



Kenneth W. Jenkins
County Executive

Office of the County Attorney

John M. Nonna
County Attorney

January 7, 2026

Westchester County Board of Legislators
County of Westchester
800 Michaelian Office Building
148 Martine Avenue
White Plains, New York 10601

Re: Request for Authorization to Settle the County's Insurance Claims with an Insurance Company in the Amount of \$306,000

Dear Honorable Members of the Board:

Attached for your consideration is an Act which if enacted by your Board, would authorize the settlement of insurance claims and the resulting insurance coverage dispute with Berkshire Hathaway Direct Insurance Company, f/k/a American Centennial Insurance Company, ("ACIC), for \$306,000.

More than forty years ago, ACIC issued to Westchester County four commercial umbrella policies - - Policy Nos. XC-00-31-02, CC-00-26-83, XC-00-88-14, and XC-00-88-65. These four commercial umbrella policies, respectively issued to the County in 1982, 1983 and 1984, eventually became the subject of a dispute and this settlement.

In November 2021, a dispute first arose between the County and ACIC with respect to whether and to what extent the foregoing policies provided coverage for certain costs and liabilities that the County had incurred, or may incur in the future, in connection with claims against the County alleging sexual abuse pursuant to New York State's Child Victims Act. Previously, the County had presented three such claims, (D. Bellamy v. County, et al, V. Lewis v. County, et al, and J. Paladino, v. County et al), to ACIC.

By letter dated November 4, 2021, ACIC denied coverage for those three claims and further denied that it had any obligation to provide coverage for any claims made by the County under the above policies. The County immediately contested the claim denials issued by Resolute. As the underlying litigation that gave rise to those three claims progressed through the courts, the County continued to challenge Resolute's claim denials in subsequent correspondence and telephone calls over the following four year period.

Of the three claims presented to ACIC by the County, (D. Bellamy, V. Lewis, and J. Paladino), the first two of these claims never reached ACIC's umbrella level of insurance coverage, but the \$5 million settlement of the Paladino case did reach that level. It was determined that the total liability of ACIC under the four policies applicable to the Paladino case was \$489,998. The ongoing dispute never became a lawsuit and continued to be negotiated.

On November 21, 2025, the County and ACIC agreed to settle the dispute for \$306,000. The latter figure represents a 62% recovery of the total sought. Most importantly, the settlement takes into consideration the uncertainty of litigation and the potential costs of a trial. The County will execute a Confidential Settlement Agreement and Mutual Release to finalize the settlement.

The accompanying Act will authorize the settlement of the insurance claims and insurance coverage dispute with ACIC for \$306,000.

Very truly yours,



John M. Nonna
County Attorney

JMN/mg

BOARD OF LEGISLATORS
COUNTY OF WESTCHESTER

Your Committee is in receipt of a proposed Act, which if enacted by your Board, would authorize the settlement of insurance claims and the resulting insurance coverage dispute with Berkshire Hathaway Direct Insurance Company, f/k/a American Centennial Insurance Company, ("ACIC), for \$306,000.

This matter arises from a dispute between the County and ACIC with respect to whether and to what extent certain commercial umbrella insurance policies provided coverage for certain costs and liabilities that the County had incurred, or may incur in the future, in connection with claims against the County alleging sexual abuse pursuant to New York State's Child Victims Act.

The settlement takes into consideration the uncertainty of litigation and the potential costs of a trial. The County will execute a Confidential Settlement Agreement and Mutual Release to finalize the settlement.

Your Committee has carefully considered the subject matter, the settlement proposal, the attached Act and recommends authorizing the County Attorney or his designee to settle the insurance coverage dispute with Berkshire Hathaway Direct Insurance Company, f/k/a American Centennial Insurance Company, ("ACIC), for \$306,000.

An affirmative vote of a majority of the Board is required to pass this legislation.

Dated: White Plains, New York

, 2026

COMMITTEE ON:

ACT NO. -2026

AN ACT authorizing the County Attorney to settle the insurance claims and resulting insurance coverage dispute with Berkshire Hathaway Direct Insurance Company, f/k/a American Centennial Insurance Company, ("ACIC), for \$306,000.

BE IT ENACTED by the Board of Legislators of the County of Westchester as follows:

Section 1. The County Attorney is authorized to settle the insurance claims and resulting insurance coverage dispute with Berkshire Hathaway Direct Insurance Company, f/k/a American Centennial Insurance Company, ("ACIC), for \$306,000.

Section 2. The County Attorney or his designee is hereby authorized and empowered to execute and deliver all documents and take such actions as the County Attorney deems necessary or desirable to accomplish the purpose of this Act.

Section 3. This Act shall take effect immediately.

FISCAL IMPACT STATEMENT

SUBJECT: Settle Insurance Claims with Insurance Company **NO FISCAL IMPACT PROJECTED**

OPERATING BUDGET IMPACT

To Be Completed by Submitting Department and Reviewed by Budget

SECTION A - FUND

GENERAL FUND

AIRPORT FUND

SPECIAL DISTRICTS FUND

SECTION B - EXPENSES AND REVENUES

Total Current Year Expense _____

Total Current Year Revenue \$ 306,000

Source of Funds (check one): **Current Appropriations** **Transfer of Existing Appropriations**

Additional Appropriations

Other (Revenue)

Identify Accounts: 615-59-0510-9289

Potential Related Operating Budget Expenses: Annual Amount _____

Describe: _____

Potential Related Operating Budget Revenues: Annual Amount \$ 306,000

Describe: Settlement of insurance claims and the resulting insurance coverage dispute
with Berkshire Hathaway Direct Insurance Company, f/k/a American Centennial Insurance
Company, (ACIC).

Anticipated Savings to County and/or Impact on Department Operations:

Current Year: _____

Next Four Years: _____

Prepared by: Mark Medwid

Title: Associate Budget Director

Department: Budget

Date: January 8, 2026

Reviewed By:

MM

Budget Director

Date:

1/8/26