
House Bill 13-1072 Crime Coverage in Lieu of Bonds

Governor Signs HB 13-1072

HB13-1072, concerning the authority for counties to purchase crime insurance coverage for public trustees in lieu of surety bonds, was signed by the Governor on March 8, 2013 and goes into effect on August 7, 2013. What this legislation means is that CAPP member counties will save money by not having to purchase bonds for public trustees. This legislation is similar to HB10-1062 which was enacted in 2010 and eliminated the need for county officials to purchase bonds.

CAPP Coverage

As a CAPP member county, named insureds, including public trustees, have \$1 million in crime coverage. This coverage is greater than the prior statutory bond requirements and is provided through your *CAPP coverage at no additional charge*.

CAPP Named Insureds

The Named Insured includes each Participating Member County.

Those individuals who were or now are elected or appointed officials of the Named Insureds, including members of their governing bodies or any other committees, trustees, boards or commissions of the Named Insureds; district attorneys, their assistants and staff while acting for or on behalf of district attorneys; agents, volunteers, and Useful Public Servants; all of the foregoing while acting for or on behalf of the Named Insureds. Exception: Members

of the following boards or commissions are not Insureds: Housing Authorities, Port Authorities, School Boards or Railroad Boards.

Purpose of HB 1072

Surety bonds were originally meant to protect taxpayers against wrongdoings on the part of county officials. HB 13-1072 allows counties to purchase crime insurance that protects taxpayers in a more comprehensive manner than a surety bond.

Grant Applications

On another note, in some instances when applying for a grant, the county may be required to secure a bond as a condition of receiving the grant. You should ask the grant agency if your CAPP coverage will suffice, but they may still require a bond. In these cases, the county should purchase a bond in order to move forward with the project.

Activities Outside of CAPP Coverage

If you participate on a board that is not insured by CAPP and are required to have a surety bond, a bond will need to be purchased for that purpose.