

ASSEMBLY, No. 683

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman BAGGER

1 AN ACT concerning blanket faithful performance bonds for certain
2 county and municipal officers and employees and amending
3 P.L.1967, c.283 and P.L.1983, c.372.

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

7
8 1. Section 1 of P.L.1967, c.283 (C.40A:5-34.1) is amended to read
9 as follows:

10 1. The board of chosen freeholders of any county or the governing
11 body of any municipality, as the case may be, may provide by blanket
12 bond for the bonding of certain county or municipal officers and
13 employees for faithful performance and discharge of their duties.
14 Blanket bond coverage may be by one or more blanket bonds issued
15 by a surety company or companies or one or more underwriters or by
16 a joint insurance fund established pursuant to P.L.1983, c.372
17 (C.40A:10-36 et seq.). Blanket bond coverage may be provided in lieu
18 of an individual bond as to any officer or employee required by law to
19 be bonded, except treasurers and tax collectors, by whatever title
20 known, provided the blanket bond meets the requirements for the
21 individual bond in amount, rights of cancellation, and the
22 governmental agencies in whose favor it runs.

23 Whenever a copy of an individual bond is required by law to be
24 filed with or supplied to specified officers, evidence of blanket bond
25 coverage filed with or supplied to such officers by the board of
26 chosen freeholders or governing body shall be compliance with such
27 requirement.

28 (cf: P.L.1967, c.283, s.1)

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

32 1. a. The governing body of any local unit, including any
33 contracting unit as defined in section 2 of P.L.1971, c.198
34 (C.40A:11-2), may by resolution or ordinance, as appropriate, agree

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.

1 to join together with any other local unit or units to establish a joint
2 insurance fund for the purpose of insuring against liability, property
3 damage, and workers' compensation as provided in Articles 3 and 4 of
4 chapter 10 of Title 40A of the New Jersey Statutes, insuring against
5 loss or theft of monies or securities, providing blanket bond coverage
6 of certain county or municipal officers and employees for faithful
7 performance and discharge of their duties as provided under section 1
8 of P.L.1967, c.283 (C.40A:5-34.1), and providing contributory or
9 non-contributory group health insurance or group term life insurance,
10 or both, to employees or their dependents or both, through self
11 insurance, the purchase of commercial insurance or reinsurance, or any
12 combination thereof, and may appropriate such moneys as are required
13 therefor. The maximum risk to be retained for group term life
14 insurance by a joint insurance fund on a self-insured basis shall not
15 exceed a face amount of \$5,000 per covered employee or dependent
16 or more if approved by the Commissioners of Insurance and
17 Community Affairs. As used in this subsection: (1) "life insurance"
18 means life insurance as defined pursuant to N.J.S.17B:17-3; (2)
19 "health insurance" means health insurance as defined pursuant to
20 N.J.S.17B:17-4 or service benefits as provided by health service
21 corporations, hospital service corporations or medical service
22 corporations authorized to do business in this State; and (3)
23 "dependent" means dependent as defined pursuant to N.J.S.40A:10-16.

24 b. The governing body of any local unit, including any contracting
25 unit as defined in section 2 of P.L.1971, c.198 (C.40A:11-2), may by
26 resolution or ordinance, as appropriate, agree to join together with any
27 other local unit or units to establish a joint insurance fund for the sole
28 purpose of insuring against bodily injury and property damage claims
29 arising from environmental impairment liability and legal
30 representation therefor to the extent and for coverages approved by
31 the Commissioner of Insurance.

32 (cf: P.L.1993, c.269, s.13)

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34 3. This act shall take effect immediately.

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STATEMENT

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39 This bill permits county or municipal joint insurance funds
40 established pursuant to section 1 of P.L.1983, c.372 (C.40A:10-36),
41 to provide blanket bond coverage of county and municipal officers and
42 employees for the faithful performance and discharge of their duties,
43 as provided under section 1 of P.L.1967, c.283 (C.40A:5-34.1).

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3 Permits joint insurance funds to provide blanket bond coverage of
4 local officers and employees for faithful performance of duties.