

[First Reprint]

SENATE, No. 341

STATE OF NEW JERSEY
214th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

Sponsored by:

Senator STEVEN V. OROHO

District 24 (Sussex, Hunterdon and Morris)

Senator JEFF VAN DREW

District 1 (Cape May, Atlantic and Cumberland)

SYNOPSIS

Expands range of local units eligible to join an insurance fund established by a municipality or county under certain circumstances

CURRENT VERSION OF TEXT

As reported by the Senate Community and Urban Affairs Committee on June 21, 2010, with amendments.



(Sponsorship Updated As Of: 6/11/2010)

1 AN ACT concerning local unit insurance funds and amending
2 N.J.S.40A:10-6 ¹and P.L.1983, c.372¹.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. N.J.S.40A:10-6 is amended to read as follows:

8 40A:10-6. The governing body of any local unit may establish
9 an insurance fund for the following purposes:

10 a. To insure against any loss or damage however caused to any
11 property, motor vehicles, equipment or apparatus owned by it, or
12 owned by or under the control of any of its departments, boards,
13 agencies or commissions;

14 b. To insure against liability resulting from the use or operation
15 of motor vehicles, equipment or apparatus owned by or controlled
16 by it, or owned by or under the control of any of its departments,
17 boards, agencies or commissions;

18 c. To insure against liability for its negligence and that of its
19 officers, employees and servants, whether or not compensated or
20 part-time, who are authorized to perform any act or services, but not
21 including an independent contractor within the limitations of the
22 "New Jersey Tort Claims Act" (N.J.S.59:1-1 et seq.);

23 d. To insure against any loss or damage from liability as
24 established by chapter 15 of Title 34 of the Revised Statutes;

25 e. To provide contributory or noncontributory self-funded, or
26 partially self-funded, health benefits to employees or their
27 dependents, or both, in accordance with rules and regulations of the
28 Director of the Division of Local Government Services in the
29 Department of Community Affairs. The establishment and
30 operation of a fund to provide health benefits by a local unit prior to
31 the effective date of P.L.2000, c.126 (C.52:13H-21 et al.) is hereby
32 validated; however, any such health benefits fund shall comply with
33 all rules and regulations promulgated by the director pursuant to
34 this subsection.

35 The governing body may appropriate the moneys necessary for
36 the purposes of this section.

37 For the purposes of this section, "local unit" means a county,
38 municipality, board of education, county college, county vocational
39 school, and any municipal authority.

40 (cf: P.L.2007, c.18, s.1)

41

42 ¹2. Section 1 of P.L.1983, c.372 (C.40A:10-36) is amended to
43 read as follows:

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SCU committee amendments adopted June 21, 2010.

1 1. a. The governing body of any local unit, as defined by
2 N.J.S.40A:10-6, including any contracting unit as defined in section
3 2 of P.L.1971, c.198 (C.40A:11-2), may by resolution agree to join
4 together with any other local unit or units to establish a joint
5 insurance fund for the purpose of insuring against liability, property
6 damage, and workers' compensation as provided in Articles 3 and 4
7 of chapter 10 of Title 40A of the New Jersey Statutes, insuring
8 against loss or theft of moneys or securities, providing blanket bond
9 coverage of certain county or municipal officers and employees for
10 faithful performance and discharge of their duties as provided under
11 section 1 of P.L.1967, c.283 (C.40A:5-34.1), insuring against bodily
12 injury and property damage claims arising from environmental
13 impairment liability and legal representation therefor to the extent
14 that such coverages, as approved by the Commissioner of Banking
15 and Insurance, are provided by the purchase of insurance and no
16 risk is retained by the fund, providing contributory or non-
17 contributory group health insurance or group term life insurance, or
18 both, to employees or their dependents or both, through self
19 insurance, the purchase of commercial insurance or reinsurance, or
20 any combination thereof, and insuring against any loss from
21 liability associated with sick leave payment for service connected
22 disability as provided by N.J.S.18A:30-2.1, and may appropriate
23 such moneys as are required therefor. The maximum risk to be
24 retained for group term life insurance by a joint insurance fund on a
25 self-insured basis shall not exceed a face amount of \$5,000 per
26 covered employee or dependent or more if approved by the
27 Commissioners of Banking and Insurance and Community Affairs.
28 As used in this subsection: (1) "life insurance" means life insurance
29 as defined pursuant to N.J.S.17B:17-3; (2) "health insurance"
30 means health insurance as defined pursuant to N.J.S.17B:17-4 or
31 service benefits as provided by health service corporations, hospital
32 service corporations or medical service corporations authorized to
33 do business in this State; and (3) "dependent" means dependent as
34 defined pursuant to N.J.S.40A:10-16.

35 b. The governing body of any local unit, as defined by
36 N.J.S.40A:10-6, including any contracting unit as defined in section
37 2 of P.L.1971, c.198 (C.40A:11-2), may by resolution agree to join
38 together with any other local unit or units to establish a joint
39 insurance fund for the sole purpose of insuring against bodily injury
40 and property damage claims arising from environmental impairment
41 liability and legal representation therefor to the extent and for
42 coverages approved by the Commissioner of Banking and
43 Insurance.¹

44 (cf: P.L.1999, c.434, s.2)

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46 ¹[2.] 3.¹ This act shall take effect immediately.