



## Legislation Text

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**File #:** 17-0072, **Version:** 1

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**Dept/ Agency:** Law

**Action:** ( ) Ratifying (X) Authorizing ( ) Amending

**Purpose:** Pre-Litigation Settlement

**Docket No.:** n/a

**Claimant:** Various City Employees - see attached

**Claimant's Attorney:** n/a

**Attorney's Address:** n/a

**Settlement Amount:** \$43,141.13

**Funding Source:** Insurance Trust Fund

**Additional Comments:**

**Invitation:** Corporation Counsel, February 15, 2017

**WHEREAS**, approximately 185 City of Newark Employees who selected additional insurance with Fort Dearborn Life Insurance had premium deductions taken out of their bi-weekly pay between January 1, 2016 to June 30, 2016; and

**WHEREAS**, Fort Dearborn cancelled the City of Newark Employees' policies during this time period; and

**WHEREAS**, a proposal has been made to refund the City of Newark Employees affected by said cancellation the amount of deductions that was taken out of their bi-weekly pay during this time period to resolve this matter without the need for formal litigation by payment in the total amount of \$43,141.13 (Forty Three Thousand, One Hundred Forty One Dollars and Thirteen Cents); and

**WHEREAS**, the Corporation Counsel based upon all facts and circumstances deems it in the best interest of the City of Newark to resolve said matter by payment of the proposed Settlement.

**NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:**

1. The Corporation Counsel is hereby authorized on behalf of the City of Newark to accept the terms of this pre-suit Settlement Proposal.

2. Upon receipt by the Corporation Counsel of all documents deemed necessary, the Director of Finance is hereby authorized and directed to issue a refund to the 185 City of Newark Employees affected by the cancellation of their policies for a total amount of \$43,141.13 (Forty Three Thousand, One Hundred and Forty One Dollars and Thirteen Cents), which payment shall be made payable to each individual City of Newark employee as set forth in the attached list.

3. Annexed hereto is the Certification of Funds issued by the Director of Finance, City of

Newark, which states that there are available sufficient legally-appropriated funds from Fund 025-25T-5T25-96340 in the amount of \$43,141.13 (Forty Three Thousand, One Hundred Forty One Dollars and Thirteen Cents), for the purpose set forth herein. A copy of the Comptroller's Certification shall be filed in the Office of the City Clerk along with this Resolution by the Corporation Counsel.

4. This resolution shall be effective upon adoption in accordance with applicable State Law.

#### **STATEMENT**

This Resolution authorizes the Corporation Counsel, on behalf of the City of Newark, to settle this matter, without the need for litigation, concerning City employees who had Fort Dearborn Life Insurance premium deductions taken out of their bi-weekly pay, after the insurance company cancelled the coverage. This settlement refunds the deductions to the 185 affected employees, for the total, combined amount of \$43,141.13.