

CORSA

Protection for Dishonesty/Faithful
Performance

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Difference Between Bond and Insurance Coverage

- Insurance – Insurer agrees to indemnify the insured for losses covered up to the limit of the policy.
- Bonds – The surety company pays on behalf of the elected official to make the county whole. However, the Elected Official is required to indemnify the surety company.

Crime Coverage

Employee Dishonesty / Faithful Performance Coverage:

Loss of Money, Securities and other property which the Member sustains resulting directly from one or more dishonest or fraudulent acts committed by an Official or Employee acting alone or in collusion with others, or from the failure of an Official or Employee to perform faithfully his duties or to account properly for all monies and property received by virtue of his position of employment.

Blanket Dishonesty/Faithful Performance Coverage

- Covers all officials and employees of the county who are not required by state statute to have an individual bond.

Individual Bonds

- Covers only individual named on the bond and is required by state statute.
 - Auditors Individual Bond: Minimum of \$5,000, Maximum of \$20,000

AG Opinion 65-87

- Where it is provided by statute that an individual shall file a performance bond to either qualify for office or employment, such individual is required to file an individual official bond.
- Such individual may not merely be included under a blanket bond.

Audit Findings

- CORSA reimburses county for failure of covered Employee to faithfully perform his duties.
- Coverage applies only to those individuals **NOT** required to carry an individual bond.

Discovery Period

Loss under the Employee Dishonesty / Faithful Performance is covered only if discovered no later than one year from the end of the **Coverage Period.**