



**State of Louisiana**  
DIVISION OF ADMINISTRATION  
**OFFICE OF RISK MANAGEMENT**

M. J. AMIKE  $\cong$  FOSTER, JR.  
GOVERNOR

MARK C. DRENNEN  
COMMISSIONER OF ADMINISTRATION

February 18, 2002

**INSURANCE INFORMATION NOTICE NO. 2002-2**

**SUBJECT: STATE EMPLOYEE FAITHFUL PERFORMANCE BLANKET BOND EXCLUSION**

The Office of Risk Management (ORM) provides Employee Faithful Performance Blanket Bond coverage for all State employees through the Louisiana Self-Insurance Fund up to \$100,000 per occurrence, with excess coverage purchased through the commercial insurance market of an additional \$400,000 per occurrence. Thus, all employees, officers, directors, etc. are covered up to \$500,000 per occurrence.

This bond coverage excludes coverage for any employee immediately upon discovery by any official or employee authorized to manage, govern or control your employees, of any dishonest act committed by that employee whether before or after employment by your department, agency, board or commission.

If you or any of your supervisors are aware of any individual employed in your agency who previously committed any dishonest act, then ORM will deny any bond claim associated with this individual. The agency will bear any loss if it is known that this employee has been dishonest in the past, whether it was in prior employment or with another State entity.

**Employee dishonesty** is defined in the policies as any dishonest acts committed by an employee acting alone or in collusion with other persons, with the manifest intent to:

- (1) Cause you to sustain loss; and also
- (2) Obtain financial benefit (other than employee benefits earned in the normal course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions) for:
  - (a) The "employee"; or
  - (b) Any person or organization intended by the "employee" to receive that benefit.

If you have an employee that you know has had a prior bond loss or has been "dishonest" in the past, you should make sure this individual is not in a position to cause a loss to your agency since there is no coverage for this individual through ORM.

If you have any questions, please contact Tommy Arbour at (225) 342-8414.

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Whitman J. Kling, Jr.  
Acting State Risk Director