



General Assembly

Amendment

February Session, 2016

LCO No. 4534



Offered by:

REP. MEGNA, 97th Dist.

REP. SAMPSON, 80th Dist.

To: House Bill No. **5444**

File No. 152

Cal. No. 134

**"AN ACT CONCERNING THE EXECUTION OF SURETY BONDS
BY THE CONNECTICUT HEALTH INSURANCE EXCHANGE."**

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

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4 to the general statutes is repealed and the following is substituted in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

6 (c) (1) All initial appointments shall be made not later than July 1,
7 2011. Following the expiration of such initial terms, subsequent board
8 member terms shall be for four years. Any vacancy shall be filled by
9 the appointing authority for the balance of the unexpired term. If an
10 appointing authority fails to make an initial appointment, or an
11 appointment to fill a vacancy within ninety days of the date of such
12 vacancy, the appointed board members may make such appointment
13 by a majority vote. Any board member previously appointed to the
14 board or appointed to fill a vacancy may be reappointed in accordance

15 with this section. Any board member may be removed for misfeasance,
16 malfeasance or wilful neglect of duty at the sole direction of the
17 appointing authority.

18 (2) As a condition of qualifying as a member of the board of
19 directors, each appointee shall, before entering upon such member's
20 duties, take and subscribe the oath or affirmation required under
21 section 1 of article eleventh of the Constitution of the state. A record of
22 each such oath shall be filed in the office of the Secretary of the State.

23 (3) Appointed board members may not designate a representative to
24 perform in their absence their respective duties under sections 38a-
25 1080 to 38a-1092, inclusive. The Governor shall select a chairperson
26 from among the board members and the board members shall
27 annually elect a vice-chairperson. Meetings of the board of directors
28 shall be held at such times as shall be specified in the bylaws adopted
29 by the board and at such other time or times as the chairperson deems
30 necessary. Any board member who fails to attend more than fifty per
31 cent of all meetings held during any calendar year shall be deemed to
32 have resigned from the board.

33 (4) Six board members shall constitute a quorum for the transaction
34 of any business or the exercise of any power of the exchange. For the
35 transaction of any business or the exercise of any power of the
36 exchange, the exchange may act by a majority of the board members
37 present at any meeting at which a quorum is in attendance. No
38 vacancy in the membership of the board of directors shall impair the
39 right of such board members to exercise all the rights and perform all
40 the duties of the board. Except as otherwise provided in sections 38a-
41 1080 to 38a-1092, inclusive, any action taken by the board under the
42 provisions of sections 38a-1080 to 38a-1092, inclusive, may be
43 authorized by resolution approved by a majority of the board
44 members present at any regular or special meeting, which resolution
45 shall take effect immediately unless otherwise provided in the
46 resolution.

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

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

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

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

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

78 Sec. 2. Section 15-120dd of the 2016 supplement to the general

79 statutes is repealed and the following is substituted in lieu thereof
80 (*Effective October 1, 2016*):

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

101 (b) Notwithstanding the provisions of subdivision (3) of subsection
102 (a) of this section, the board of directors may authorize the executive
103 director to make nonbudgeted expenditures of up to five hundred
104 thousand dollars without prior board approval (1) to restore
105 operations at any airport owned or operated by the authority, if such
106 airport or the equipment of such airport is damaged as a result of a
107 natural disaster or incurs a substantial casualty loss that results in an
108 unsafe condition, or (2) where the failure to act would result in a
109 disruption of airport operations. Not later than twenty-four hours after
110 the executive director makes such nonbudgeted expenditure, the
111 executive director shall provide notification to the chairperson or vice
112 chairperson of the board of the amount of, and reason for, such

113 expenditure.

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2016	38a-1081(c)
Sec. 2	October 1, 2016	15-120dd