



2018

# Fidelity Bond State Legislative Report





## 2018 Fidelity Bond State Legislative Report

### *Status of the States*

Most of the states have adjourned their 2018 sessions. Sessions that go on until year's end are Massachusetts, Michigan, New Jersey, Ohio, Pennsylvania, and the District of Columbia.

Forty-six states began Fiscal Year 2019 on July 1, 2018. Alabama, Michigan, New York, and Texas have fiscal years that begin in September or October. All 50 states have enacted budgets for FY 2019 with 16 of these states having enacted a biennial budget during their 2017 legislative session. Several states had heated battles over the budget and some also needed one or more special sessions to finish the budget. Massachusetts was the only state to complete its budget after the fiscal year began.

The Surety & Fidelity Association of America (SFAA) has a legislative affiliation with the American Insurance Association (AIA). Together, we address surety and fidelity legislation in the states. SFAA sets a limited number of priority issues each year for which we affirmatively seek to have legislation introduced to amend existing state law. Much of the work together, however, is addressing bills that others have introduced that impact surety and fidelity bonds. The following is a summary of the fidelity bond bills that were introduced in 2018 that SFAA and AIA addressed.

### *Key Fidelity Bonds Issues in 2018*

#### **FINANCIAL SERVICES**

**--Enactments. Idaho** now requires credit unions to obtain a blanket fidelity bond that covers the officers, employees, directors, members of official committees, attorneys and other agents and covers against losses caused by fraud, dishonesty, burglary, robbery, larceny, theft, forgery or alterations of instruments, misplacement or mysterious disappearance, and for faithful performance of duty. The new law sets forth the bond amount and deductible amount that will be required will be based on the credit union's assets.

**New Mexico** revised the bond requirements for trust companies, which under prior law had to post a surety bond or other form of financial responsibility for \$100,000 for new businesses, or an amount based on the value of the items held in trust for existing companies. The new law requires a fidelity bond instead in an amount based on the trust assets. The new law sets forth the coverage requirements for the bond. The board of directors of a trust company also must obtain insurance to protect the trust company against burglary, robbery, forgery, theft, fraud, embezzlement and other similar insurable losses to which the trust company may be exposed in its operation.

## **HOMEOWNERS ASSOCIATIONS**

**--Enactments. California** enacted a law that requires an association for a common interest community development to obtain a fidelity bond in an amount equal to or more than the combined amount of the reserves of the association and total assessments for three months, unless the association's governing documents require a greater amount. The bond must cover the association's directors, officers, and employees and provide coverage for computer fraud and funds transfer fraud. If an association uses a managing agent or management company, the association's fidelity bond coverage also must include the dishonest acts by that person or entity and its employees.

**Connecticut** revised the existing law for persons providing community association management services to eliminate the requirement to obtain a fidelity bond and instead requires the association to obtain a commercially available insurance policy that provides protection of the association's funds from the theft by a community association manager, a community association management company, or its employees. The insurance policy must meet all the requirements in existing law that currently apply to the fidelity bond.

**Washington** adopted the Uniform Common Interest Ownership Act. The new law specifies the kinds of insurance that a unit owners association would have to maintain, which would include fidelity insurance.

**--Dead. Maryland** considered legislation that would have required persons contracting to provide property management services to common ownership communities to obtain a fidelity bond, theft insurance, or another comparable insurance policy to cover any person providing management services under the contract and any person working under his or her direction. The bond would have had to provide coverage equal to \$2 million or the highest aggregate amount of the operating and reserve balances of all common ownership communities under contract with the property manager in the prior three months, whichever is less.

A bill in **Rhode Island** would have required the property management company or agent that a condominium association hires to provide condominium management services, including the control of or disbursement of funds of the association, to maintain an acts or omissions or a fidelity bond insurance policy.

## PUBLIC OFFICIAL BONDS

**--Enactments. Colorado** now allows any public official or employee who is required to post a surety bond under existing law to obtain crime insurance instead, except for the State Treasurer. The new law eliminates the option for state and county public officials to use personal sureties to secure their bonds. The new law also eliminates surety bond requirements for municipal officials, including the municipal treasurer and a municipal board of trustees. The legislature's summary indicates that these bond requirements are obsolete.

**Illinois** increased the bond amount required for the State Treasurer from \$1 million to \$10 million. The bond is required to secure the faithful performance of the State Treasurer's duties for the College Savings Pool. The new law also requires the bond to be provided by at least one surety instead of two or more sureties. SFAA raised concerns about the amount of the bond and whether all State Treasurers would qualify for this bond. In response, the bill was amended to permit more than one surety.

**California** enacted a law to create the California Cattle Council, which will be funded through assessments charged on the sale of cattle and calves. The new law requires any private agents who collect these assessments for the Council to obtain a fidelity bond for \$25,000.

**--Dead. California** considered a bill that create the Sun-Grown Cannabis Commission and would require its agents handling assessment funds received from cultivators of sun-grown cannabis to be covered by a \$25,000 fidelity bond. Legislation in **Illinois** would have created the Downstate Police Pension Investment Board (Board). The Board would have been required to obtain a blanket fidelity bond for not less than \$1 million to cover the Board's members, its Director, and its employees. The bond would have been conditioned on the faithful performance of their duties.

## FIDUCIARY BONDS

**--Enactments. Ohio** revised the bond requirement for trustees of an endowment care trust fund for cemeteries or a pre-need cemetery merchandise and services trust to require them to obtain a fidelity bond or an insurance policy instead of a surety bond or fidelity bond required under existing law.

## BAN THE BOX

The Ban the Box legislation prohibits employers from inquiring into a job applicant's criminal record or history on a job application form. In most of the bills, such inquiries could only be made either during the first interview or after a conditional employment offer has been made. Based on discussions with the Chamber of Commerce, most of the bills introduced since 2015 exempt from the ban any job interviews for positions that require the applicant to obtain a fidelity bond if offered the job and the conviction of one or more criminal offenses would disqualify the applicant from obtaining the bond. Bills were considered, but failed to pass in **Alabama, Kentucky, and Mississippi.**

## OF GENERAL INTEREST

### **Commercial Lines Modernization**

This year, AIA again has made a significant effort to enact commercial lines modernization legislation to exempt these lines from the rate and form filing requirements. Surety and fidelity are among the lines for which AIA seeks an exemption from the rate and form filing requirements. SFAA files fidelity forms, rules, and loss costs and surety rules and loss costs in accordance with state filing requirements so that the bills that include exemptions for these lines benefit SFAA and its members.

**--Enacted. West Virginia** exempted several commercial insurance lines from the rate and rule filing requirements, including surety and fidelity. Under current law, rates and rules are filed under a file and use system with a 30-day waiting period.

**Missouri** exempted commercial insurance rates from the existing law's rate filing requirements, except for the following lines of business: workers' compensation; medical malpractice liability; farm property and liability; any coverage issued by an assigned risk or residual market plan; and any specific policy or bond required for self-insured workers' compensation plans.

**New Hampshire** eliminated the 30-day waiting period for the approval of certain commercial insurance policy forms, including fidelity forms, and instead provides that these forms only would be filed for informational purposes. Under current law, rates for commercial insurance policies are not subject to a 30-day waiting period and only have to be filed for informational purposes. The insurance department requested the bill.

**Maryland, Missouri, and Tennessee** also enacted reforms to the filing requirements for large commercial policy holders.

**--Dead. Massachusetts and New York** considered legislation to exempt commercial specialty lines of insurance from the existing law's rate and form filing requirements, including surety and fidelity.

### ***Looking Ahead to 2019***

All 50 states and the District of Columbia will meet in 2019.

In November 2018, there will be 36 gubernatorial seats up for election, with nine Democrats in the Governor's office and 26 Republicans. In 19 states, an incumbent is running for re-election and in 17 states there are open races largely due to term limits. Any change in the governor can result in a new insurance commissioner in states in which the governor appoints the commissioner. States with insurance commissioners running for election are California, Georgia, and Oklahoma.

There are 99 chambers among the 50 state legislatures. Nebraska is a unicameral state. In 2018, 87 of the 99 chambers will be up for re-election. New Jersey and Virginia had their elections in November 2017. Some states do not conduct elections in even-numbered years or have only one of two chambers running in 2018.

In **California**, a ballot initiative would repeal the transportation funding law enacted in 2017, which included a significant gas tax and vehicle fee increase. However, two ballot measures passed in June that require the revenue from these tax increases to be used for transportation-related purposes only and exempts the revenue from the state appropriations limit. California voters also approved \$4 billion in general obligation bonds in June for parks, environmental, water, and flood protection projects and will decide on an additional \$4 billion for housing programs for veterans in November. **Colorado** also has two initiatives on the ballot for transportation funding resulting from a transportation bill enacted this year that requires voter approval. One ballot measure would provide for \$3.5 billion in bonds for statewide transportation projects to be paid out of the general fund, but without a tax increase. The other measure in Colorado would authorize \$6 billion in bonds to fund transportation projects and would raise the state sales tax rate to fund the measure. **Maine** has several ballot measures for November for various kinds of infrastructure projects for approximately \$200 million in funding. **New Jersey** voters will decide on a measure to authorize \$500 million in general obligation bonds for grants for various kinds of school infrastructure projects. **New Mexico** will vote on nearly \$150 million in bonds for school infrastructure projects and just over an additional \$10 million in bonds for senior citizen facilities. **Connecticut** has a ballot measure to prohibit the use of transportation funds for any other spending and **Utah** will decide on a nonbinding measure to express support for the legislature to pass a gas tax increase of 10 cents per gallon to fund local road construction and maintenance.

With states still facing fiscal challenges, the insurance industry's tax credits and preferences can be vulnerable, include the premium tax offset against state corporate taxes, premium taxes in lieu of other state taxes and the regional home office tax credit. In addition, state fiscal problems create the climate for a review of surety bonds as a cost in the budget. This year, we were able to hold off most of these challenges.

## **2018 STATE ENACTMENTS IN FIDELITY BONDS**

### **ALABAMA**

**Effective Date:** Enacted bills become effective upon enactment, or as provided in the bill. Specified effective dates have been provided in the bill summaries.

#### **Public Official Bonds**

##### **[HB 131](#)**

Enacted: 02/22/2018

Effective: 02/22/2018

HB 131 increases the bond amount required under existing law for the chief examiner for the Department of Examiners of Public Accounts from \$25,000 to \$100,000 and the bond amount required for assistant and deputy examiners from \$3,000 to \$50,000.

### **ALASKA**

**No Fidelity Bond Enactments in 2018.**

## **ARIZONA**

**No Fidelity Bond Enactments in 2018.**

## **ARKANSAS**

**Budget Session only in 2018.**

## **CALIFORNIA**

**Effective Date:** Enacted bills become effective on January 1, 2019, or as specified in the act. Specified effective dates are provided in the bill summary.

### **Homeowners Associations**

#### **[AB 2912](#)**

Enacted: 09/14/2018

Effective: 01/01/2019

AB 2912 requires an association for a common interest community development to obtain a fidelity bond in an amount equal to or more than the combined amount of the reserves of the association and total assessments for three months, unless the association's governing documents require a greater amount. The bond must cover the association's directors, officers, and employees and provide coverage for computer fraud and funds transfer fraud. If an association uses a managing agent or management company, the association's fidelity bond coverage also must include the dishonest acts by that person or entity and its employees.

### **Public Official Bonds**

#### **[AB 2050](#)**

To Governor

AB 2050 would authorize the creation of small system water authorities to take over a water system that is noncompliant with the applicable laws and regulations. The bill would require the general manager, secretary, and treasurer, and other employees or assistants of these authorities to post a bond to secure the faithful performance of their duties.

#### **[SB 965](#)**

Enacted: 09/14/2018

Effective: 01/01/2019

SB 965 creates the California Cattle Council, which will be funded through assessments charged on the sale of cattle and calves. The new law requires any private agents who collect these assessments for the Council to obtain a fidelity bond for \$25,000.

## **COLORADO**

**Effective Date:** Enacted laws become effective on the date specified in the bill or upon enactment if no date is specified. Specified effective dates are provided in the bill summary.

## **Public Official Bonds**

### **[HB 1140](#)**

Enacted: 03/21/2018

Effective: 08/08/2018

HB 1140 allows any public official or employee who is required to post a surety bond under existing law to obtain crime insurance instead, except for the State Treasurer. The new law eliminates the option for state and county public officials to use personal sureties to secure their bonds. The new law also eliminates surety bond requirements for municipal officials, including the municipal treasurer and a municipal board of trustees. The legislature's summary indicates that these bond requirements are obsolete.

### **[HB 1138](#)**

Enacted: 04/05/2018

Effective: 08/08/2018

HB 1138 eliminates the authority of a district attorney to require deputy district attorneys, chief deputy district attorneys, special deputy district attorneys, and assistant district attorneys to post a bond. The new law eliminates the bond requirement for the officers of the board of trustees for town.

### **[SB 165](#)**

Enacted: 04/02/2018

Effective: 08/08/2018

SB 165 increases the amount of the bond required for public administrators from \$25,000 to \$100,000. The new law also subjects deputy public administrators to the bond requirement. The new law requires the bond to be filed on an annual basis.

## **CONNECTICUT**

**Effective Date:** Enacted bills became effective on October 1, 2018, or as provided in the bill. Specified effective dates are provided in the bill summary.

## **Homeowners Associations**

### **[SB 193](#)**

Enacted: 06/11/2018

Effective: 01/01/2019

SB 193 revises the existing law for persons providing community association management services to eliminate the requirement to obtain a fidelity bond and instead requires the association to obtain a commercially available insurance policy that provides protection of the association's funds from the theft by a community association manager, a community association management company, or its employees. The insurance policy must meet all the requirements in existing law that currently apply to the fidelity bond.

## **DELAWARE**

**No Fidelity Bond Enactments in 2018.**

## **DISTRICT OF COLUMBIA**

**No Fidelity Bond Enactments to Date.**

## **FLORIDA**

**Effective Date:** Enacted bills became effective 60 days after adjournment, which was on May 11, 2018, or as specified in the act. Specified effective dates are provided in the bill summary.

### **Public Official Bonds**

#### **[HB 1089](#)**

Enacted: 03/23/2018

Effective: 07/01/2018

HB 1089 provides that the East Mulloch Water Control District may require its manager to be bonded.

## **GEORGIA**

**Effective Date:** Enacted laws became effective on July 1, 2018, unless otherwise specified in the bill. Specified effective dates are provided in the bill summary.

### **Public Official Bonds**

#### **[SB 436](#)**

Enacted: 05/03/2018

Effective: 07/01/2018

SB 436 increases the amount of the surety bond required for probate court judges from \$25,000 to \$100,000.

Each year, Georgia renews charters for several municipalities. These bills would require the city's officers and employees of this city to post surety or fidelity bonds in the amount and with the conditions that the city council requires. The new laws enacted this year are as follows: [HB 937](#) (City of Reynolds); [HB 618](#) (Skidaway Island); [HB 619](#) (City of Pavo); [HB 626](#) (City of Sharon Springs); [HB 772](#) (City of Camilla); [HB 832](#) (Peachtree Corners); [HB 845](#) (City of Young Harris); [HB 1061](#) (Town of Tarrytown); [SB 263](#) (City of Eagles Landing); and [SB 392](#) (City of Doerun).

## **HAWAII**

**No Fidelity Bond Enactments in 2018.**

## **IDAHO**

**Effective Date:** Enacted laws become effective on passage, unless otherwise specified in the bill. Specified effective dates are provided in the bill summary.

### **Financial Institutions**

#### [SB 1285](#)

Enacted: 03/20/2018

Effective: 07/01/2018

SB 1285 requires credit unions to obtain a blanket fidelity bond that covers the officers, employees, directors, members of official committees, attorneys and other agents and covers against losses caused by fraud, dishonesty, burglary, robbery, larceny, theft, forgery or alterations of instruments, misplacement or mysterious disappearance, and for faithful performance of duty. The bond amount will be based on the credit union's assets. The minimum bond amount would be the lesser of the credit union's assets or \$250,000 to and the maximum bond amount would be \$9 million. The deductible for the bond also is based on the credit union's assets and its capitalization rating from the National Credit Union Administration. The deductible amount ranges from \$1,000 to a maximum of \$1 million. A deductible will not be allowed for credit unions with assets of \$100,000 or less.

## **ILLINOIS**

**Effective Dates:** Enacted bills become effective immediately or on the date specified in the bill. Specified effective dates have been provided in the bill summary.

### **Public Official Bonds**

#### [HB 4751](#)

Enacted: 08/17/2018

Effective: 08/17/2018

HB 4751 increases the bond amount required for the State Treasurer from \$1 million to \$10 million. The bond is required to secure the faithful performance of the State Treasurer's duties for the College Savings Pool. The new law also requires the bond to be provided by at least one surety instead of two or more sureties. SFAA raised concerns about the amount of the bond and whether all State Treasurers would qualify for this bond. In response, the bill was amended to permit more than one surety.

#### [HB 5197](#)

Enacted: 07/31/2018

Effective: 07/31/2018

HB 5197 creates a foreign fire insurance board for the Chicago Fire Department. The treasurer for this board must post a bond to secure the faithful performance of his or her duties.

## **INDIANA**

**Effective Date:** Enacted bills in this report became effective on July 1, 2018, or as provided in the bill. Specified effective dates are provided in the bill summary.

### **Public Official Bonds**

#### **[HB 1290](#)**

Enacted: 03/21/2018

Effective: 07/01/2018

HB 1290 creates the New Harmony and Wabash River Bridge Authority (Authority). The members of the Authority must post a \$15,000 bond to secure the faithful performance of their duties.

## **IOWA**

**No Fidelity Bond Enactments in 2018.**

## **KANSAS**

**No Fidelity Bond Enactments in 2018.**

## **KENTUCKY**

**No Fidelity Bond Enactments in 2018.**

## **LOUISIANA**

**No Fidelity Bond Enactments in 2018.**

## **MAINE**

**No Fidelity Bond Enactments in 2018.**

## **MARYLAND**

### **Rate Filings**

#### **[SB 876/HB 1127](#)**

Enacted: 04/24/2018

Effective: 10/01/2018

SB 876/HB 1127 revises the existing law for exempt commercial policyholders to provide that the rates for these policyholders do not need to be filed. The new law reduces the financial thresholds that the policyholder must meet for its net worth from \$5 million to \$2.5 million, from \$10 million to \$5 million for its annual budget for nonprofit corporations, and from \$10 million to \$5 million for its annual revenues or sales to qualify for the exemption.

## **MASSACHUSETTS**

**Effective Date:** Enacted bills become effective 90 days after enactment, unless otherwise specified in the bill. Specified effective dates are provided with the bill summary.

### **Public Official Bonds**

[HB 4087](#)

Enacted: 02/16/2018

Effective: 02/16/2018

HB 4087 requires the town manager for the Town of Ipswich to be bonded.

## **MICHIGAN**

**No Fidelity Bond Enactments to Date.**

## **MINNESOTA**

**No Fidelity Bond Enactments in 2018.**

## **MISSISSIPPI**

**Effective Dates:** Enacted bills become effective 60 days following enactment, or as otherwise specified in the bill. Specified effective dates are provided in the bill summary.

### **Public Official Bonds**

[HB 1525](#)

Enacted: 2/21/2018

Effective: 02/21/2018

HB 1525 requires the trustees of the Scenic Rivers Development Alliance who serve as officers of the board of trustees to post a \$50,000 to secure the faithful performance of their duties.

## **MISSOURI**

**Effective Dates:** Enacted bills became effective 90 days following adjournment, which is on August 28, 2018.

### **Rate and Form Filings**

[SB 594](#)

Enacted: 06/22/2018

Effective: 08/28/2018

SB 594 exempts commercial policy forms for large commercial policyholders who employ a full-time risk manager or retain a licensed insurance producer to negotiate on its behalf from the form filing requirements in existing law. The new law exempts commercial insurance rates from

the existing law's rate filing requirements, except for the following lines of business: workers' compensation; medical malpractice liability; farm property and liability; any coverage issued by an assigned risk or residual market plan; and any specific policy or bond required for self-insured workers' compensation plans. Under current law, commercial property and casualty forms are subject to a use and file system under which they must be filed within ten days of their effective date. Commercial property and casualty rates were filed for information only under prior law.

## **MONTANA**

**Not in Session in 2018.**

## **NEBRASKA**

**No Fidelity Bond Enactments in 2018.**

## **NEVADA**

**Not in Session in 2018.**

## **NEW HAMPSHIRE**

**Effective Dates:** Enacted bills become effective 60 days after enactment, or as otherwise specified in the bill. Specified effective dates are provided in the bill summary.

### **Form Filings**

#### **[HB 1389](#)**

Enacted: 05/25/2018

Effective: 7/24/2018

HB 1389 eliminates the 30-day waiting period for the approval of certain commercial insurance policy forms, including fidelity forms, and instead provides that these forms only need to be filed for informational and auditing purposes. Under current law, rates for commercial insurance policies are not subject to a 30-day waiting period and only have to be filed for informational purposes.

## **NEW JERSEY**

**No Fidelity Bond Enactments to Date.**

## **NEW MEXICO**

**Effective Dates:** Enacted bills became effective 90 days after adjournment, which was on May 15, 2018, or as otherwise specified in the bill. Specified effective dates are provided in the bill summary.

## **Financial Institutions**

### **[SB 137](#)**

Enacted: 03/02/2018

Effective: 07/01/2018

SB 137 revises the bond requirements for trust companies, which under prior law had to post a surety bond or other form of financial responsibility for \$100,000 for new businesses, or an amount based on the value of the items held in trust for existing companies. The new law requires a fidelity bond instead in an amount based on the trust assets that ranges from \$500,000 to \$6 million, plus \$1 million for every \$1 billion over \$2 billion in trust assets. The new law provides that the bond's deductible cannot exceed 15% of the face amount of the bond. The fidelity bond is for the benefit of any person damaged by an act or acts of a trust company or its directors, officers or employees as a result of a violation of the applicable law and regulations, any person damaged by the negligence, fraud or embezzlement of a trust company or its directors, officers or employees, or any person damaged by any other breach of trust of any trust company. The board of directors of a trust company must obtain insurance to protect the trust company against burglary, robbery, forgery, theft, fraud, embezzlement and other similar insurable losses to which the trust company may be exposed in its operation under the new law.

## **NEW YORK**

**No Fidelity Bond Enactments in 2018.**

## **NORTH CAROLINA**

**No Fidelity Bond Enactments in 2018.**

## **NORTH DAKOTA**

**Not in Session in 2018.**

## **OHIO**

**Effective Date:** Enacted bills become effective 91 days after being filed with the Secretary of State, unless the bill is declared an emergency, in which case the bill becomes effective immediately.

## **Miscellaneous Bond**

### **[HB 168](#)**

Enacted: 07/30/2018

Effective: 10/31/2018

HB 168 revises the bond requirement for trustees of an endowment care trust fund for cemeteries or a pre-need cemetery merchandise and services trust to require them to obtain a fidelity bond or an insurance policy instead of a surety bond or fidelity bond required under existing law.

## **OKLAHOMA**

**No Fidelity Bond Enactments in 2018.**

## **OREGON**

**No Fidelity Bond Enactments in 2018.**

## **PENNSYLVANIA**

**No Fidelity Bond Enactments to Date.**

## **RHODE ISLAND**

**Effective Date:** Enacted bills became effective on July 1, 2018, or as provided in the bill. Specified effective dates are provided in the bill summary.

### **Public Official Bonds**

[HB 7281/SB 2242](#)

Enacted: 07/05/2018

Effective: 07/05/2018

HB 7281/SB 2242 requires the treasurer of the Richmond-Carolina Fire District (District) to obtain a bond for at least \$100,000. The new law requires the District's tax collector to have a bond for at least \$50,000. The District's board of directors determine the bond amounts required for these officials. Under prior law, the eligible voters in the district determined the amount required. The new law eliminates the authority of the tax collector to appoint agents, who had to be bonded under prior law.

## **SOUTH CAROLINA**

**No Fidelity Bond Enactments in 2018.**

## **SOUTH DAKOTA**

**Effective Date:** Enacted bills became effective on July 1, 2018, unless otherwise specified in the bill. Specified effective dates are provided in the bill summary.

### **Public Official Bonds**

[HB 1107](#)

Enacted: 03/06/2018

Effective: 07/01/2018

HB 1107 eliminates the bond required for county highway superintendents, which had to be in an amount not less than \$2,000 and not more than \$5,000.

[HB 1169](#)

Enacted: 03/21/2018

Effective: 07/01/2018

HB 1169 eliminates the bond required under existing law for mayors and commissioners of first and second-class municipalities. The bond secured the faithful performance of the duties of office and the proper handling of the municipality's money and property.

**TENNESSEE**

**Effective Date:** Enacted laws become effective on enactment or as provided in the bill.

Specified effective dates are provided in the bill summary.

**Rate and Form Filing**

[HB 1795](#)

Enacted: 05/21/2018

Effective: 05/21/2018

SB 1795 reduces the \$250,000 premium threshold required to obtain a filing exemption for policies issued to exempt commercial risk policyholders to \$200,000.

**Public Official Bonds**

[HB 2716](#)

Enacted: 04/25/2018

Effective: See Summary

HB 2716 requires the finance director for Finance Department for Maury County to post a \$100,000 surety bond to secure the faithful performance of the duties of office. The new law is subject to approval from the Maury County legislative body to become effective.

**TEXAS**

**Not in Session in 2018.**

**UTAH**

**Effective Date:** Enacted laws take effect 60 days after adjournment, which was on May 8, 2018, or as provided in the bill. Specified effective dates are provided in the bill summary.

**Public Official Bonds**

[HB 432](#)

Enacted: 03/21/2018

Effective: 07/01/2018

HB 432 authorizes the Utah Beef Council to require its administrators or employees to be bonded to secure the faithful performance of their duties.

## **VERMONT**

**No Fidelity Bond Enactments in 2018.**

## **VIRGINIA**

**No Fidelity Bond Enactments in 2018.**

## **WASHINGTON**

**Effective Date:** Enacted laws became effective 90 days following adjournment, which was on June 8, 2018, or as provided in the bill. Specified effective dates are provided in the bill summary.

### **Homeowners Associations**

#### **[SB 6175](#)**

Enacted: 03/27/2018

Effective: 07/01/2018

SB 6175 adopts the Uniform Common Interest Ownership Act. The new law specifies the kinds of insurance that a unit owners association would have to maintain, which would include fidelity insurance. The new law implements a model law from the National Conference of Commissioners on Uniform Law. The fidelity insurance provision was added in 2008, and the latest revision in 2014 retained it.

## **WEST VIRGINIA**

**Effective Date:** New laws become effective 90 days after enactment, or as provided in the bill. Specified effective dates are provided in the bill summary.

### **Rate and Rule Filings**

#### **[SB 495](#)**

Enacted: 03/27/2018

Effective: 06/10/2018

SB 495 exempts several commercial insurance lines from the rate and rule filing requirements, including surety and fidelity. Under prior law, rates and rules for these lines of business had to be filed under a file and use system with a 30-day waiting period. SFAA has filed loss costs and its rules manual under the prior law's system.

## **WISCONSIN**

**No Fidelity Bond Enactments in 2018.**

## **WYOMING**

**No Fidelity Bond Enactments in 2018.**

