
SENATE BILL NO. 102—COMMITTEE ON COMMERCE AND LABOR

(ON BEHALF OF DIVISION OF RISK MANAGEMENT)

FEBRUARY 4, 1999

Referred to Committee on Commerce and Labor

SUMMARY—Revises circumstances under which certain public officers and employees, or persons acting on their behalf, may obtain or procure contract of insurance for public building or construction contract. (BDR 57-628)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

AN ACT relating to insurance; revising the circumstances under which a state officer or employee, an officer or employee of a public agency, public authority or public corporation, or a person acting on behalf of such an officer or employee may obtain or procure a contract of insurance for a public building or construction contract; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE
AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 686A.220 is hereby amended to read as follows:
2 686A.220 1. No officer or employee of this state, or of any public
3 agency, public authority or public corporation , ~~It~~ except a public
4 corporation or public authority created pursuant to **an** agreement or
5 compact with another state , ~~It~~ and no person acting or purporting to act
6 on behalf of such **an** officer or employee, or **such a** public agency , ~~or~~
7 public authority or public corporation, ~~[shall,]~~ **may**, with respect to any
8 public building or construction contract which is about to be or which has
9 been competitively bid, require the bidder to ~~[make application]~~ **apply** or
10 furnish financial data to, or to obtain or procure any of the surety bonds or
11 contracts of insurance specified in connection with such contracts or by any
12 law from, a particular insurer or agent or broker.
13 2. No such officer or employee or any person acting or purporting to
14 act on behalf of such **an** officer or employee ~~[shall—negotiate,—make~~

1 ~~application~~ **may negotiate, apply** for, obtain or procure any ~~of~~ such
2 surety bonds or contracts of insurance, ~~{(}~~ except contracts of insurance for
3 ~~{builder's risk or owner's protective liability) which}~~ **risks associated with**
4 **public building and construction contracts, that** can be obtained or
5 procured by the bidder, contractor or subcontractor.

6 3. This section does not ~~{, however,}~~ prevent the exercise by such **an**
7 officer or employee on behalf of the state or such **a** public agency, public
8 authority or public corporation of its right to approve the form, sufficiency
9 or manner of execution of the surety bonds or contracts of insurance
10 furnished by the insurer selected by the bidder to underwrite such bonds or
11 contracts of insurance.

12 4. Any provisions in any invitation for bids or in any of the contract
13 documents in conflict with this section are declared to be contrary to the
14 public policy of this state.

15 5. A violation of this section is subject to the penalties provided by
16 NRS 679A.180 . ~~{(general penalty).}~~

17 **Sec. 2.** This act becomes effective on July 1, 1999.