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**GOVERNMENT CODE - GOV**

**TITLE 1. GENERAL [100 - 7931.000]** ( Title 1 enacted by Stats. 1943, Ch. 134. )

**DIVISION 3.6. CLAIMS AND ACTIONS AGAINST PUBLIC ENTITIES AND PUBLIC EMPLOYEES [810 - 998.3]** ( Division 3.6 added by Stats. 1963, Ch. 1681. )

**PART 5. PAYMENT OF CLAIMS AND JUDGMENTS [965 - 985]** ( Part 5 added by Stats. 1963, Ch. 1715. )

**CHAPTER 3.7. Procedures Applicable to State and Local Public Entities [984- 984.]** ( Chapter 3.7 added by Stats. 1987, Ch. 1204, Sec. 3. )

**984.** (a) As used in this section, "not insured" includes a public entity that has no liability insurance or is self-insured by itself, or through an insurance pooling arrangement, a joint powers agreement, the Local Agency Self Insurance Authority, or any other similar arrangement.

(b) If a public entity has commercial insurance as to a portion of the judgment, this section shall only apply to that portion of the judgment which is "not insured" as defined in this section.

(c) A judgment against a public entity may be ordered to be paid by periodic payments only if ordered under Section 667.7 of the Code of Civil Procedure or Section 970.6, or if the public entity has made an election under subdivision (d), or if the parties have agreed to it.

(d) If, after making any deductions pursuant to Section 985 of the Government Code, the judgment on a tort claims action against a public entity that is not insured is greater than five hundred thousand dollars (\$500,000), the public entity may elect to pay the judgment in periodic payments as provided in this subdivision.

Effective January 1, 1990, the five hundred thousand dollar (\$500,000) threshold amount shall be five hundred fifty thousand dollars (\$550,000). Effective January 1, 1992, that amount shall be six hundred thousand dollars (\$600,000). Effective January 1, 1994, that amount shall be six hundred fifty thousand dollars (\$650,000). Effective January 1, 1996, that amount shall be seven hundred twenty-five thousand dollars (\$725,000), and thereafter, the seven hundred twenty-five thousand dollar (\$725,000) amount shall be increased 5 percent on January 1 of each year.

After any amounts reimbursed pursuant to Section 985, the judgment-debtor shall pay 50 percent of the remainder immediately, and the other 50 percent of the remainder shall be paid over a period of time to be determined by the court, not to exceed 10 years or the length of the judgment-creditor's remaining life expectancy at the time the judgment is entered, whichever is less.

(e) The following provisions apply to all judgments for periodic payment under this section against a public entity:

(1) Payments shall not terminate upon the death of the judgment-creditor.

(2) Interest at the same rate as one-year United States Treasury bills as of January 1, each year shall accrue to the unpaid balance of the judgment, and on each January 1 thereafter throughout the duration of the installment payments the interest shall be adjusted until the judgment is fully satisfied.

(3) Throughout the term of the installment payments until the judgment is fully satisfied, the public entity shall remain liable for all payments due on the judgment and the interest.

(4) The court shall retain jurisdiction in order to enforce, amend, modify, or approve settlement of the installment payments as may be just. Upon a motion by the judgment-creditor, the court shall accelerate the installment payments if it finds any unreasonable delay in, or failure to make payments.

(5) The court, upon motion, may modify the installment payments consistent with Sections 1431 to 1431.5, inclusive, of the Civil Code to account for the insolvency or uncollectability of amounts of the judgment owed by joint tortfeasors. The defendant shall bring a motion for that adjustment under Section 1010 of the Code of Civil Procedure.

(f) Nothing in this section shall prevent the parties from agreeing to settle an action on any other terms.

(g) The Judicial Council shall adopt rules providing for a reasonable extension of the time for filing the notice of appeal from a judgment on the verdict to permit an election pursuant to this section and any hearing pursuant to subdivision (d).

(h) This section does not apply to contribution and indemnity between joint tortfeasors.

*(Added by Stats. 1987, Ch. 1204, Sec. 3.)*