

**Proposed Substitute
Bill No. 5333**

LCO No. 3159

**AN ACT CONCERNING THE CONNECTICUT HIGHER EDUCATION
SUPPLEMENTAL LOAN AUTHORITY.**

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

1 Section 1. Subsection (c) of section 10a-224 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2016*):

4 (c) (1) Before the issuance of any bonds or notes under the
5 provisions of this chapter, the chairman and vice-chairman of the
6 board of directors, the executive director and any other member of the
7 board authorized by resolution of the board to handle funds or sign
8 checks of the authority and any other authorized officer shall execute a
9 surety bond in the penal sum of fifty thousand dollars, or in lieu
10 thereof the chairman shall obtain a blanket position bond covering the
11 executive director and every member of the board and other employee
12 or authorized officer of the authority in the penal sum of fifty
13 thousand dollars. Each such bond shall be conditioned upon the
14 faithful performance of the duties of the principal or the members,
15 executive director and other authorized officers or employees, as the
16 case may be, shall be executed by a surety company authorized to
17 transact business in the state as surety, and shall be filed in the office of
18 the Secretary of the State. [The cost of each such bond shall be paid by
19 the authority.] The authority shall pay the cost of each such bond.

20 (2) In lieu of a bond, the authority may obtain from an insurance
21 company an insurance policy or policies, in the penal sum of not less
22 than one hundred thousand dollars per each occurrence, covering the
23 authority if the executive director or other officer or employee of the
24 authority or any member of the board performing specific directorial
25 acts on behalf of the authority fails to faithfully perform the duties of
26 such person's position with the authority. The authority shall
27 determine any applicable deductible or self-insured retention and pay
28 the cost of the coverage for such policy.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>July 1, 2016</i>	10a-224(c)
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