

THE SURETY & FIDELITY ASSOCIATION OF AMERICA

MEMORANDUM

TO: Government Affairs Advisory Committee

FROM: Daniel Wanke

RE: Fidelity Bond Legislation

DATE: March 8, 2016

There are 41 states and the District of Columbia in session. In all states except New Jersey and Virginia, the 2016 sessions are the second year of a two-year session. New Mexico, Oregon, and Wyoming have adjourned for 2016. Florida, Georgia, Idaho, Indiana, South Dakota, Utah, Virginia, Washington, West Virginia, and Wyoming are scheduled to adjourn in March. The following report compiles and summarizes the fidelity bond legislation that SFAA is tracking as of March 1, 2016. For additional information on how SFAA is addressing these bills, as necessary, with the AIA, the local surety associations and other interested parties, please visit the Government Relations page of the SFAA website at www.surety.org.

Jurisdiction	Bill(s)	Recent History	Issue	SFAA Summary
CT	HB 5237	03/03/2016 HB 5237 has been heard in committee in the House.	Ban the Box	HB 5237 would prohibit an employer or its agent, representative or designee from requiring an employee or prospective employee to complete employment application forms that contain a question on the person's criminal history until a conditional offer of employment has been made. The bill also would revise existing law so that an applicant could not be denied employment nor could existing employees be discharged solely for an arrest, criminal charge or conviction for certain misdemeanors or felonies. (02/17)
HI	HB 2715	02/24/2016 HB 2715 passed out of committee in the House with amendments.	Fidelity Bond— Public Official	HB 2715 would create the State Workers' Compensation Insurance Company and would require employers to obtain workers' compensation coverage only from this company or be self-insured. The board of directors for the company would have to obtain a fidelity bond for its administrator. The board also could obtain a fidelity bond for agents dealing with the company's assets. The State Workers' Compensation Insurance Company would replace the Hawaii Employers' Mutual Insurance Company. (02/15)

IA	SB 2240/ HB 2351	02/18/2016 SB 2240 passed out of committee in the Senate. 02/23/2016 HB 2531 has been introduced.	Ban the Box	SB 2240/HB 2351 would prohibit an employer or employment agency from inquiring, considering, or requiring disclosure of the criminal record or history of an applicant until he or she has been determined to be qualified and notified of an interview, or a conditional offer has been made. The bill would make an exception if the position requires the applicant to obtain a fidelity bond for the job and the conviction of one or more criminal offenses would disqualify the applicant from obtaining the bond. (02/25)
MD	HB 510	02/03/2016 HB 510 was scheduled for a committee hearing in the House and has not moved since then.	Fidelity Bonds for Ex-Felons	HB 510 would require the Department of Labor to create a program to encourage business entities to provide long-term employment opportunities for qualified ex-felons. The Department would have to purchase fidelity bonds for the businesses that hire ex-felons under the program that cover up to a full year of employer for up to 150 ex-felons each year. (02/04)
MO	HB 2361	02/16/2016 HB 2361 was scheduled for a committee hearing in the House, but was not heard.	Fidelity Insurance— Homeowners Associations	HB 2631 would require homeowners associations to obtain fidelity insurance that covers the association and any person with access to its funds, including any managing agent. (01/26)
RI	HB 7684	02/24/2016 HB 7684 has been introduced.	Fidelity Bond— Homeowners Associations	HB 7684 would require property management company or agent that a unit owner association retains under contract to provide condominium management services, including the control of or disbursement of funds of the association, to maintain an "acts or omissions" insurance policy or fidelity bond. (03/01)