

[First Reprint]
SENATE, No. 274

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Senator CARDINALE

1 AN ACT concerning certain joint insurance funds and amending
2 P.L.1967, c.283 and P.L.1983, c.372.

3

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

6

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

9 1. The board of chosen freeholders of any county or the governing
10 body of any municipality, as the case may be, may provide by blanket
11 bond for the bonding of certain county or municipal officers and
12 employees for faithful performance and discharge of their duties.
13 Blanket bond coverage may be by one or more blanket bonds issued
14 by a surety company or companies or one or more underwriters or by
15 a joint insurance fund established pursuant to P.L.1983, c.372
16 (C.40A:10-36 et seq.) ¹of which the county or municipality is a
17 member¹. Blanket bond coverage may be provided in lieu of an
18 individual bond as to any officer or employee required by law to be
19 bonded, except treasurers and tax collectors, by whatever title known,
20 provided the blanket bond meets the requirements for the individual
21 bond in amount, rights of cancellation, and the governmental agencies
22 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)

29

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

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SCM committee amendments adopted January 18, 1996.

1 1. a. The governing body of any local unit, including any
2 contracting unit as defined in section 2 of P.L.1971, c.198
3 (C.40A:11-2), may by resolution or ordinance, as appropriate, agree
4 to join 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 of
7 chapter 10 of Title 40A of the New Jersey Statutes, insuring against
8 loss or theft of monies or securities, providing blanket bond coverage
9 of certain county or municipal officers and employees for faithful
10 performance and discharge of their duties as provided under section 1
11 of P.L.1967, c.283 (C.40A:5-34.1), and providing contributory or
12 non-contributory group health insurance or group term life insurance,
13 or both, to employees or their dependents or both, through self
14 insurance, the purchase of commercial insurance or reinsurance, or any
15 combination thereof, and may appropriate such moneys as are required
16 therefor. The maximum risk to be retained for group term life
17 insurance by a joint insurance fund on a self-insured basis shall not
18 exceed a face amount of \$5,000 per covered employee or dependent
19 or more if approved by the Commissioners of Insurance and
20 Community Affairs. As used in this subsection: (1) "life insurance"
21 means life insurance as defined pursuant to N.J.S.17B:17-3; (2)
22 "health insurance" means health insurance as defined pursuant to
23 N.J.S.17B:17-4 or service benefits as provided by health service
24 corporations, hospital service corporations or medical service
25 corporations authorized to do business in this State; and (3)
26 "dependent" means dependent as defined pursuant to N.J.S.40A:10-16.

27 b. The governing body of any local unit, including any contracting
28 unit as defined in section 2 of P.L.1971, c.198 (C.40A:11-2), may by
29 resolution or ordinance, as appropriate, agree to join together with any
30 other local unit or units to establish a joint insurance fund for the sole
31 purpose of insuring against bodily injury and property damage claims
32 arising from environmental impairment liability and legal
33 representation therefor to the extent and for coverages approved by
34 the Commissioner of Insurance.
35 (cf: P.L. 1993, c.269, s.13)

36

37 3. This act shall take effect immediately.

38

39

40

41

42 _____

43 Allows county and municipal joint insurance funds to insure against
44 loss or theft of monies or securities and to provide certain blanket
bonds.