

40A: 10-26 to 40A: 10-35

LEGISLATIVE HISTORY CHECKLIST

WJSA 40A:10-26 to 40A:10-35; 40A:14-37; (Title 40A--Add chapter 10--County and  
40A:14-38; 40A:14-97 municipal insurance)

LAWS OF 1979 CHAPTER 230

Bill No. S1216

Sponsor(s) Merlino, Parker and Musto

Date Introduced June 1, 1978

Committee: Assembly County Government

Senate County and Municipal Government

Amended during passage Yes  Amendments during passage denoted by asterisks

Date of Passage: Assembly June 21, 1979

Senate Jan. 30, 1979

Date of approval Oct. 15, 1979

Following statements are attached if available:

Sponsor statement Yes

Committee Statement: Assembly Yes

Senate Yes

Fiscal Note ~~Yes~~ No

Veto message ~~Yes~~ No

Message on signing ~~Yes~~ No

Following were printed:

Reports ~~Yes~~ No

Hearings ~~Yes~~ No

Library COPY

SENATE, No. 1216

STATE OF NEW JERSEY

INTRODUCED JUNE 1, 1978

By Senators MERLINO, PARKER and MUSTO

Referred to Committee on County and Municipal Government

AN ACT concerning counties and municipalities, enacting and adding chapter 10 to Title 40A of the New Jersey Statutes, and revising sections of the statutory law.

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
2 *of New Jersey:*

Section 1.

TITLE 40A

CHAPTER 10

INSURANCE

ARTICLE 1. INSURANCE AGAINST LOSS AND LIABILITY

- 1 40A:10-1 Power to insure.  
2 40A:10-2 Providing insurance for certain volunteer organiza-  
3 tions.

ARTICLE 2. COVERAGE FOR OPERATORS OF PUBLICLY  
OWNED MOTOR VEHICLES, EQUIPMENT OR APPARATUS

- 1 40A:10-3 Insurance for operators.  
2 40A:10-4 Liability for failure to insure.  
3 40A:10-5 Operator to give prompt notice of claim or demand.

ARTICLE 3. INSURANCE FUND

- 1 40A:10-6 Establishment of insurance fund; appropriations.  
2 40A:10-7 Maximum and minimum amount of fund.  
3 40A:10-8 Insurance fund commissioners; appointment; term;  
4 vacancies; compensation.  
5 40A:10-9 Organization of commissioners.  
6 40A:10-10 Powers and authority of commissioners.  
7 40A:10-11 Sinking fund commissioners may act as insurance  
8 fund commissioners.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

## ARTICLE 4. WORKERS' COMPENSATION

- 1 40A:10-12 Payment of workers' compensation.
- 2 40A:10-13 Workers' compensation insurance fund.
- 3 40A:10-14 Annual appropriation to fund.
- 4 40A:10-15 Discontinuance of fund.

## ARTICLE 5. GROUP INSURANCE PROGRAMS

## A. EMPLOYEES GROUP INSURANCE PLANS

- 1 40A:10-16 Definitions.
- 2 40A:10-17 Contracts for group insurance.
- 3 40A:10-18 Exclusions from coverage.
- 4 40A:10-19 Limitations, exclusions, exceptions to be contained
- 5 in contract.
- 6 40A:10-20 Discontinuance of coverage; exception.
- 7 40A:10-21 Payment of premiums; deduction of employee con-
- 8 tributions.
- 9 40A:10-22 Continuance of coverage after retirement.
- 10 40A:10-23 Payment of premiums after retirement.
- 11 40A:10-24 Summary of coverage cost to be furnished employer.
- 12 40A:10-25 Filing copy of contract with State Employees Health
- 13 Benefit Commission; report to Governor and
- 14 Legislature.

B. INSURANCE FOR VOLUNTEER FIRST AID SQUADS AND  
OTHER VOLUNTEER SQUADS

- 1 40A:10-26 Group life insurance plans.
- 2 40A:10-27 Other group insurance plans.
- 3 40A:10-28 Eligibility.

## C. INSURANCE FOR VOLUNTEER FIREMEN

- 1 40A:10-29 Group life insurance plans.
- 2 40A:10-30 Other group insurance plans.
- 3 40A:10-31 Eligibility.
- 4 40A:10-32 Coverage for members of Junior Firemen's
- 5 Auxiliary.

## D. INSURANCE FOR AUXILIARY POLICE VOLUNTEERS

- 1 40A:10-33 Group life insurance.
- 2 40A:10-34 Eligibility.

## ARTICLE 6. REPEALER

- 1 40A:10-35 Statutes repealed.

## ARTICLE 1. INSURANCE AGAINST LOSS AND LIABILITY

- 1 40A:10-1. Power to insure. A local unit may insure with any
- 2 insurance company authorized to do business in this State or by
- 3 the insurance fund provided by Article 3 of this chapter:

4 a. Its property, motor vehicles, equipment or apparatus, or any  
5 property, motor vehicles, equipment or apparatus owned or under  
6 the control of any of its departments, boards, agencies or com-  
7 missions against loss or damage however caused;

8 b. Any motor vehicles, equipment or apparatus owned by it or  
9 under its control or owned by or under the control of any of its  
10 departments, boards, agencies or commissions against all liability  
11 arising from the ownership, use or operation thereof;

12 c. Against liability for its negligence and that of its officers, em-  
13 ployees or servants, whether or not compensated or-part-time,  
14 who is authorized to perform any act or services but not including  
15 an independent contractor within the limitations of the "New  
16 Jersey Tort Claims Act" (C. 59:1-1, et seq.).

17 Source: R. S. 40:26-1; 40:51-1; 40:51-2.

1 40A:10-2. Providing insurance for certain volunteer organiza-  
2 tions. A municipality maintaining a volunteer fire department or in  
3 which there are one or more incorporated volunteer fire companies  
4 affording fire protection in the municipality or a municipality in  
5 which there exists one or more incorporated volunteer first aid,  
6 emergency, rescue or ambulance squads render services generally  
7 throughout the municipality may effect and maintain insurance  
8 with any insurance company authorized to do business in this State  
9 which the governing body of the municipality deems necessary or  
10 desirable for the protection, safety and welfare of the munici-  
11 pality, the volunteer fire department, incorporated volunteer fire  
12 companies or incorporated volunteer first aid, emergency, rescue  
13 or ambulance squad:

14 a. Covering their motor vehicles, equipment and apparatus  
15 against loss or damage however caused;

16 b. Against all liability arising from the ownership, use or opera-  
17 tion of their motor vehicles, equipment and apparatus;

18 c. The governing body of the municipality may, in its discretion,  
19 pay the entire costs of such insurance or such portion thereof as  
20 it may consider to be advisable.

21 Source: N. J. S. 40A:14-38.

#### ARTICLE 2. COVERAGE FOR OPERATORS OF PUBLICLY OWNED MOTOR VEHICLES, EQUIPMENT OR APPARATUS

1 40A:10-3. Insurance for operators. Every local unit, other than  
2 one providing insurance coverage under Article 3 of this chapter,  
3 shall provide insurance coverage under this article for the op-  
4 erators of all motor vehicles, equipment and apparatus owned by  
5 or under its control or owned by it or under the control of any of

6 its departments, boards, agencies or commissions, against liability  
 7 for damages to property, in any one accident, in an amount of not  
 8 less than \$5,000.00, and against liability for injuries or death of  
 9 one person, in any one accident, in an amount of not less than  
 10 \$50,000.00, and against liability for injuries or death of more than  
 11 one person, in any one accident, in an amount of not less than  
 12 \$100,000.00.

13 Source: R. S. 40:26-2 amended 1955, c. 152; 40:51-3 amended  
 14 1951, c. 307, s. 1; 1952, c. 180.

1 40A:10-4. Liability for failure to insure. Any local unit, other  
 2 than one providing insurance coverage under Article 3 of this  
 3 chapter, failing to provide the insurance coverage as provided in  
 4 N. J. S. 40A:10-3 shall be liable for payment of any judgment  
 5 recovered in a court of competent jurisdiction against any operator  
 6 of a motor vehicle, equipment or apparatus within the limits of  
 7 the amount required for insurance coverage under N. J. S. 40A:10-3  
 8 for damages resulting in personal injury or death or damage to  
 9 property caused by the authorized operation or use of such motor  
 10 vehicles, equipment or apparatus.

11 Source: R. S. 40:26-2 amended 1955, c. 152; 40:51-3 amended  
 12 1951, c. 307, s. 1; 1952, c. 180.

1 40A:10-5. Operator to give prompt notice of claim or demand.  
 2 The operator against whom a claim or demand is made or an  
 3 action instituted, arising out of the operation or use of any motor  
 4 vehicle, equipment or apparatus to which this article relates, shall  
 5 promptly give written notice thereof to the governing body of the  
 6 local unit. If an action is instituted against him he shall also  
 7 move promptly as a third party plaintiff to name the local unit as  
 8 third party defendant in that action. If the operator fails to so  
 9 notify the local unit or name the local unit as a third party de-  
 10 fendant in any such action, the local unit shall not be liable for  
 11 any judgment recovered against him even though it failed to  
 12 secure the insurance required by this article.

13 Source: R. S. 40:26-2 amended 1955, c. 152; 40:51-3 amended  
 14 1951, c. 307, s. 1; 1952, c. 180.

#### ARTICLE 3. INSURANCE FUND

1 40A:10-6. Establishment of insurance fund; appropriations.  
 2 The governing body of any local unit may establish an insurance  
 3 fund for the following purposes:

4 a. To insure against any loss or damage however caused to any  
 5 property, motor vehicles, equipment or apparatus owned by it or  
 6 owned by or under the control of any of its departments, boards,  
 7 agencies or commissions;

8 b. To insure against liability resulting from the use or opera-  
9 tion of motor vehicles, equipment or apparatus owned by or con-  
10 trolled by it or owned by or under the control of any of its  
11 departments, boards, agencies or commissions;

12 c. To insure against liability for its negligence and that of its  
13 officers, employees and servants, whether or not compensated or  
14 part-time, who is authorized to perform any act or services but  
15 not including an independent contractor within the limitations of  
16 the "New Jersey Tort Claims Act" (C. 59:1-1 et seq.);

17 d. The governing body may appropriate the moneys necessary  
18 for the purposes of this section.

19 Source: R. S. 40:26-3; 40:51-4.

1 40A:10-7. Maximum and minimum amount of fund. The govern-  
2 ing body of a local unit may by resolution designate the maximum  
3 or minimum amount of the fund, and from time to time provide  
4 for the disposition of any excess over and above the maximum  
5 amount fixed, or of the interest or profits arising therefrom when  
6 the fund shall have reached the maximum limit.

7 Source: R. S. 40:26-4; 40:51-4.

1 40A:10-8. Insurance fund commissioners; appointment; term;  
2 vacancies; compensation. Upon establishment of an insurance  
3 fund, the officer or body of the local unit having the power to make  
4 appointments shall appoint three members of the governing body  
5 of the local unit as insurance fund commissioners. The commis-  
6 sioners shall hold office for 2 years, and until their successors shall  
7 have been duly appointed and qualified. The commissioners shall  
8 serve without compensation.

9 Vacancies in the office of insurance fund commissioners caused  
10 by any reason other than expiration of term as a member of the  
11 local unit governing body shall be filled for the unexpired term.

12 Source: R. S. 40:26-5; 40:51-5.

1 40A:10-9. Organization of commissioners. The commissioners  
2 shall, forthwith after their appointment, organize for the ensuing  
3 year by election from their membership of a chairman and a  
4 secretary, who shall serve for the year.

5 Source: R. S. 40:26-6.

1 40A:10-10. Powers and authority of commissioners. The com-  
2 missioners shall have the following powers and authority:

3 a. Employ and fix the compensation of necessary clerical assist-  
4 ants, who shall be paid by the governing body of the local unit in  
5 the same manner as other employees of the local unit are paid;

6 b. Invest the fund and all additions and accretions thereto in  
7 such securities as they shall deem best suited for the purposes of  
8 this article;

9 c. Adopt rules and regulations for the control and investment  
10 of the fund;

11 d. Keep on hand at all times sufficient money, or have the same  
12 invested in such securities as can be immediately sold for cash,  
13 for the payment of losses to any buildings or property of the local  
14 unit, or liability resulting from the operation of publicly owned  
15 motor vehicles, equipment or apparatus;

16 e. Fix reasonable rates of premium for all insurance carried by  
17 the insurance fund, and shall effect all insurance in the insurance  
18 fund or with any insurance company or companies authorized to  
19 do business in this State;

20 f. Premiums for insurance, whether carried in the insurance  
21 fund or placed with insurance companies, shall be paid to the  
22 commissioners by the board, commission, department, committee  
23 or officer having charge or control of the property insured;

24 g. All insurance upon property owned or controlled by a local  
25 unit or any of its departments, boards, agencies or commissions,  
26 shall be placed and effected by the commissioners.

27 Source: R. S. 40:26-6; 40:26-7; 40:51-7.

1 40A:10-11. Sinking fund commissioners may act as insurance  
2 fund commissioners. In any local unit in which sinking fund com-  
3 missioners have been appointed, the management and investment  
4 of the insurance fund may be entrusted to them in lieu of the  
5 appointment of insurance fund commissioners, and they shall have  
6 the same powers and authority as if appointed for that purpose.

7 Source: R. S. 40:51-6.

#### ARTICLE 4. WORKERS' COMPENSATION

1 40A:10-12. Payment of workers' compensation. A local unit  
2 may provide for the payment of workers' compensation under the  
3 provisions of chapter 15 of Title 34 of the Revised Statutes (Labor  
4 and Workmen's Compensation, R. S. 34:15-1, et seq.) by:

5 a. The creation of a workers' compensation fund as hereinafter  
6 provided; or

7 b. The placing of workers' compensation insurance with any  
8 insurance company authorized to do business in New Jersey; or

9 c. Paying workers' compensation in the same manner as pro-  
10 vided by law.

11 Source: R. S. 40:26-9; 40:51-8; 40:51-11.

1 40A:10-13. Workers' compensation insurance fund. The govern-  
 2 ing body of a local unit may create and appropriate money for a  
 3 fund to be designated and known as "The Workers' Compensation  
 4 Insurance Fund." The money so appropriated shall be deposited  
 5 in the name of the local unit in a National or State bank or trust  
 6 company and remain there as a trust fund for the purpose of pay-  
 7 ing obligations of the local unit under the provisions of chapter 15  
 8 of Title 34 of the Revised Statutes (Labor and Workmen's Com-  
 9 pensation, R. S. 34:15-1, et seq.).

10 Source: R. S. 40:26-9; 40:51-8.

1 40A:10-14. Annual appropriation to fund. The governing body  
 2 of a local unit may annually appropriate to the fund such money  
 3 as it may determine to be necessary for the purpose set forth in  
 4 the preceding section.

5 Source: R. S. 40:26-10; 40:51-9.

1 40A:10-15. Discontinuance of fund. The governing body of a  
 2 local unit may determine to discontinue the fund, in which case  
 3 the balance thereof shall become part of the surplus revenue of  
 4 the local unit.

5 Source: R. S. 40:26-10; 40:51-10.

#### ARTICLE 5. GROUP INSURANCE PROGRAMS

##### A. EMPLOYEES GROUP INSURANCE PLANS

1 40A:10-16. Definitions. As used in this subarticle:

2 a. "Dependents" means an employee's spouse and the em-  
 3 ployee's unmarried children, including stepchildren, legally adopted  
 4 children, and, at the option of the employer and the carrier, foster  
 5 children, under the age of 19 who live with the employee in a regu-  
 6 lar parent-child relationship, and may also include, at the option  
 7 of the employer and the carrier, other unmarried children of the  
 8 employee under the age of 23 who are dependent upon the em-  
 9 ployee for support and maintenance, but shall not include a spouse  
 10 or child while serving in the military service;

11 b. "Employees" may, at the option of the employer, include  
 12 elected officials, but shall not include persons employed on a short-  
 13 term, seasonal, intermittent or emergency basis, persons compen-  
 14 sated on a fee basis, or persons whose compensation from the  
 15 employer is limited to reimbursement of necessary expenses  
 16 actually incurred in the discharge of their duties;

17 c. "Federal Medicare Program" means the coverage provided  
 18 under Title XVIII of the Social Security Act as amended in 1965,  
 19 or its successor plan or plans.

20 Source: N. J. S. 40A:9-13; 40A:9-14.

1 40A:10-17. Contracts for group insurance. Any local unit or  
2 agency thereof, herein referred to as employers, may:

3 a. Enter into contracts of group life, accidental death and  
4 dismemberment, hospitalization, medical, surgical, major medical  
5 expense or health and accident insurance with any insurance  
6 company or companies authorized to do business in this State or  
7 may contract with a nonprofit hospital service or medical service  
8 corporation with respect to the benefits which they are authorized  
9 to provide respectively. The contract or contracts shall provide  
10 any one or more of such coverages for the employees of such em-  
11 ployer and may include their dependents;

12 b. Enter into a contract or contracts to provide drug prescrip-  
13 tion and other health care benefits or enter into a contract or con-  
14 tracts to provide drug prescription and other health care benefits  
15 as may be required to implement a duly executed collective negotia-  
16 tions agreement or as may be required to implement a determina-  
17 tion by a local unit to provide such benefit or benefits to employees  
18 not included in collective negotiations units.

19 Nothing herein contained shall be deemed to authorize coverage  
20 of dependents of an employee under a group life insurance policy  
21 or to allow the issuance of a group life insurance policy under  
22 which the entire premium is to be derived from funds contributed  
23 by the insured employees.

24 Source: N. J. S. 40A:9-13.

1 40A:10-18. Exclusions from coverage. The contract shall ex-  
2 clude from eligibility:

3 a. Employees and dependents, active or retired, who are other-  
4 wise eligible for coverage but who, although they meet the age  
5 eligibility requirement of the Federal Medicare Program, are not  
6 covered by the complete Federal program;

7 b. Any class or classes of employees who are eligible for like or  
8 similar coverage under another group contract covering the class  
9 or classes of employees and may condition the eligibility of any  
10 employee upon satisfying a waiting period stated in the contract.

11 Source: N. J. S. 40A:9-13.

1 40A:10-19. Limitations, exclusions, exceptions to be contained  
2 in contract. Any contract or contracts permitted under this sub-  
3 article shall contain limitations, exclusions or exceptions so as to  
4 avoid duplication of benefits or services otherwise available pur-  
5 suant to accidental death and dismemberment, hospitalization,  
6 medical, surgical, major medical expense or health and accident  
7 coverage under any other law of this State or the coverage afforded

8 under the laws of the United States, such as the Federal Medicare  
9 Program, and at the option of the employer and the carrier, group  
10 insurance or any other arrangement of coverage for individuals  
11 in a group, whether on an insured or uninsured basis.

12 Source: N. J. S. 40A:9-13.

1 40A:10-20. Discontinuance of coverage; exception. The cover-  
2 age of any employee, and of his dependents, if any, shall cease upon  
3 the discontinuance of his employment or upon cessation of active  
4 full-time employment in the classes eligible for coverage subject to  
5 the provision as may be made in any contract by his employer for  
6 limited continuance of coverage during disability, part-time em-  
7 ployment, leave of absence other than leave for military service  
8 or layoff, and for continuance of coverage after retirement.

9 Source: N. J. S. 40A:9-13.

1 40A:10-21. Payment of premiums; deduction of employee con-  
2 tributions. Any employer entering into a contract pursuant to this  
3 subarticle is hereby authorized to pay part of all of the premiums  
4 or charges for the contracts and may appropriate out of its general  
5 funds any money necessary to pay premiums or charges or portions  
6 thereof. The contribution required of any employee toward the  
7 cost of coverage may be deducted from the pay, salary or other  
8 compensation of the employee upon an authorization in writing  
9 made to the appropriate disbursing officer.

10 The employer may reimburse an active employee for his premium  
11 charges under Part B of the Federal Medicare Program covering  
12 the employee alone.

13 Nothing herein shall be construed as compelling an employer to  
14 pay any portion of the premiums or charges attributable to the  
15 contracts.

16 Source: N. J. S. 40A:9-14.

1 40A:10-22. Continuance of coverage after retirement. The con-  
2 tinuance of coverage after retirement of any employee may be  
3 provided at rates and under the conditions as shall be prescribed  
4 in the contract subject, however, to the requirements hereinafter  
5 set forth in N. J. S. 40A:10-23. The contribution required of any  
6 retired employee toward the cost of coverage may be paid by him  
7 to his former employer or in the manner as the employer shall  
8 direct.

9 Source: N. J. S. 40A:9-14.

1 40A:10-23. Payment of premiums after retirement. Retired  
2 employees shall be required to pay for the entire cost of coverage  
3 for themselves and their dependents at rates which are deemed to

4 be adequate to cover the benefits, as affected by Medicare, of the  
 5 retired employees and their dependents on the basis of the utiliza-  
 6 tion of services which may be reasonably expected of the older age  
 7 classification; provided, however, that the total rate payable by a  
 8 retired employee for himself and his dependents, for coverage  
 9 under the contract and for Part B of Medicare, shall not exceed by  
 10 more than 25%, the total amount that would have been required to  
 11 have been paid by the employee and his employer for the coverage  
 12 maintained had he continued in office or active employment and he  
 13 and his dependents were not eligible for Medicare benefits.

14 The employer may, in its discretion, assume the entire cost of  
 15 such coverage and pay all of the premiums for employees who have  
 16 retired after 25 years or more service with the employer, including  
 17 the premiums on their dependents, if any, under uniform conditions  
 18 as the governing body of the local unit shall prescribe.

19 Source: N. J. S. 40A:9-14; C. 40A:9-14.1 (1971, c. 421).

1 40A:10-24. Summary of coverage cost to be furnished employer.  
 2 In the event an insurance company issues a group insurance policy  
 3 to an employer which includes two or more of the coverages au-  
 4 thorized hereby, the insurance company shall at the end of each  
 5 policy year furnish to the employer a summary of the cost of each  
 6 coverage.

7 Source: N. J. S. 40A:9-14.

1 40A:10-25. Filing copy of contract with State Employees Health  
 2 Benefit Commission; report to Governor and Legislature. It shall  
 3 be the duty of the executive officer of any employer who enters into  
 4 a contract pursuant to this subarticle to file a copy thereof with the  
 5 State Employees Health Benefits Commission. The commission  
 6 shall prepare and file periodically and not less than every 2 years,  
 7 a report to the Governor and the Legislature as to the contracts  
 8 being entered into by employers and shall make recommendations  
 9 concerning the contracts and the coverage thereunder as it deems  
 10 appropriate to achieve uniformity of coverage and benefits for  
 11 employees throughout the State.

12 Source: N. J. S. 40A:9-15.

#### B. INSURANCE FOR VOLUNTEER FIRST AID SQUADS AND OTHER VOLUNTEER SQUADS

1 40A:10-26. Group life insurance plans. In addition to the in-  
 2 surance required pursuant to chapter 15 of Title 34 of the Revised  
 3 Statutes, the governing body of a municipality, in which an in-  
 4 corporated volunteer first aid, emergency, rescue or ambulance

5 squad renders services throughout the municipality whose mem-  
6 bers have or shall form themselves into a group or groups for the  
7 purpose of obtaining a group life insurance plan with any in-  
8 surance company authorized to do business in New Jersey, may  
9 appropriate moneys to defray the cost of such insurance and pay  
10 the premiums therefor.

11 A municipality shall not undertake the cost of any policy of  
12 group life insurance where the amount payable upon the death  
13 of each assured exceeds the amount of \$10,000.00.

14 Source: C. 40:48-9.5 (1965, c. 174, s. 1).

1 40A:10-27. Other group insurance plans. In addition to the in-  
2 surance required pursuant to the provisions of chapter 15 of Title  
3 34 of the Revised Statutes and the coverage provided in N. J. S.  
4 40A:10-26, the governing body of a municipality, in which an in-  
5 corporated volunteer first aid, emergency, rescue or ambulance  
6 squad or squads exist rendering service generally throughout the  
7 municipality may:

8 a. Effect and maintain group accidental death and dismember-  
9 ment, hospitalization, medical, surgical, major medical expenses  
10 or health and accident insurance with any insurance company  
11 authorized to do business in New Jersey or with a nonprofit hos-  
12 pital service or medical service corporation with respect to the  
13 benefits which they are authorized to provide, which is determined  
14 to be necessary or desirable for the protection, safety and welfare  
15 of the members of an incorporated volunteer first aid, emergency,  
16 rescue or ambulance squad;

17 b. Effect and maintain a contract or contracts to provide drug  
18 prescription or other health care benefits which is determined to  
19 be necessary or desirable for the protection, safety and welfare of  
20 the members of an incorporated volunteer first aid, emergency,  
21 rescue or ambulance squad; and

22 c. In the discretion of the governing body of the municipality,  
23 appropriate and pay all or any portion of the cost of such insurance  
24 or contract.

25 Source: C. 40:48-9.6 (1965, c. 147, s. 2).

1 40A:10-28. Eligibility. A member of any incorporated volunteer  
2 first aid, emergency, rescue or ambulance squad shall not be ineligi-  
3 ble to receive any of the benefits under N. J. S. 40A:10-26 and  
4 40A:10-27 because he may otherwise receive any form of compen-  
5 sation or salary from the municipality.

6 Source: C. 40:48-9.7 (1965, c. 174, s. 3).

## C. INSURANCE FOR VOLUNTEER FIREMEN

1 40A:10-29. Group life insurance plans. In addition to the in-  
2 surance required under chapter 15 of Title 34 of the Revised Stat-  
3 utes, a municipality maintaining a volunteer fire department or  
4 in which there are one or more incorporated volunteer fire com-  
5 panies whose members have or shall form themselves into a group  
6 or groups for the purpose of obtaining a group life insurance plan  
7 with any insurance company authorized to do business in New  
8 Jersey, may appropriate moneys to defray the cost of such in-  
9 surance and pay the premiums therefor.

10 A municipality shall not undertake the cost nor pay the pre-  
11 miums on any policy of group life insurance where the amount  
12 payable upon the death of each assured exceeds the amount of  
13 \$10,000.00.

14 Source: N. J. S. 40A:14-37.

1 40A:10-30. Other group insurance plans. In addition to the in-  
2 surance required pursuant to the provisions of chapter 15 of Title  
3 34 of the Revised Statutes and the coverage provided in N. J. S.  
4 40A:10-29, a municipality maintaining a volunteer fire department  
5 or in which there are one or more incorporated volunteer fire  
6 companies may:

7 a. Effect and maintain group accidental death and dismember-  
8 ment, hospitalization, medical, surgical, major medical expenses  
9 or health and accident insurance with any insurance company  
10 authorized to do business in New Jersey or with a nonprofit hos-  
11 pital service or medical service corporation with respect to the  
12 benefits which they are authorized to provide, which is determined  
13 to be necessary or desirable for the protection, safety and welfare  
14 of the members of the volunteer fire department or the members of  
14A the incorporated volunteer fire companies;

15 b. Effect and maintain a contract or contracts to provide drug  
16 prescription or other health care benefits which is determined to  
17 to be necessary or desirable for the protection, safety and welfare  
18 of the members of the volunteer fire department or members of  
19 an incorporated volunteer fire company, and

20 c. In the discretion of the governing body of the municipality,  
21 appropriate and pay all or any portion of the costs of such in-  
22 surance or contract.

23 Source: N. J. S. 40A:14-38.

1 40A:10-31. Eligibility. A volunteer fireman shall not be ineligi-  
2 ble to receive any of the benefits under N. J. S. 40A:10-29 and

3 40A:10-30 because he may otherwise receive any form of com-  
4 pensation or salary from the municipality.

5 Source: N. J. S. 40A:14-39.

1 40A:10-32. Coverage for members of Junior Firemen's Aux-  
2 iliary. A municipality may provide members of a Junior Firemen's  
3 Auxiliary established as an auxiliary to a volunteer fire depart-  
4 ment or to an incorporated volunteer fire company with the same  
5 coverage as provided for the regular volunteer firemen of the  
6 municipality under N. J. S. 40A:10-29 and 40A:10-30.

7 Source: N. J. S. 40A:14-97.

#### D. INSURANCE FOR AUXILIARY

##### POLICE VOLUNTEERS

1 40A:10-33. Group life insurance. The governing body of a  
2 municipality may appropriate moneys to defray the cost of group  
3 life insurance contracts and pay the premiums thereon for auxiliary  
4 police volunteers authorized to render public service generally  
5 throughout the municipality.

6 A municipality shall not undertake the cost of any contract of  
7 group life insurance contract where the amount payable upon the  
8 death of each assured exceeds the amount of \$10,000.00.

9 Source: C. 40A:14-146.5 (1975, c. 238).

1 40A:10-34. Eligibility. An auxiliary police volunteer shall not  
2 be ineligible to receive any of the benefits under N. J. S. 40A:10-33  
3 because he may otherwise receive any form of compensation or  
4 salary from the municipality.

5 Source: New.

#### ARTICLE 6. REPEALER

1 40A:10-35. Statutes repealed. The following sections, chapters  
2 and acts, together with all amendments and supplements thereto are  
3 hereby repealed:

4 Chapters 26 and 51 of Title 40 of the Revised Statutes;

5 N. J. S. 40A:9-13 to 40A:9-16 inclusive;

6 N. J. S. 40A:14-40;

7 P. L. 1965, c. 174 (C. 40:48-9.5 to C. 40:48-9.9 inclusive);

8 P. L. 1971, c. 421 (C. 40A:9-14.1);

9 P. L. 1975, c. 238 (C. 40A:14-146.5).

1 2. N. J. S. 40A:14-37 is amended to read as follows:

1A 40A:14-37. In any [municipality or] fire district maintaining  
2 a volunteer fire department, or wherein there shall exist one or more  
3 incorporated volunteer fire companies affording fire protection to  
4 said [municipality or] fire district, the membership whereof are  
5 serving under the jurisdiction of and with the consent of said  
6 [municipality or] fire district and have formed, or may hereafter

7 form themselves into a group or groups, for the purpose of ob-  
8 taining the advantages of the group plan of life insurance, in  
9 any of the plans now in vogue, or any plan which may hereafter  
10 be inaugurated, it shall be lawful for [the governing body of such  
11 municipality, or] the board of commissioners of such fire district,  
12 by resolution, to appropriate moneys for the purpose of defray-  
13 ing the cost of such insurance and to pay the premiums therefor.

14 No [governing body of any municipality or] *board of commis-*  
15 *sioners of any fire district shall pay any premiums on account of*  
16 *any policy of group life insurance as provided herein where the*  
17 *amount payable upon the death of each assured under the terms of*  
18 *said policy exceeds the sum of \$10,000.00.*

1 3. N. J. S. 40A :14-38 is amended to read as follows:

2 40A:14-38. In any [municipality, or] fire district in this State  
3 maintaining a volunteer fire department, or wherein there shall  
4 exist one or more incorporated volunteer fire companies affording  
5 fire protection to said [municipality or] fire district, it shall be  
6 lawful for [the governing body of such municipality, or] the board  
7 of commissioners of such fire district, *in addition to the insurance*  
8 *provided in N. J. S. 40A:14-37, to effect, maintain and continue any*  
9 *and all forms of insurance covering the members of said volunteer*  
10 *fire department or incorporated volunteer fire company or com-*  
11 *panies, including group accidental death and dismemberment,*  
12 *hospitalization, medical, surgical, major medical expenses or health*  
13 *and accident insurance with any insurance company authorized to*  
14 *do business in New Jersey or with a nonprofit hospital service or*  
15 *medical service corporation with respect to the benefits which they*  
16 *are authorized to provide, a contract or contracts to provide drug*  
17 *prescription or other health care benefits, [other than that pro-*  
18 *vided for in the group life insurance for volunteer firemen,]* which  
19 the [governing body, or] board of fire commissioners may deter-  
20 mine to be necessary or desirable for the protection, safety and  
21 welfare of the members, and for the protection and safety of the  
22 equipment and apparatus of said volunteer fire department, or in-  
23 corporated volunteer fire company or companies, or for the protec-  
24 tion of said [municipality, or] fire district, *or against liability for*  
25 *its negligence and that of its officers, employees or servants,*  
26 *whether or not compensated or part-time, who is authorized to per-*  
27 *form any act or service, but not including an independent con-*  
28 *tractor, within the limitations of the "New Jersey Tort Claims*  
29 *Act" (C. 59:1-1, et seq.), and by resolution, to appropriate from*  
30 *time to time, and pay, such sums of money as may be required to*

31 cover the premiums and costs of said insurance, or such portion  
 32 of the same as said governing body, or board of fire commissioners,  
 33 in their discretion, may consider proper and advisable.

1 4. N. J. S. 40A:14-97 is amended to read as follows:

2 40A:14-97. **Members of the auxiliary shall be insured with the**  
 3 **same coverage and in the same amounts provided for the regular**  
 4 **volunteer firemen of the municipality or fire district.]**

5 *A fire district may provide members of a Junior Firemen's*  
 6 *Auxiliary established as an auxiliary to a volunteer fire department*  
 7 *or to an incorporated volunteer fire company within the fire district*  
 8 *with the same coverage as provided for the regular volunteer fire-*  
 9 *men of the fire district under N. J. S. 40A:14-37 and 40A:14-38.*

1 5. This act shall take effect immediately.

---

#### STATEMENT

This bill has been prepared by the Division of Law Revision of the Legislative Services Agency in furtherance of its duty to carry on a continuous revision of the general and permanent statute law of the State and is one of a series of proposed revision statutes to form a part of Title 40A of the New Jersey Statutes.

This bill will transfer into one chapter the existing statutory law in Title 40 of the Revised Statutes and Title 40A of the New Jersey Statutes relating to county and municipal insurance.

In addition to providing for the existing forms of insurance which may be carried by counties and municipalities, this bill will also authorize them to insure against liability for negligence within the limitations of the "New Jersey Tort Claims Act" (C. 59:1-1, et seq.), and also provide for drug prescription and other health care benefits under group insurance plans.

Reference to school districts for group insurance has been deleted and Assembly Bill No. 23 has been introduced supplementing Title 18A of the New Jersey Statutes (Education) authorizing boards of education to enter into group insurance plans in the same manner as counties and municipalities. Provisions for providing for insurance by boards of commissioners of fire districts have been retained in Chapter 14 of Title 40A, "Fire and Police". Thus this proposed revision will include only the laws permitting a county or municipality to provide insurance.

51216 (1979)

## TITLE 40A. MUNICIPALITIES AND COUNTIES

## INSURANCE

## Schedule of Allocations of Source Material

<i>Source Sections</i>	<i>Revised Sections</i>
R. S. 40:26-1 .....	40A:10-1
R. S. 40:26-2 . As am. L. 1955, c. 152 .....	{40A:10-3 40A:10-4 40A:10-5
R. S. 40:26-3 .....	40A:10-6
R. S. 40:26-4 .....	40A:10-7
R. S. 40:26-5 .....	40A:10-8
R. S. 40:26-6 .....	{40A:10-9 40A:10-10
R. S. 40:26-7 .....	40A:10-10
R. S. 40:26-8 .....	Not Enacted
R. S. 40:26-9 .....	{40A:10-12 40A:10-13 40A:10-14
R. S. 40:26-10 .....	{40A:10-15
R. S. 40:48-9.5 ..... L. 1965, c. 174, s. 1 .....	40A:10-26
R. S. 40:48-9.6 ..... L. 1965, c. 174, s. 2 .....	40A:10-27
R. S. 40:48-9.7 ..... L. 1965, c. 174, s. 3 .....	40A:10-28
R. S. 40:48-9.8 ..... L. 1965, c. 174, s. 4 .....	Not Enacted
R. S. 40:48-9.9 ..... L. 1965, c. 174, s. 5 .....	Not Enacted
R. S. 40:51-1 .....	40A:10-1
R. S. 40:51-2 .....	40A:10-1
R. S. 40:51-3 . As am. L. 1951, c. 307, s. 1; 1; L. 1952, c. 180 .....	{40A:10-3 40A:10-4 40A:10-5
R. S. 40:51-4 .....	{40A:10-6 40A:10-7
R. S. 40:51-5 .....	40A:10-8
R. S. 40:51-6 .....	40A:10-11
R. S. 40:51-7 .....	40A:10-10
R. S. 40:51-8 .....	{40A:10-12 40A:10-13
R. S. 40:51-9 .....	40A:10-14
R. S. 40:51-10 .....	40A:10-15
R. S. 40:51-11 .....	40A:10-12

<i>Source Sections</i>	<i>Revised Sections</i>
N. J. S. 40A:9-13 .....	{40A:10-16 40A:10-17 40A:10-18 40A:10-19 40A:10-20
N. J. S. 40A:9-14 .....	{40A:10-16 40A:10-21 40A:10-22 40A:10-23 40A:10-24
C. 40A:9-14.1 ..... L. 1971, c. 421 .....	40A:10-23
N. J. S. 40A:9-15 .....	40A:10-25
N. J. S. 40A:9-16 .....	Not Enacted
N. J. S. 40A:14-37 .....	40A:10-29
N. J. S. 40A:14-38 .....	{40A:10-2 40A:10-30
N. J. S. 40A:14-39 .....	40A:10-31
N. J. S. 40A:14-40 .....	Not Enacted
N. J. S. 40A:14-97 .....	40A:10-32
C. 40A:14-146.5 ... L. 1975, c. 238 .....	40A:10-33
New .....	40A:10-34

## TITLE 40A. MUNICIPALITIES AND COUNTIES

## INSURANCE

## Treatment of Source Material

<i>Revised Section</i>	<i>Source</i>	<i>Treatment of Source</i>
40A:10-1 .....	R. S. 40:26-1 } R. S. 40:51-1 } R. S. 40:51-2 }	{Revised to consolidate source sections; and au- thorize coverage for lia- bility under "New Jersey Tort Claims Act."
40A:10-2 .....	N. J. S. 40A:14-38	{Revised section derived from source; authorizes insurance coverage for volunteer organizations enumerated.
40A:10-3 .....	R. S. 40:26-2 } R. S. 40:51-3 }	{Revised section derived from sources.
40A:10-4 .....	R. S. 40:26-2 } R. S. 40:51-3 }	{Revised section derived from sources.
40A:10-5 .....	R. S. 40:26-2 } R. S. 40:51-3 }	{Revised section derived from sources.
40A:10-6 .....	R. S. 40:26-3 } R. S. 40:26-4 }	{Revised section derived from sources and au- thorizes coverage for lia- bility under "New Jersey Tort Claims Act" to be included in fund.

<i>Revised Section</i>	<i>Source</i>	<i>Treatment of Source</i>
40A:10-7	R. S. 40:26-4 } R. S. 40:51-4 }	{ Revised section derived from sources.
40A:10-8	R. S. 40:26-5 } R. S. 40:51-5 }	{ Revised section derived from sources.
40A:10-9	R. S. 40:26-6	{ Revised section derived from sources.
40A:10-10	R. S. 40:26-6 } R. S. 40:26-7 } R. S. 40:51-7 }	{ Revised section derived from sources.
40A:10-11	R. S. 40:51-6	Editorial
40A:10-12	R. S. 40:26-9 } R. S. 40:51-8 } R. S. 40:51-11 }	{ Revised section derived from sources.
40A:10-13	R. S. 40:26-9 } R. S. 40:51-8 }	{ Revised section derived from sources.
40A:10-14	R. S. 40:26-10 } R. S. 40:51-9 }	{ Revised section derived from sources.
40A:10-15	R. S. 40:26-10 } R. S. 40:51-10 }	{ Revised section derived from sources.
40A:10-16	N. J. S. 40A:9-13 } N. J. S. 40A:9-14 }	{ Definitions derived from source sections.
40A:10-17	N. J. S. 40A:9-13	{ Revised section derived from source; "school district" deleted; autho- rizes contracts for drug prescription and other health care benefits
40A:10-18	N. J. S. 40A:9-13	{ Revised section derived from sources.
40A:10-19	N. J. S. 40A:9-13	{ Revised section derived from sources.
40A:10-20	N. J. S. 40A:9-13	{ Revised section derived from sources.
40A:10-21	N. J. S. 40A:9-14	{ Revised section derived from sources.
40A:10-22	N. J. S. 40A:9-14	{ Revised section derived from sources.
40A:10-23	N. J. S. 40A:9-14 } C. 40A:9-14.1 }	{ Revised section derived from sources.
40A:10-24	N. J. S. 40A:9-14	{ Revised section derived from sources.
40A:10-25	N. J. S. 40A:9-15	Editorial
40A:10-26	C. 40:48-9.5	Editorial
40A:10-27	C. 40:48-9.6	{ Editorial; specifies other insurance plans includ- ing drug prescription and other health care benefits.
40A:10-28	C. 40:48-9.7	Editorial.

<i>Revised Section</i>	<i>Source</i>	<i>Treatment of Source</i>
40A:10-29	N. J. S. 40A:14-37	{Revised section derived }from sources.
40A:10-30	N. J. S. 40A:14-38	{Revised section derived }from source; specifies }other plans including }drug prescription and }other health care bene- }fits.
40A:10-31	N. J. S. 40A:14-39	{Revised section derived }from sources.
40A:10-32	N. J. S. 40A:14-97	{Revised section derived }from sources.
40A:10-33	C. 40A:14-146.5	Editorial.
40A:10-34		{New; grants same eligi- }bility rights as other }volunteers.
40A:10-35		Repealer.

---

SENATE COUNTY AND MUNICIPAL GOVERNMENT  
COMMITTEE

STATEMENT TO

**SENATE, No. 1216**

with Senate committee amendment

**STATE OF NEW JERSEY**

DATED: JANUARY 18, 1979

Senate Bill No. 1216 was prepared by the Division of Law Revision of the Legislative Services Agency as part of the continuing revision of Title 40 of the Revised Statutes. The bill would transfer into a new chapter 10 of Title 40A of the New Jersey Statutes all existing laws in Title 40 of the Revised Statutes and Title 40A of the New Jersey Statutes which relate to county and municipal insurance.

In addition to the transferral of these current laws, the bill contains two provisions with respect to county and municipal insurance which are not contained in current law. The first such provision would authorize local governments to insure themselves against liability for negligence within the limitations of the "New Jersey Tort Claims Act" (C. 59:1-1 et seq.). The second new provision would authorize local governments to contract for drug prescription and other health care benefits with their employees and their dependents, and with members of volunteer fire departments and companies and of volunteer first aid, emergency, rescue or ambulance squads. The bill would also amend N. J. S. 40A:14-38 to authorize boards of fire commissioners to provide their members with all those forms of group insurance which local governments are currently authorized to provide local employees, and with drug prescription and other health care benefits.

In revising the existing law, the bill deletes all reference to school districts in the group insurance provisions. Assembly Bill No. 23, which is a necessary companion to this bill, would place group insurance provisions for school districts in Title 18A of the New Jersey Statutes (Education).

The committee amendments are technical and clarifying in nature, and address numerous drafting and grammatical errors.

SENATE COMMITTEE AMENDMENTS TO  
SENATE, No. 1216

STATE OF NEW JERSEY

ADOPTED JANUARY 18, 1979

Amend page 3, section 40A:10-1, line 9, after "its control", insert  
",".

Amend page 3, section 40A:10-1, line 10, after "commissions", insert  
",".

Amend page 3, section 40A:10-1, line 13, omit "or-part-time", in-  
sert "or part-time".

Amend page 3, section 40A:10-1, line 14, omit "is", insert "are";  
after "services", insert ",".

Amend page 3, section 40A:10-1, line 16, omit "(C. 59:1-1 et seq.)",  
insert "(N. J. S. 59:1-1 et seq.)".

Amend page 3, section 40A:10-2, line 2, after "department", insert  
",".

Amend page 3, section 40A:10-2, line 4, omit "or a municipality",  
insert ", or".

Amend page 3, section 40A:10-2, line 5, omit "exists", insert "ex-  
ist".

Amend page 3, section 40A:10-2, line 6, omit "render", insert "ren-  
dering".

Amend page 3, section 40A:10-2, line 7, after "municipality", in-  
sert ",".

Amend page 3, section 40A:10-2, line 8, after "State", insert ",".

Amend page 3, section 40A:10-2, line 17, after "apparatus", in-  
sert "or".

Amend page 3, section 40A:10-2, after line 17, insert "c. Both."

Amend page 3, section 40A:10-2, line 18, omit "c."

Amend page 3, section 40A:10-3, line 5, after "its control", insert  
","; omit "it".

Amend page 4, section 40A:10-6, line 5, after "it", insert ",".

Amend page 5, section 40A:10-6, line 10, after "it", insert ",".

Amend page 5, section 40A:10-6, line 14, omit "is", insert "are";  
after "services", insert ",".

Amend page 5, section 40A:10-6, line 16, omit "(C. 59:1-1 et seq.);",  
insert "(N. J. S. 59:1-1 et seq.)".

Amend page 5, section 40A:10-6, line 17, omit "d."

Amend page 5, section 40A:10-7, line 2, omit "by resolution".

Amend page 5, section 40A:10-8, line 6, after "years", insert "or for the remainder of their term of office as members of the governing body, whichever shall be less".

Amend page 5, section 40A:10-10, line 3, omit "and fix the compensation of".

Amend page 5, section 40A:10-10, line 4, omit "who", insert "whose compensation"; after "shall be", insert "fixed and".

Amend page 5, section 40A:10-10, line 5, after "as", insert "is that of"; omit "are paid".

Amend page 8, section 40A:10-17, line 5, after "expense", insert ",".

Amend page 8, section 40A:10-17, line 6, after "State", insert ",".

Amend page 8, section 40A:10-17, line 13, after "benefits", insert ",".

Amend page 8, section 40A:10-17, line 16, after "agreement", insert ",".

Amend page 8, section 40A:10-18, lines 9-10, omit "and may condition the eligibility of any employee upon satisfying a waiting period stated in the contract".

Amend page 8, section 40A:10-19, line 6, after "expense", insert ",".

Amend page 9, section 40A:10-19, after line 11, insert new paragraph as follows:

"Any contract permitted under this subarticle may condition the eligibility of any employee upon satisfying a waiting period stated in the contract."

Amend page 9, section 40A:10-20, line 5, omit "the", insert "such".

Amend page 9, section 40A:10-21, line 3, after "part", omit "of", insert "or".

Amend page 9, section 40A:10-22, line 4, omit "hereinafter".

Amend page 9, section 40A:10-22, line 7, after "in", omit "the", insert "such".

Amend page 10, section 40A:10-24, line 5, after "each", insert "such".

Amend page 10, section 40A:10-25, line 6, after "periodically", insert ",".

Amend page 10, section 40A:10-25, line 8, after "make", insert "such".

Amend page 11, section 40A:10-27, line 7, after "municipality", insert ",".

Amend page 11, section 40A:10-27, line 9, after "expenses", insert ",".

Amend page 11, section 40A:10-27, line 11, after "Jersey", insert " ,".

Amend page 11, section 40A:10-27, line 18, omit "is", insert "are".

Amend page 11, section 40A:10-27, line 21, omit "and".

Amend page 11, section 40A:10-27, line 24, after "contract", insert " , or both".

Amend page 12, section 40A:10-29, line 3, after "department" insert " ,".

Amend page 12, section 40A:10-30, line 8, after "expenses", insert " ,".

Amend page 12, section 40A:10-30, line 10, after "Jersey", insert " ,".

Amend page 12, section 40A:10-30, line 19, omit " , and", insert " ;".

Amend page 12, section 40A:10-30, line 22, after "contract", insert " , or both".

Amend page 14, section 3, line 12, after "expenses", insert " ,".

Amend page 14, section 3, line 14, after "Jersey", insert " ,".

Amend page 14, section 3, line 28, after "tractor", omit " ,".

Amend page 15, section 3, line 32, omit "governing body, or".

Amend page 15, section 3, line 33, omit "their", insert "its".

---

CHAPTER 220 ... 1979  
REVISOR 10-15-79

[OFFICIAL COPY REPRINT]

**SENATE, No. 1216**

**STATE OF NEW JERSEY**

INTRODUCED JUNE 1, 1978

By Senators MERLINO, PARKER and MUSTO

Referred to Committee on County and Municipal Government

AN ACT concerning counties and municipalities, enacting and adding chapter 10 to Title 40A of the New Jersey Statutes, and revising sections of the statutory law.

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
2 *of New Jersey:*

Section 1.

**TITLE 40A**

**CHAPTER 10**

**INSURANCE**

**ARTICLE 1. INSURANCE AGAINST LOSS AND LIABILITY**

- 1 40A:10-1 Power to insure.  
2 40A:10-2 Providing insurance for certain volunteer organiza-  
3 tions.

**ARTICLE 2. COVERAGE FOR OPERATORS OF PUBLICLY OWNED MOTOR VEHICLES, EQUIPMENT OR APPARATUS**

- 1 40A:10-3 Insurance for operators.  
2 40A:10-4 Liability for failure to insure.  
3 40A:10-5 Operator to give prompt notice of claim or demand.

**ARTICLE 3. INSURANCE FUND**

- 1 40A:10-6 Establishment of insurance fund; appropriations.  
2 40A:10-7 Maximum and minimum amount of fund.  
3 40A:10-8 Insurance fund commissioners; appointment; term;  
4 vacancies; compensation.  
5 40A:10-9 Organization of commissioners.  
6 40A:10-10 Powers and authority of commissioners.  
7 40A:10-11 Sinking fund commissioners may act as insurance  
8 fund commissioners.

**EXPLANATION**—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

## ARTICLE 4. WORKERS' COMPENSATION

- 1 40A:10-12 Payment of workers' compensation.
- 2 40A:10-13 Workers' compensation insurance fund.
- 3 40A:10-14 Annual appropriation to fund.
- 4 40A:10-15 Discontinuance of fund.

## ARTICLE 5. GROUP INSURANCE PROGRAMS

## A. EMPLOYEES GROUP INSURANCE PLANS

- 1 40A:10-16 Definitions.
- 2 40A:10-17 Contracts for group insurance.
- 3 40A:10-18 Exclusions from coverage.
- 4 40A:10-19 Limitations, exclusions, exceptions to be contained
- 5 in contract.
- 6 40A:10-20 Discontinuance of coverage; exception.
- 7 40A:10-21 Payment of premiums; deduction of employee con-
- 8 tributions.
- 9 40A:10-22 Continuance of coverage after retirement.
- 10 40A:10-23 Payment of premiums after retirement.
- 11 40A:10-24 Summary of coverage cost to be furnished employer.
- 12 40A:10-25 Filing copy of contract with State Employees Health
- 13 Benefit Commission; report to Governor and
- 14 Legislature.

B. INSURANCE FOR VOLUNTEER FIRST AID SQUADS AND  
OTHER VOLUNTEER SQUADS

- 1 40A:10-26 Group life insurance plans.
- 2 40A:10-27 Other group insurance plans.
- 3 40A:10-28 Eligibility.

## C. INSURANCE FOR VOLUNTEER FIREMEN

- 1 40A:10-29 Group life insurance plans.
- 2 40A:10-30 Other group insurance plans.
- 3 40A:10-31 Eligibility.
- 4 40A:10-32 Coverage for members of Junior Firemen's
- 5 Auxiliary.

## D. INSURANCE FOR AUXILIARY POLICE VOLUNTEERS

- 1 40A:10-33 Group life insurance.
- 2 40A:10-34 Eligibility.

## ARTICLE 6. REPEALER

- 1 40A:10-35 Statutes repealed.

## ARTICLE 1. INSURANCE AGAINST LOSS AND LIABILITY

- 1 40A:10-1. Power to insure. A local unit may insure with any
- 2 insurance company authorized to do business in this State or by
- 3 the insurance fund provided by Article 3 of this chapter:

4 a. Its property, motor vehicles, equipment or apparatus, or any  
5 property, motor vehicles, equipment or apparatus owned or under  
6 the control of any of its departments, boards, agencies or com-  
7 missions against loss or damage however caused;

8 b. Any motor vehicles, equipment or apparatus owned by it or  
9 under its control\*,\* or owned by or under the control of any of its  
10 departments, boards, agencies or commissions\*,\* against all lia-  
11 bility arising from the ownership, use or operation thereof;

12 c. Against liability for its negligence and that of its officers, em-  
13 ployees or servants, whether or not compensated \***[or-part-time]**\*  
14 \*or part-time\*, who \***[is]**\* \*are\* authorized to perform any act  
15 or services\*,\* but not including an independent contractor within  
16 the limitations of the "New Jersey Tort Claims Act" \***[**(C. 59:1-1  
17 et seq.)**]**\* \*(N. J. S. 59:1-1 et seq.)\*.

18 Source: R.S. 40:26-7; 40:51-1; 40:51-2.

1 40A:10-2. Providing insurance for certain volunteer organiza-  
2 tions. A municipality maintaining a volunteer fire department\*,\*  
3 or in which there are one or more incorporated volunteer fire com-  
4 panies affording fire protection in the municipality \***[**or a munici-  
5 pality**]**\* \*, or\* in which there \***[**exists**]**\* \*exist\* one or more  
6 incorporated volunteer first aid, emergency, rescue or ambulance  
7 squads \***[**render**]**\* \*rendering\* services generally throughout the  
8 municipality\*,\* may effect and maintain insurance with any in-  
9 surance company authorized to do business in this State\*,\* which  
9A the governing body of the municipality deems necessary or  
10 desirable for the protection, safety and welfare of the munici-  
11 pality, the volunteer fire department, incorporated volunteer fire  
12 companies or incorporated volunteer first aid, emergency, rescue  
13 or ambulance squad:

14 a. Covering their motor vehicles, equipment and apparatus  
15 against loss or damage however caused;

16 b. Against all liability arising from the ownership, use or opera-  
17 tion of their motor vehicles, equipment and apparatus; \*or\*,  
17A \*c. Both.\*

18 \***[**c.**]**\* The governing body of the municipality may, in its dis-  
19 cretion, pay the entire costs of such insurance or such portion  
20 thereof as it may consider to be advisable.

21 Source: N. J. S. 40A:14-38.

#### ARTICLE 2. COVERAGE FOR OPERATORS OF PUBLICLY OWNED MOTOR VEHICLES, EQUIPMENT OR APPARATUS

1 40A:10-3. Insurance for operators. Every local unit, other than  
2 one providing insurance coverage under Article 3 of this chapter,

3 shall provide insurance coverage under this article for the op-  
 4 erators of all motor vehicles, equipment and apparatus owned by  
 5 or under its control\*,\* or owned by \***[it]**\* or under the control of  
 6 any of its departments, boards, agencies or commissions, against  
 7 liability for damages to property, in any one accident, in an amount  
 8 of not less than \$5,000.00, and against liability for injuries or death  
 9 of one person, in any one accident, in an amount of not less than  
 10 \$50,000.00, and against liability for injuries or death of more than  
 11 one person, in any one accident, in an amount of not less than  
 12 \$100,000.00.

13 Source: R. S. 40:26-2 amended 1955, c. 152; 40:51-3 amended  
 14 1951, c. 307, s. 1; 1952, c. 180.

1 40A:10-4. Liability for failure to insure. Any local unit, other  
 2 than one providing insurance coverage under Article 3 of this  
 3 chapter, failing to provide the insurance coverage as provided in  
 4 N. J. S. 40A:10-3 shall be liable for payment of any judgment  
 5 recovered in a court of competent jurisdiction against any operator  
 6 of a motor vehicle, equipment or apparatus within the limits of  
 7 the amount required for insurance coverage under N. J. S. 40A:10-3  
 8 for damages resulting in personal injury or death or damage to  
 9 property caused by the authorized operation or use of such motor  
 10 vehicles, equipment or apparatus.

11 Source: R. S. 40:26-2 amended 1955, c. 152; 40:51-3 amended  
 12 1951, c. 307, s. 1; 1952, c. 180.

1 40A:10-5. Operator to give prompt notice of claim or demand.  
 2 The operator against whom a claim or demand is made or an  
 3 action instituted, arising out of the operation or use of any motor  
 4 vehicle, equipment or apparatus to which this article relates, shall  
 5 promptly give written notice thereof to the governing body of the  
 6 local unit. If an action is instituted against him he shall also  
 7 move promptly as a third party plaintiff to name the local unit as  
 8 third party defendant in that action. If the operator fails to so  
 9 notify the local unit or name the local unit as a third party de-  
 10 fendant in any such action, the local unit shall not be liable for  
 11 any judgment recovered against him even though it failed to  
 12 secure the insurance required by this article.

13 Source: R. S. 40:26-2 amended 1955, c. 152; 40:51-3 amended  
 14 1951, c. 307, s. 1; 1952, c. 180.

#### ARTICLE 3. INSURANCE FUND

1 40A:10-6. Establishment of insurance fund; appropriations.  
 2 The governing body of any local unit may establish an insurance  
 3 fund for the following purposes:

4 a. To insure against any loss or damage however caused to any  
5 property, motor vehicles, equipment or apparatus owned by it\*,\* or  
6 owned by or under the control of any of its departments, boards,  
7 agencies or commissions;

8 b. To insure against liability resulting from the use or opera-  
9 tion of motor vehicles, equipment or apparatus owned by or con-  
10 trolled by it\*,\* or owned by or under the control of any of its  
11 departments, boards, agencies or commissions;

12 c. To insure against liability for its negligence and that of its  
13 officers, employees and servants, whether or not compensated or  
14 part-time, who \***[is]**\* *\*are\** authorized to perform any act or ser-  
15 vices\*,\* but not including an independent contractor within the  
16 limitations of the "New Jersey Tort Claims Act" \***[**(C. 59:1-1  
17 et seq.)**]**\* *(N. J. S. 59:1-1 et seq.)*.\*

18 \***[d.]**\* The governing body may appropriate the moneys neces-  
19 sary for the purposes of this section.

20 Source: R. S. 40:26-3; 40:51-4.

1 40A:10-7. Maximum and minimum amount of fund. The govern-  
2 ing body of a local unit may \***[by resolution]**\* designate the maxi-  
3 mum or minimum amount of the fund, and from time to time pro-  
4 vide for the disposition of any excess over and above the maximum  
5 amount fixed, or of the interest or profits arising therefrom when  
6 the fund shall have reached the maximum limit.

7 Source: R. S. 40:26-4; 40:51-4.

1 40A:10-8. Insurance fund commissioners; appointment; term;  
2 vacancies; compensation. Upon establishment of an insurance  
3 fund, the officer or body of the local unit having the power to make  
4 appointments shall appoint three members of the governing body  
5 of the local unit as insurance fund commissioners. The commis-  
6 sioners shall hold office for 2 years *\*or for the remainder of their*  
7 *term of office as members of the governing body, whichever shall*  
8 *be less\**, and until their successors shall have been duly appointed  
8A and qualified. The commissioners shall serve without compensation.

9 Vacancies in the office of insurance fund commissioners caused  
10 by any reason other than expiration of term as a member of the  
11 local unit governing body shall be filled for the unexpired term.

12 Source: R. S. 40:26-5; 40:51-5.

1 40A:10-9. Organization of commissioners. The commissioners  
2 shall, forthwith after their appointment, organize for the ensuing  
3 year by election from their membership of a chairman and a  
4 secretary, who shall serve for the year.

5 Source: R. S. 40:26-6.

1 40A:10-10. Powers and authority of commissioners. The com-  
2 missioners shall have the following powers and authority:

3 a. Employ ~~and fix the compensation of~~ necessary clerical  
4 assistants, ~~who~~ *whose compensation* shall be *fixed and*  
5 paid by the governing body of the local unit in the same manner  
5A as *is that of* other employees of the local unit ~~are paid~~;

6 b. Invest the fund and all additions and accretions thereto in  
7 such securities as they shall deem best suited for the purposes of  
8 this article;

9 c. Adopt rules and regulations for the control and investment  
10 of the fund;

11 d. Keep on hand at all times sufficient money, or have the same  
12 invested in such securities as can be immediately sold for cash,  
13 for the payment of losses to any buildings or property of the local  
14 unit, or liability resulting from the operation of publicly owned  
15 motor vehicles, equipment or apparatus;

16 e. Fix reasonable rates of premium for all insurance carried by  
17 the insurance fund, and shall effect all insurance in the insurance  
18 fund or with any insurance company or companies authorized to  
19 do business in this State;

20 f. Premiums for insurance, whether carried in the insurance  
21 fund or placed with insurance companies, shall be paid to the  
22 commissioners by the board, commission, department, committee  
23 or officer having charge or control of the property insured;

24 g. All insurance upon property owned or controlled by a local  
25 unit or any of its departments, boards, agencies or commissions,  
26 shall be placed and effected by the commissioners.

27 Source: R. S. 40:26-6; 40:26-7; 40:51-7.

1 40A:10-11. Sinking fund commissioners may act as insurance  
2 fund commissioners. In any local unit in which sinking fund com-  
3 missioners have been appointed, the management and investment  
4 of the insurance fund may be entrusted to them in lieu of the  
5 appointment of insurance fund commissioners, and they shall have  
6 the same powers and authority as if appointed for that purpose.

7 Source: R. S. 40:51-6.

#### ARTICLE 4. WORKERS' COMPENSATION

1 40A:10-12. Payment of workers' compensation. A local unit  
2 may provide for the payment of workers' compensation under the  
3 provisions of chapter 15 of Title 34 of the Revised Statutes (Labor  
4 and Workmen's Compensation, R. S. 34:15-1, et seq.) by:

5 a. The creation of a workers' compensation fund as hereinafter  
6 provided; or

7 b. The placing of workers' compensation insurance with any  
8 insurance company authorized to do business in New Jersey; or  
9 c. Paying workers' compensation in the same manner as pro-  
10 vided by law.

11 Source: R. S. 40:26-9; 40:51-8; 40:51-11.

1 40A:10-13. Workers' compensation insurance fund. The govern-  
2 ing body of a local unit may create and appropriate money for a  
3 fund to be designated and known as "The Workers' Compensation  
4 Insurance Fund." The money so appropriated shall be deposited  
5 in the name of the local unit in a National or State bank or trust  
6 company and remain there as a trust fund for the purpose of pay-  
7 ing obligations of the local unit under the provisions of chapter 15  
8 of Title 34 of the Revised Statutes (Labor and Workmen's Com-  
9 pensation, R. S. 34:15-1, et seq.).

10 Source: R. S. 40:26-9; 40:51-8.

1 40A:10-14. Annual appropriation to fund. The governing body  
2 of a local unit may annually appropriate to the fund such money  
3 as it may determine to be necessary for the purpose set forth in  
4 the preceding section.

5 Source: R. S. 40:26-10; 40:51-9.

1 40A:10-15. Discontinuance of fund. The governing body of a  
2 local unit may determine to discontinue the fund, in which case  
3 the balance thereof shall become part of the surplus revenue of  
4 the local unit.

5 Source: R. S. 40:26-10; 40:51-10.

#### ARTICLE 5. GROUP INSURANCE PROGRAMS

##### A. EMPLOYEES GROUP INSURANCE PLANS

1 40A:10-16. Definitions. As used in this subarticle:

2 a. "Dependents" means an employee's spouse and the em-  
3 ployee's unmarried children, including stepchildren, legally adopted  
4 children, and, at the option of the employer and the carrier, foster  
5 children, under the age of 19 who live with the employee in a regu-  
6 lar parent-child relationship, and may also include, at the option  
7 of the employer and the carrier, other unmarried children of the  
8 employee under the age of 23 who are dependent upon the em-  
9 ployee for support and maintenance, but shall not include a spouse  
10 or child while serving in the military service;

11 b. "Employees" may, at the option of the employer, include  
12 elected officials, but shall not include persons employed on a short-  
13 term, seasonal, intermittent or emergency basis, persons compen-  
14 sated on a fee basis, or persons whose compensation from the  
15 employer is limited to reimbursement of necessary expenses  
16 actually incurred in the discharge of their duties;

17 c. "Federal Medicare Program" means the coverage provided  
18 under Title XVIII of the Social Security Act as amended in 1965,  
19 or its successor plan or plans.

20 Source: N. J. S. 40A:9-13; 40A:9-14.

1 40A:10-17. Contracts for group insurance. Any local unit or  
2 agency thereof, herein referred to as employers, may:

3 a. Enter into contracts of group life, accidental death and  
4 dismemberment, hospitalization, medical, surgical, major medical  
5 expense\*,\* or health and accident insurance with any insurance  
6 company or companies authorized to do business in this State\*,\* or  
7 may contract with a nonprofit hospital service or medical service  
8 corporation with respect to the benefits which they are authorized  
9 to provide respectively. The contract or contracts shall provide  
10 any one or more of such coverages for the employees of such em-  
11 ployer and may include their dependents;

12 b. Enter into a contract or contracts to provide drug prescrip-  
13 tion and other health care benefits\*,\* or enter into a contract or con-  
14 tracts to provide drug prescription and other health care benefits  
15 as may be required to implement a duly executed collective negotia-  
16 tions agreement\*,\* or as may be required to implement a determina-  
17 tion by a local unit to provide such benefit or benefits to employees  
18 not included in collective negotiations units.

19 Nothing herein contained shall be deemed to authorize coverage  
20 of dependents of an employee under a group life insurance policy  
21 or to allow the issuance of a group life insurance policy under  
22 which the entire premium is to be derived from funds contributed  
23 by the insured employees.

24 Source: N. J. S. 40A:9-13.

1 40A:10-18. Exclusions from coverage. The contract shall ex-  
2 clude from eligibility:

3 a. Employees and dependents, active or retired, who are other-  
4 wise eligible for coverage but who, although they meet the age  
5 eligibility requirement of the Federal Medicare Program, are not  
6 covered by the complete Federal program;

7 b. Any class or classes of employees who are eligible for like or  
8 similar coverage under another group contract covering the class  
9 or classes of employees \***[and may condition the eligibility of any**  
10 **employee upon satisfying a waiting period stated in the contract.]**\*

11 Source: N. J. S. 40A:9-13.

1 40A:10-19. Limitations, exclusions, exceptions to be contained  
2 in contract. Any contract or contracts permitted under this sub-  
3 article shall contain limitations, exclusions or exceptions so as to

4 avoid duplication of benefits or services otherwise available pur-  
5 suant to accidental death and dismemberment, hospitalization,  
6 medical, surgical, major medical expense\*,\* or health and accident  
7 coverage under any other law of this State or the coverage afforded  
8 under the laws of the United States, such as the Federal Medicare  
9 Program, and at the option of the employer and the carrier, group  
10 insurance or any other arrangement of coverage for individuals  
11 in a group, whether on an insured or uninsured basis.

12 *\*Any contract permitted under this subarticle may condition the*  
13 *eligibility of any employee upon satisfying a waiting period stated*  
14 *in the contract.\**

15 Source: N. J. S. 40A:9-13.

1 40A:10-20. Discontinuance of coverage; exception. The cover-  
2 age of any employee, and of his dependents, if any, shall cease upon  
3 the discontinuance of his employment or upon cessation of active  
4 full-time employment in the classes eligible for coverage subject to  
5 \***[the]**\* *\*such\** provision as may be made in any contract by his  
6 employer for limited continuance of coverage during disability,  
7 part-time employment, leave of absence other than leave for mili-  
8 tary service or layoff, and for continuance of coverage after re-  
9 tirement.

10 Source: N. J. S. 40A:9-13.

1 40A:10-21. Payment of premiums; deduction of employee con-  
2 tributions. Any employer entering into a contract pursuant to this  
3 subarticle is hereby authorized to pay part \***[of]**\* *\*or\** all of the  
4 premiums or charges for the contracts and may appropriate out  
5 of its general funds any money necessary to pay premiums or  
6 charges or portions thereof. The contribution required of any em-  
7 ployee toward the cost of coverage may be deducted from the pay,  
8 salary or other compensation of the employee upon an authoriza-  
9 tion in writing made to the appropriate disbursing officer.

10 The employer may reimburse an active employee for his premium  
11 charges under Part B of the Federal Medicare Program covering  
12 the employee alone.

13 Nothing herein shall be construed as compelling an employer to  
14 pay any portion of the premiums or charges attributable to the  
15 contracts.

16 Source: N. J. S. 40A:9-14.

1 40A:10-22. Continuance of coverage after retirement. The con-  
2 tinuance of coverage after retirement of any employee may be  
3 provided at rates and under the conditions as shall be prescribed  
4 in the contract subject, however, to the requirements \***[herein-**

5 after] set forth in N. J. S. 40A:10-23. The contribution required  
6 of any retired employee toward the cost of coverage may be paid  
7 by him to his former employer or in \*the] \*such\* manner as the  
8 employer shall direct.

9 Source: N. J. S. 40A:9-14.

1 40A:10-23. Payment of premiums after retirement. Retired  
2 employees shall be required to pay for the entire cost of coverage  
3 for themselves and their dependents at rates which are deemed to  
4 be adequate to cover the benefits, as affected by Medicare, of the  
5 retired employees and their dependents on the basis of the utiliza-  
6 tion of services which may be reasonably expected of the older age  
7 classification; provided, however, that the total rate payable by a  
8 retired employee for himself and his dependents, for coverage  
9 under the contract and for Part B of Medicare, shall not exceed by  
10 more than 25%, the total amount that would have been required to  
11 have been paid by the employee and his employer for the coverage  
12 maintained had he continued in office or active employment and he  
13 and his dependents were not eligible for Medicare benefits.

14 The employer may, in its discretion, assume the entire cost of  
15 such coverage and pay all of the premiums for employees who have  
16 retired after 25 years or more service with the employer, including  
17 the premiums on their dependents, if any, under uniform conditions  
18 as the governing body of the local unit shall prescribe.

19 Source: N. J. S. 40A:9-14; C. 40A:9-14.1 (1971, c. 421).

1 40A:10-24. Summary of coverage cost to be furnished employer.  
2 In the event an insurance company issues a group insurance policy  
3 to an employer which includes two or more of the coverages au-  
4 thorized hereby, the insurance company shall at the end of each  
5 policy year furnish to the employer a summary of the cost of each  
6 \*such\* coverage.

7 Source: N. J. S. 40A:9-14.

1 40A:10-25. Filing copy of contract with State Employees Health  
2 Benefit Commission; report to Governor and Legislature. It shall  
3 be the duty of the executive officer of any employer who enters into  
4 a contract pursuant to this subarticle to file a copy thereof with the  
5 State Employees Health Benefits Commission. The commission  
6 shall prepare and file periodically,\* and not less than every 2  
7 years, a report to the Governor and the Legislature as to the  
8 contracts being entered into by employers and shall make \*such\*  
9 recommendations concerning the contracts and the coverage there-  
10 under as it deems appropriate to achieve uniformity of coverage  
11 and benefits for employees throughout the State.

12 Source: N. J. S. 40A:9-15.

B. INSURANCE FOR VOLUNTEER FIRST AID SQUADS  
AND OTHER VOLUNTEER SQUADS

1 40A:10-26. Group life insurance plans. In addition to the in-  
2 surance required pursuant to chapter 15 of Title 34 of the Revised  
3 Statutes, the governing body of a municipality, in which an in-  
4 corporated volunteer first aid, emergency, rescue or ambulance  
5 squad renders services throughout the municipality whose mem-  
6 bers have or shall form themselves into a group or groups for the  
7 purpose of obtaining a group life insurance plan with any in-  
8 surance company authorized to do business in New Jersey, may  
9 appropriate moneys to defray the cost of such insurance and pay  
10 the premiums therefor.

11 A municipality shall not undertake the cost of any policy of  
12 group life insurance where the amount payable upon the death  
13 of each assured exceeds the amount of \$10,000.00.

14 Source: C. 40:48-9.5 (1965, c. 174, s. 1).

1 40A:10-27. Other group insurance plans. In addition to the in-  
2 surance required pursuant to the provisions of chapter 15 of Title  
3 34 of the Revised Statutes and the coverage provided in N. J. S.  
4 40A:10-26, the governing body of a municipality, in which an in-  
5 corporated volunteer first aid, emergency, rescue or ambulance  
6 squad or squads exist rendering service generally throughout the  
7 municipality\*,\* may:

8 a. Effect and maintain group accidental death and dismember-  
9 ment, hospitalization, medical, surgical, major medical expenses\*,\*  
10 or health and accident insurance with any insurance company  
11 authorized to do business in New Jersey\*,\* or with a nonprofit hos-  
12 pital service or medical service corporation with respect to the  
13 benefits which they are authorized to provide, which is determined  
14 to be necessary or desirable for the protection, safety and welfare  
15 of the members of an incorporated volunteer first aid, emergency,  
16 rescue or ambulance squad;

17 b. Effect and maintain a contract or contracts to provide drug  
18 prescription or other health care benefits which \***[is]**\* \*are\* de-  
19 termined to be necessary or desirable for the protection, safety and  
20 welfare of the members of an incorporated volunteer first aid,  
21 emergency, rescue or ambulance squad; \***[and]**\*

22 c. In the discretion of the governing body of the municipality,  
23 appropriate and pay all or any portion of the cost of such insurance  
24 or contract \*or both\*.

25 Source: C. 40:48-9.6 (1965, c. 147, s. 2).

1 40A:10-28. Eligibility. A member of any incorporated volunteer  
 2 first aid, emergency, rescue or ambulance squad shall not be ineligi-  
 3 ble to receive any of the benefits under N. J. S. 40A:10-26 and  
 4 40A:10-27 because he may otherwise receive any form of compen-  
 5 sation or salary from the municipality.  
 6 Source: C. 40:48-9.7 (1965, c. 174, s. 3).

#### C. INSURANCE FOR VOLUNTEER FIREMEN

1 40A:10-29. Group life insurance plans. In addition to the in-  
 2 surance required under chapter 15 of Title 34 of the Revised Stat-  
 3 utes, a municipality maintaining a volunteer fire department\*,\* or  
 4 in which there are one or more incorporated volunteer fire com-  
 5 panies whose members have or shall form themselves into a group  
 6 or groups for the purpose of obtaining a group life insurance plan  
 7 with any insurance company authorized to do business in New  
 8 Jersey, may appropriate moneys to defray the cost of such in-  
 9 surance and pay the premiums therefor.  
 10 A municipality shall not undertake the cost nor pay the pre-  
 11 miums on any policy of group life insurance where the amount  
 12 payable upon the death of each assured exceeds the amount of  
 13 \$10,000.00.

14 Source: N. J. S. 40A:14-37.

1 40A:10-30. Other group insurance plans. In addition to the in-  
 2 surance required pursuant to the provisions of chapter 15 of Title  
 3 34 of the Revised Statutes and the coverage provided in N. J. S.  
 4 40A:10-29, a municipality maintaining a volunteer fire department  
 5 or in which there are one or more incorporated volunteer fire  
 6 companies may:

7 a. Effect and maintain group accidental death and dismember-  
 8 ment, hospitalization, medical, surgical, major medical expenses\*,\*  
 9 or health and accident insurance with any insurance company  
 10 authorized to do business in New Jersey\*,\* or with a nonprofit hos-  
 11 pital service or medical service corporation with respect to the  
 12 benefits which they are authorized to provide, which is determined  
 13 to be necessary or desirable for the protection, safety and welfare  
 14 of the members of the volunteer fire department or the members of  
 14A the incorporated volunteer fire companies;

15 b. Effect and maintain a contract or contracts to provide drug  
 16 prescription or other health care benefits which is determined to  
 17 to be necessary or desirable for the protection, safety and welfare  
 18 of the members of the volunteer fire department or members of  
 19 an incorporated volunteer fire company\*[, and]\* \*\*;

20 c. In the discretion of the governing body of the municipality,  
21 appropriate and pay all or any portion of the costs of such in-  
22 surance or contract *\*or both\**.

23 Source: N. J. S. 40A:14-38.

1 40A:10-31. Eligibility. A volunteer fireman shall not be ineligi-  
2 ble to receive any of the benefits under N. J. S. 40A:10-29 and  
3 40A:10-30 because he may otherwise receive any form of com-  
4 pensation or salary from the municipality.

5 Source: N. J. S. 40A:14-39.

1 40A:10-32. Coverage for members of Junior Firemen's Aux-  
2 iliary. A municipality may provide members of a Junior Firemen's  
3 Auxiliary established as an auxiliary to a volunteer fire depart-  
4 ment or to an incorporated volunteer fire company with the same  
5 coverage as provided for the regular volunteer firemen of the  
6 municipality under N. J. S. 40A:10-29 and 40A:10-30.

7 Source: N. J. S. 40A:14-97.

#### D. INSURANCE FOR AUXILIARY POLICE VOLUNTEERS

1 40A:10-33. Group life insurance. The governing body of a  
2 municipality may appropriate moneys to defray the cost of group  
3 life insurance contracts and pay the premiums thereon for auxiliary  
4 police volunteers authorized to render public service generally  
5 throughout the municipality.

6 A municipality shall not undertake the cost of any contract of  
7 group life insurance contract where the amount payable upon the  
8 death of each assured exceeds the amount of \$10,000.00.

9 Source: C. 40A:14-146.5 (1975, c. 238).

1 40A:10-34. Eligibility. An auxiliary police volunteer shall not  
2 be ineligible to receive any of the benefits under N. J. S. 40A:10-33  
3 because he may otherwise receive any form of compensation or  
4 salary from the municipality.

5 Source: New.

#### ARTICLE 6. REPEALER

1 40A:10-35. Statutes repealed. The following sections, chapters  
2 and acts, together with all amendments and supplements thereto are  
3 hereby repealed:

- 4 Chapters 26 and 51 of Title 40 of the Revised Statutes;
  - 5 N. J. S. 40A:9-13 to 40A:9-16 inclusive;
  - 6 N. J. S. 40A:14-40;
  - 7 P. L. 1965, c. 174 (C. 40:48-9.5 to C. 40:48-9.9 inclusive);
  - 8 P. L. 1971, c. 421 (C. 40A:9-14.1);
  - 9 P. L. 1975, c. 238 (C. 40A:14-146.5).
- 1 2. N. J. S. 40A:14-37 is amended to read as follows:

1A 40A:14-37. In any [municipality or] fire district maintaining  
2 a volunteer fire department, or wherein there shall exist one or more  
3 incorporated volunteer fire companies affording fire protection to  
4 said [municipality or] fire district, the membership whereof are  
5 serving under the jurisdiction of and with the consent of said  
6 [municipality or] fire district and have formed, or may hereafter  
7 form themselves into a group or groups, for the purpose of ob-  
8 taining the advantages of the group plan of life insurance, in  
9 any of the plans now in vogue, or any plan which may hereafter  
10 be inaugurated, it shall be lawful for [the governing body of such  
11 municipality, or] the board of commissioners of such fire district,  
12 by resolution, to appropriate moneys for the purpose of defray-  
13 ing the cost of such insurance and to pay the premiums therefor.

14 No [governing body of any municipality or] board of commis-  
15 sioners of any fire district shall pay any premiums on account of  
16 any policy of group life insurance as provided herein where the  
17 amount payable upon the death of each assured under the terms of  
18 said policy exceeds the sum of \$10,000.00.

1 3. N. J. S. 40A:14-38 is amended to read as follows:

2 40A:14-38. In any [municipality, or] fire district in this State  
3 maintaining a volunteer fire department, or wherein there shall  
4 exist one or more incorporated volunteer fire companies affording  
5 fire protection to said [municipality or] fire district, it shall be  
6 lawful for [the governing body of such municipality, or] the board  
7 of commissioners of such fire district, *in addition to the insurance*  
8 *provided in N. J. S. 40A:14-37*, to effect, maintain and continue any  
9 and all forms of insurance covering the members of said volunteer  
10 fire department or incorporated volunteer fire company or com-  
11 panies, *including group accidental death and dismemberment,*  
12 *hospitalization, medical, surgical, major medical expenses\*,\* or*  
13 *health and accident insurance with any insurance company autho-*  
14 *rized to do business in New Jersey\*,\* or with a nonprofit hospital*  
15 *service or medical service corporation with respect to the benefits*  
16 *which they are authorized to provide, a contract or contracts to*  
17 *provide drug prescription or other health care benefits, [other than*  
18 *that provided for in the group life insurance for volunteer firemen,]*  
19 *which the [governing body, or] board of fire commissioners may de-*  
20 *termine to be necessary or desirable for the protection, safety and*  
21 *welfare of the members, and for the protection and safety of the*  
22 *equipment and apparatus of said volunteer fire department, or in-*  
23 *corporated volunteer fire company or companies, or for the protec-*  
24 *tion of said [municipality, or] fire district, or against liability for*

25 *its negligence and that of its officers, employees or servants,*  
26 *whether or not compensated or part-time, who is authorized to per-*  
27 *form any act or service, but not including an independent con-*  
28 *tractor\***[.]**\* within the limitations of the "New Jersey Tort Claims*  
29 *Act" (C. 59:1-1, et seq.), and by resolution, to appropriate from*  
30 *time to time, and pay, such sums of money as may be required to*  
31 *cover the premiums and costs of said insurance, or such portion*  
32 *of the same as said \***[governing body, or]**\* board of fire commis-*  
33 *sioners, in \***[their]**\* *its*\* discretion, may consider proper and*  
34 *advisable.*

1 4. N. J. S. 40A:14-97 is amended to read as follows:

2 40A:14-97. **[Members of the auxiliary shall be insured with the**  
3 **same coverage and in the same amounts provided for the regular**  
4 **volunteer firemen of the municipality or fire district.]**

5 *A fire district may provide members of a Junior Firemen's*  
6 *Auxiliary established as an auxiliary to a volunteer fire department*  
7 *or to an incorporated volunteer fire company within the fire district*  
8 *with the same coverage as provided for the regular volunteer fire-*  
9 *men of the fire district under N. J. S. 40A:14-37 and 40A:14-38.*

1 5. This act shall take effect immediately.

---

ASSEMBLY COUNTY GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 1216

STATE OF NEW JERSEY

DATED: FEBRUARY 22, 1979

The committee includes herein the Senate County and Municipal Government Committee statement for the purpose of establishing legislative intent:

“Senate Bill No. 1216 was prepared by the Division of Law Revision of the Legislative Services Agency as part of the continuing revision of Title 40 of the Revised Statutes. The bill would transfer into a new chapter 10 of Title 40A of the New Jersey Statutes all existing laws in Title 40 of the Revised Statutes and Title 40A of the New Jersey Statutes which relate to county and municipal insurance.

In addition to the transferral of these current laws, the bill contains two provisions with respect to county and municipal insurance which are not contained in current law. The first such provision would authorize local governments to insure themselves against liability for negligence within the limitations of the “New Jersey Tort Claims Act” (C. 59:1-1 et seq.). The second new provision would authorize local governments to contract for drug prescription and other health care benefits with their employees and their dependents, and with members of volunteer fire departments and companies and of volunteer first aid, emergency, rescue or ambulance squads. The bill would also amend N. J. S. 40A:14-38 to authorize boards of fire commissioners to provide their members with all those forms of group insurance which local governments are currently authorized to provide local employees, and with drug prescription and other health care benefits.

In revising the existing law, the bill deletes all reference to school districts in the group insurance provisions. Assembly Bill No. 23, which is a necessary companion to this bill, would place group insurance provisions for school districts in Title 18A of the New Jersey Statutes (Education).

The committee amendments are technical and clarifying in nature, and address numerous drafting and grammatical errors.”

The committee wishes to emphasize that Assembly Bill No. 23, a necessary companion to this act, was also released to avoid any potential problems relating to group insurance for school districts.

OCTOBER 15, 1979

-3-

-- revise the tagging requirements for these birds.

-- revise the semi-wild preserve hunting season to clear up confusion in the existing language and make it consistent with other changes.

-- increase the annual semi-wild preserve license fees from \$25.00 to \$50.00 and the commercial shooting preserve license fees from \$100 to \$200.

A-1782, sponsored by Assemblyman W. Cary Edwards (R-Bergen), which permits local governments to buy new or used materials at public auctions for a price not to exceed 75 percent of the equivalent materials when new.

The purpose of the bill is to allow local governments to save money by purchasing used materials. The bill sets down several safeguards against abuse of the law.

A-3120, sponsored by Assemblyman Robert E. Littell (R-Sussex), which eliminates the present 30 year ceiling for water district bond maturity, substituting instead the provision that bonds shall mature within the period or average period of usefulness of the development to be financed as determined in the bond ordinance.

S-181, sponsored by Senator Wayne Dumont, Jr. (R-Warren), which authorizes the Delaware River Joint Toll Bridge Authority to construct and operate the proposed I-78 Phillipsburg-Easton Bridge as a toll bridge.

S-1125, sponsored by former Senator Martin L. Greenberg (D-Essex), which amends and clarifies the Municipal Land Use Law and further simplifies and makes more predictable the development application and review process.

The changes the bill makes are primarily technical in nature.

S-1216  
~~A-2074~~, sponsored by Senator Joseph P. Merlino, (D-Mercer), which creates a new chapter 10 in Title 40A, transferring all existing laws in Titles 40 and 40A relating to county and municipal insurance into that chapter.

The bill also makes the following changes in the current law.

-- permits municipalities to provide casualty loss or damage insurance for the vehicles, equipment and apparatus of volunteer first aid, emergency rescue or ambulance squads;

-- clarifies and recodifies the authority of local governments to establish insurance funds;

-more-

-- permits local governments to enter into contracts to provide drug prescription and other health benefit insurance;

-- specifies the types of insurance the municipality can provide for members of volunteer first aid, emergency, rescue or ambulance squads and volunteer fire companies

-- permits local governments to insure against tort claims within the limitations of the New Jersey Tort Claims Act.

A-1380, sponsored by Assemblyman H. Donald Stewart (D-Salem), which amends the Banking Act of 1948. The amendments will:

-- permit a bank to move its principal office to another municipality within 30 miles of its present principal office;

-- clarifies the difference in the law between "executive officers" and other "officers" of the bank;

-- increase from \$5,000 to \$10,000 the amount of money a bank may loan an executive officer and adds other provisions regarding advance loans checking accounts and mortgages to finance executives officers' childrens' education;

-- eliminate the requirement that an out of state federal reserve member may be a depository only if it is located in a city in which a federal reserve bank has its main office;

-- permit banks to own stock in one or more domestic insurance companies which are limited to insuring banks against fidelity losses and destruction of property.

A-1678, sponsored by Assemblyman Albert Burstein (D-Bergen), which amends and supplements the New Jersey Probate Code, which passed last year and became effective September 1, 1979. The amendments in this bill are effective immediately.

The amendments make the following changes:

-- deletes the requirement that a self-proved will (a will in which the signature of the witnesses are acknowledged by a notary public or lawyer at the time of signing rather than after the person making the will has died) bear the seal of the officer taking the acknowledgement;