



House Bill No. 5444

Public Act No. 16-129

***AN ACT CONCERNING THE EXECUTION OF SURETY BONDS BY
THE CONNECTICUT HEALTH INSURANCE EXCHANGE AND THE
CONNECTICUT AIRPORT AUTHORITY.***

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

Section 1. Subsection (c) of section 38a-1081 of the 2016 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016*):

(c) (1) All initial appointments shall be made not later than July 1, 2011. Following the expiration of such initial terms, subsequent board member terms shall be for four years. Any vacancy shall be filled by the appointing authority for the balance of the unexpired term. If an appointing authority fails to make an initial appointment, or an appointment to fill a vacancy within ninety days of the date of such vacancy, the appointed board members may make such appointment by a majority vote. Any board member previously appointed to the board or appointed to fill a vacancy may be reappointed in accordance with this section. Any board member may be removed for misfeasance, malfeasance or wilful neglect of duty at the sole direction of the appointing authority.

(2) As a condition of qualifying as a member of the board of

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directors, each appointee shall, before entering upon such member's duties, take and subscribe the oath or affirmation required under section 1 of article eleventh of the Constitution of the state. A record of each such oath shall be filed in the office of the Secretary of the State.

(3) Appointed board members may not designate a representative to perform in their absence their respective duties under sections 38a-1080 to 38a-1092, inclusive. The Governor shall select a chairperson from among the board members and the board members shall annually elect a vice-chairperson. Meetings of the board of directors shall be held at such times as shall be specified in the bylaws adopted by the board and at such other time or times as the chairperson deems necessary. Any board member who fails to attend more than fifty per cent of all meetings held during any calendar year shall be deemed to have resigned from the board.

(4) Six board members shall constitute a quorum for the transaction of any business or the exercise of any power of the exchange. For the transaction of any business or the exercise of any power of the exchange, the exchange may act by a majority of the board members present at any meeting at which a quorum is in attendance. No vacancy in the membership of the board of directors shall impair the right of such board members to exercise all the rights and perform all the duties of the board. Except as otherwise provided in sections 38a-1080 to 38a-1092, inclusive, any action taken by the board under the provisions of sections 38a-1080 to 38a-1092, inclusive, may be authorized by resolution approved by a majority of the board members present at any regular or special meeting, which resolution shall take effect immediately unless otherwise provided in the resolution.

(5) Board members shall receive no compensation for their services but shall receive actual and necessary expenses incurred in the performance of their official duties.

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(6) Subject to the provisions of subdivision (2) of subsection (b) of this section, board members may engage in private employment or in a profession or business, subject to any applicable laws, rules and regulations of the state or federal government regarding official ethics or conflicts of interest.

(7) Notwithstanding any provision of the general statutes, it shall not constitute a conflict of interest for a trustee, director, partner or officer of any person, firm or corporation, or any individual having a financial interest in a person, firm or corporation, to serve as a board member of the exchange, provided such trustee, director, partner, officer or individual shall abstain from deliberation, action or vote by the exchange in specific request to such person, firm or corporation.

(8) Each board member shall execute a surety bond in the penal sum of fifty thousand dollars, or, in lieu thereof, the chairperson of the board shall execute a blanket position bond or procure an equivalent insurance product covering each board member, the chief executive officer and the employees of the exchange, each surety bond or equivalent insurance product to be conditioned upon the faithful performance of the duties of the office or offices covered, to be [executed by a surety] issued by an insurance company authorized to transact business in this state [as surety and to be approved by the Attorney General and filed in the office of the Secretary of the State] for surety or such equivalent insurance product. The cost of each such bond or insurance product shall be paid by the exchange.

(9) No board member of the exchange shall, for one year after the end of such member's service on the board, accept employment with any health carrier that offers a qualified health benefit plan through the exchange.

Sec. 2. Section 15-120dd of the 2016 supplement to the general statutes is repealed and the following is substituted in lieu thereof

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(Effective October 1, 2016):

(a) The board of directors of the authority shall adopt written procedures, in accordance with the provisions of section 1-121, for: (1) Adopting an annual budget and plan of operations, including a requirement of board approval before the budget or plan may take effect; (2) hiring, dismissing, promoting and compensating employees of the authority, including an affirmative action policy and a requirement of board approval before a position may be created or a vacancy filled; (3) acquiring real and personal property and personal services, including a requirement of board approval for any nonbudgeted expenditure in excess of five thousand dollars; (4) contracting for financial, legal, bond underwriting and other professional services, including a requirement that the authority solicit proposals at least once every three years for each such service which it uses; (5) issuing and retiring bonds, bond anticipation notes and other obligations of the authority; (6) awarding loans, grants and other financial assistance, including eligibility criteria, the application process and the role played by the authority's staff and board of directors; and (7) using surplus funds to the extent authorized under sections 15-120aa to 15-120oo, inclusive, or other provisions of the general statutes.

(b) Notwithstanding the provisions of subdivision (3) of subsection (a) of this section, the board of directors may authorize the executive director to make nonbudgeted expenditures of up to five hundred thousand dollars without prior board approval (1) to restore operations at any airport owned or operated by the authority, if such airport or the equipment of such airport is damaged as a result of a natural disaster or incurs a substantial casualty loss that results in an unsafe condition, or (2) where the failure to act would result in a disruption of airport operations. Not later than twenty-four hours after the executive director makes such nonbudgeted expenditure, the

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executive director shall provide notification to the chairperson or vice chairperson of the board of the amount of, and reason for, such expenditure.

(c) Each member of the board of directors of the authority shall execute a surety bond in the penal sum of fifty thousand dollars and the executive director shall execute a surety bond in the penal sum of one hundred thousand dollars, or, in lieu thereof, the chairperson of the board shall execute a blanket position bond or procure an equivalent insurance product covering each member, the executive director and the employees of the authority, each surety bond or equivalent insurance product to be conditioned upon the faithful performance of the duties of the office or offices covered, to be [executed by a surety] issued by an insurance company authorized to transact business in this state [as surety and to be approved by the Attorney General and filed in the office of the Secretary of the State] for surety or such equivalent insurance product. The cost of each such bond or insurance product shall be paid by the authority.

Approved June 6, 2016