

**M E M O R A N D U M**  
OFFICE OF THE  
**COUNTY EXECUTIVE**  
COUNTY OF PLACER

**TO:** Honorable Board of Supervisors  
**FROM:** Thomas M. Miller, County Executive Officer  
**BY:** Maryellen Peters, Deputy County Executive Officer  
**DATE:** September 7, 2010  
**SUBJECT:** Government Crime Insurance Policy in Lieu of Individual Bonds or Master Bond

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**REQUEST:** Approve the use of a government crime insurance policy in lieu of individual bonds or a master bond and authorize the Deputy CEO to exercise renewals of the government crime policy at each renewal period.

**BACKGROUND:** As a qualification for public office, many county officers are required to provide an official bond, which secures the faithful performance by such officers of their official duties. Government Code Sections 24150-24155. In addition to individual bonds, state law has evolved to provide other methods of meeting this requirement such as "blanket" or "master" bonds covering all such officers, or self-insurance of this obligation. (Government Code Section 1481; and Government Code Section 24156, respectively) In 2003, the state legislature enacted Government Code Section 1463, which provided an additional means of meeting this requirement through commercially available insurance policies. Section 1463 states as follows:

"For the purposes of this chapter, a government crime insurance policy or employee dishonesty insurance policy, including faithful performance, may be provided as an alternative to the official bond by any county or city, subject to approval by the presiding judge of the superior court and recording and filing as provided in Sections 1457 to 1460.1, inclusive. An insurance policy procured pursuant to this section may be used as a master bond as though it were an official bond, subject to approval of the appointing power or the legislative body as provided in Section 1481."

Placer County is a member of the California State Association of Counties Excess Insurance Authority Joint Powers Agreement. Placer County has in place a government crime insurance policy which is used in place of individual bonds or a master bond. Under Government Code Section 1481, the approval of your Board is required to utilize this method of satisfying the requirement of official bonds.

**FISCAL IMPACT:** The use of the government crime insurance policy is the most cost effective and administratively efficient method of meeting the statutory bonding requirement for County officers and their deputies and clerks. The Crime Bond is paid from the General Liability Budget and was budgeted appropriately.

