with Section 990.8, provided that the agreement shall ensure that no participating public agency becomes responsible for the underlying debts or liabilities of the joint powers agency, and shall indemnify any participating public agency against those debts and liabilities.

(2) A joint powers agency established pursuant to this subdivision shall solely utilize any revenues it generates through the insurance provided to its members under this section for its necessary operating expenses, and to provide technical support, continuing education, safety engineering, operational and managerial advisory assistance to its members for the purpose of reducing risk liabilities and furthering the technical managerial and financial capacity of those members.

(c) For purposes of this section, "mutual water company" has the same meaning as the term does in Section 14300 of the Corporations Code.