



TACIR

The Tennessee Advisory Commission
on Intergovernmental Relations



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MEMORANDUM

TO: Commission Members

FROM: Lynnise Roehrich-Patrick
Executive Director

DATE: 30 January 2014

SUBJECT: Insurance as an Alternative to Surety Bonds for Public Officials—Final Report
for Approval

The attached report prepared in response to Senate Bill 624 by Senator Norris (House Bill 1004 by Todd), sent to the Commission to study by the Senate State and Local Government Committee, is submitted for your approval. The bill proposed changing current law to allow insurance as an alternative to individual surety bonds.

The report reflects the Commission's consensus that Senate Bill 624 is not needed, at least not in its current form. At the December meeting, the Commission expressed interest in allowing a form of coverage that was less expensive than individual surety bonds and easier to obtain while providing the same coverage and safeguards, including personal liability on the part of public officials. Included in the report is sample language for an amendment that would allow local governments to buy blanket surety bonds to meet all requirements for individual surety bonds for public officials. The final report also includes additional examples of counties in Georgia using blanket surety bonds.