

THE SURETY & FIDELITY ASSOCIATION OF AMERICA

MEMORANDUM

TO: Government Affairs Advisory Committee

FROM: Daniel Wanke

RE: Fidelity Bond Legislation

DATE: June 3, 2016

There are 11 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. Colorado, Illinois, Minnesota, Missouri, New Hampshire, Oklahoma, and South Carolina have adjourned since the last report. Delaware, Louisiana, New York, North Carolina, and Rhode Island are projected to adjourn in June. The following report compiles and summarizes the fidelity bond legislation that SFAA is tracking as of June 3, 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	06/01/2016 HB 5237 has been enacted.	Fidelity Bond— Ban the Box	HB 5237 revises existing law to prohibit employers from inquiring about a prospective employee's prior arrests, criminal charges or convictions on an initial employment application, unless the employer is required to do so by an applicable state or federal law, or a security or fidelity bond or an equivalent bond is required for the position. The new law creates the Fair Chance Employment Task Force to study employment opportunities available to those with criminal histories. (06/01)
OH	HB 229	05/24/2016 HB 229 has been sent to the Governor.	Fidelity Bond— Trust Companies	HB 229 would regulate family trust companies and would require them to provide fidelity bonds in an amount the company “considers advisable” on any active officer, manager, family member acting in a managerial capacity, or employee. The aggregate amount of the bonds could not be less than \$ 1 million. The bonds would indemnify the company against loss because of any dishonest, fraudulent, or criminal act or omission of the person covered under the bond. (05/26)

OH	HB 534	04/26/2016 HB 534 has been introduced.	Fidelity Bond— Homeowners' Associations	HB 534 would require the board of directors for a unit owner's association to obtain blanket fidelity insurance coverage for any person who controls or disburses association funds. The insurance would have to cover the maximum amount of funds that will be in the association or its designated agent's custody at any one time, plus three months of operating expenses. The insurance would have to protect against theft, embezzlement, misappropriation, or any other unauthorized taking or loss of the association's funds. The bill would require the insurance to include the manager and the managing agent of the association's funds in its definition of "employee" or provide for through an endorsement. (05/02)
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