



General Assembly

January Session, 2019

**Raised Bill No. 815**

LCO No. 3762



Referred to Committee on HIGHER EDUCATION AND  
EMPLOYMENT ADVANCEMENT

Introduced by:  
(HED)

**AN ACT ALLOWING INSURANCE POLICIES IN LIEU OF SURETY  
BONDS.**

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1 Section 1. Subsection (e) of section 10a-179 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2019*):

4 (e) (1) Each member of the board shall execute a surety bond in the  
5 penal sum of fifty thousand dollars and the executive director and the  
6 other officers of the authority shall execute a surety bond in the penal  
7 sum of one hundred thousand dollars, or, in lieu thereof, the chairman  
8 of the board shall execute a blanket position bond covering each  
9 member, the executive director and the employees of the authority,  
10 each surety bond to be conditioned upon the faithful performance of  
11 the duties of the office or offices covered, to be executed by a surety  
12 company authorized to transact business in this state as surety and to  
13 be approved by the Attorney General and filed in the office of the  
14 Secretary of the State. [The cost of each such bond shall be paid by the  
15 authority] The authority shall pay the cost of each such bond.

16     (2) In lieu of a bond, the authority may obtain from an insurance  
17 company an insurance policy or policies, in the penal sum of not less  
18 than one hundred thousand dollars per each occurrence, covering the  
19 authority if the executive director or other officer or employee of the  
20 authority or any member of the board performing specific directorial  
21 acts on behalf of the authority fails to faithfully perform the duties of  
22 such person's position with the authority. The authority shall  
23 determine any applicable deductible or self-insured retention and pay  
24 the cost of the coverage for such policy.

25     Sec. 2. Subsection (c) of section 10a-224 of the general statutes is  
26 repealed and the following is substituted in lieu thereof (*Effective July*  
27 *1, 2019*):

28     (c) (1) Before the issuance of any bonds or notes under the  
29 provisions of this chapter, the chairman and vice-chairman of the  
30 board of directors, the executive director and any other member of the  
31 board authorized by resolution of the board to handle funds or sign  
32 checks of the authority and any other authorized officer shall execute a  
33 surety bond in the penal sum of fifty thousand dollars, or in lieu  
34 thereof the chairman shall obtain a blanket position bond covering the  
35 executive director and every member of the board and other employee  
36 or authorized officer of the authority in the penal sum of fifty  
37 thousand dollars. Each such bond shall be conditioned upon the  
38 faithful performance of the duties of the principal or the members,  
39 executive director and other authorized officers or employees, as the  
40 case may be, shall be executed by a surety company authorized to  
41 transact business in the state as surety, and shall be filed in the office of  
42 the Secretary of the State. [The cost of each such bond shall be paid by  
43 the authority] The authority shall pay the cost of each such bond.

44     (2) In lieu of a bond, the authority may obtain from an insurance  
45 company an insurance policy or policies, in the penal sum of not less  
46 than one hundred thousand dollars per each occurrence, covering the  
47 authority if the executive director or other officer or employee of the  
48 authority or any member of the board performing specific directorial

49 acts on behalf of the authority fails to faithfully perform the duties of  
50 such person's position with the authority. The authority shall  
51 determine any applicable deductible or self-insured retention and pay  
52 the cost of the coverage for such policy.

This act shall take effect as follows and shall amend the following sections:

|           |              |            |
|-----------|--------------|------------|
| Section 1 | July 1, 2019 | 10a-179(e) |
| Sec. 2    | July 1, 2019 | 10a-224(c) |

**HED**      *Joint Favorable*