



STATE OF WASHINGTON
OFFICE OF FINANCIAL MANAGEMENT

DIVISION OF RISK MANAGEMENT

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www.ofm.wa.gov

August 18, 2004

[REDACTED]
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
P O BOX 45844
OLYMPIA WA 98504-5844

Re: Employee Dishonesty Blanket Bond
Policy #: 104238506
Policy Term: 8/1/04 to 8/1/05

In compliance with RCW 43.17.100, the referenced commercial insurance policy has been renewed. This policy provides coverage for loss sustained by the state of Washington through any fraudulent or dishonest act(s) committed by any of its employees.

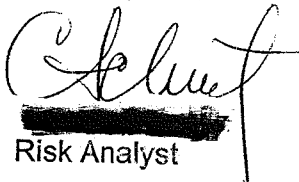
This year's renewal has been extremely difficult. Although Great American has provided the state fidelity coverage for a number of years, their quote for the 2004-2005 policy term was unacceptable. The state's insurance broker approached the insurance market, but because of the state's claims history and the number of audit findings relating to inadequate internal controls, it was not easy to find carriers willing to provide coverage.

We were able to obtain coverage but at a cost. Premium has doubled and the deductible has increased from \$100,000 to \$500,000. The policy limit remains at \$10,000,000 but there is a \$1,000,000 sub-limit for "losses of narcotics or any controlled substance, trading losses and property owned or held that is a part of a museum collection, whether on display to the public or otherwise".

Enclosed is an invoice for your agency's premium, which is based on FTEs. Please remit payment directly to the Office of Financial Management, Accounting Office, P O Box 43113.

Thank you and if you have any questions please contact me at [REDACTED]

Sincerely,


[REDACTED]
Risk Analyst