

CHAPTER 2

AN ACT concerning blanket bonds for certain local officers and employees and amending P.L.1967, c.283 and N.J.S.40A:5-36.

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

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

C.40A:5-34.1 Blanket bond coverage provided for certain local officers, employees; evidence.

1. The board of chosen freeholders of any county or the governing body of any municipality, as the case may be, may provide by blanket bond for the bonding of certain county or municipal officers and employees for faithful performance and discharge of their duties. Blanket bond coverage may be by one or more blanket bonds issued by a surety company or companies or one or more underwriters or by a joint insurance fund established pursuant to P.L.1983, c.372 (C.40A:10-36 et seq.) of which the county or municipality is a member. Blanket bond coverage may be provided by a surety company or companies or one or more underwriters in lieu of an individual bond as to any officer or employee required by law to be bonded, including treasurers and tax collectors, by whatever title known, and municipal court judges and administrators, provided the blanket bond meets the requirements for the individual bond in amount, rights of cancellation, and the governmental agencies in whose favor it runs; and further provided the coverage under the blanket bond for the individuals holding any of the specifically named aforementioned positions shall be subject to the application of individual rating criteria and underwriting standards that consider the risk and potential liability presented by the individuals covered by the blanket bond as if the individuals were covered by an individual bond. Blanket bond coverage may be provided by a joint insurance fund in lieu of an individual bond as to any officer or employee required by law to be bonded, including treasurers and tax collectors, by whatever title known, and municipal court judges and administrators, provided the blanket bond meets the requirements for the individual bond in amount, rights of cancellation, and the governmental agencies in whose favor it runs; and further provided the coverage under the blanket bond for the individuals holding any of the specifically named aforementioned positions shall be subject to the application of individual rating criteria and underwriting standards that consider the risk and potential liability presented by the individuals covered by the blanket bond as if the individuals were covered by an individual bond.

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

2. N.J.S.40A:5-36 is amended to read as follows:

Protection to be afforded by bond.

40A:5-36. Every bond given by a municipal court judge or administrator of a municipal court as hereinafter provided shall be for the protection of the State, the county and the municipality or, in the case of an intermunicipal court, the municipalities, and also for the protection of defendants, litigants, bondsmen and all other persons in interest. A bond pursuant to this section may be provided by a surety company authorized to do business in

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New Jersey or by a joint insurance fund through blanket bond coverage pursuant to section 1 of P.L.1967, c.283 (C.40A:5-34.1).

3. This act shall take effect immediately.

Approved January 14, 2013.