



ROBERT BROOKS

STATE REPRESENTATIVE • 60TH ASSEMBLY DISTRICT

Assembly Committee on Local Government

Wednesday, May 3, 2017

Room 400 Southeast State Capitol

10:00 A.M.

Testimony on Assembly Bill 168

Chairman Brooks and members of the Assembly Committee on Local Government, thank you for holding a hearing on Assembly Bill 168 and affording me with the opportunity to testify in favor of this legislation.

Assembly Bill 168 is a technical fix designed to remedy an outmoded law enacted by the legislature, more than one-hundred years ago, before a multitude of insurance options were available to municipalities.

Wisconsin law stipulates that certain municipal officials must, as a prerequisite to assuming office, file an official bond. The purpose of the bond is to protect the municipality and taxpayers against any loss of public funds which might occur when public officials fail to perform the duties of their respective office. In cities, the treasurer, comptroller, chief of police and municipal judge, to name a few, must execute and file an official bond with the city clerk's office as a qualification for that office.

Municipalities find the bonding requirements confusing and an unnecessary expense. Many have justifiably asked why it is necessary to pay for bonds for various elected and appointed municipal officials when the municipality has also purchased employee dishonesty and other insurance coverages designed to protect municipalities and taxpayers against losses caused by employee wrongdoing.

In essence, the purpose of this legislation is to make filing of official bonds permissive, not mandatory. I believe that local units of government have a greater understanding of their insurance needs than members of the legislature.

Thank you for your time and attention and I ask that you support this legislation. I would be happy to answer any questions.



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To: Assembly Committee on Local Government
From: Curt Witynski, J.D., Assistant Director, League of Wisconsin Municipalities
Date: May 3, 2017
Re: **AB 168, Changing the requirement that certain city and village officials must execute and file an official bond.**

The League of Wisconsin Municipalities strongly supports AB 168, making official bonds for certain municipal officers optional if the municipality purchases employee dishonesty insurance.

Municipalities often find the bonding requirement confusing and an unnecessary expense. They justifiably ask why it is necessary to pay for bonds for various elected and appointed municipal officials when the municipality has also purchased employee dishonesty and other insurance coverage designed to protect the municipality and its taxpayers against any potential losses caused by wrongdoing by an official.

We believe a municipality is better protected by purchasing an employee dishonesty insurance policy. The bonding requirements were put in place early in the state's history before other adequate insurance options existed. Under AB 168, a municipal governing body may choose to require bonding if they are more comfortable with that option, but would not be required to do so as long as they purchase an employee dishonesty insurance policy.

We urge you to recommend passage of AB 168. Thanks for considering our comments on this bill.



Protecting The Communities We Live In.

DIRECTORS

David Benforado

Village Trustee
Village of Shorewood Hills

David De Angelis

Village Manager
Village of Elm Grove

Joseph Laux

Administrator
City of Eagle River

Kathleen Morse

Clerk/Treasurer
City of Rice Lake

Mark Rohloff

City Manager
City of Oshkosh

Zachary Vruwink

Mayor
City of Wisconsin Rapids

Jerry Deschane

Executive Director
League of Wisconsin
Municipalities

OFFICER

Dennis Tweedale

Chief Executive Officer
League of Wisconsin
Municipalities Mutual
Insurance

PUBLIC OFFICIAL BONDS

- **BACKGROUND**
- **ISSUES**
- **POSSIBLE SOLUTIONS**

**PRESENTED BY:
DENNIS TWEEDALE, CEO
LEAGUE OF WISCONSIN
MUNICIPALITIES MUTUAL INSURANCE**

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LWMMI

League of Wisconsin Municipalities Mutual Insurance

WHO MUST FILE A PUBLIC OFFICIAL BOND?

Municipal Judge Bond Statute – 755.03

Public Official Bond Statutes – Town

60.31(2)

- Clerk
- Deputy Clerk
- Treasurer
- Deputy Treasurer
- Elected Assessor
- Constable
- Bond amount to be set by Town Board
- Blanket bond permitted

Public Official Bond Statutes – Village

- 61.22 – Bond amount fixed by Village Board when otherwise not prescribed / blanket bond permitted
- 61.25 – Clerk
- 61.26 – Treasurer
- 61.261 – Deputy Treasurer
- 61.28 – Marshal
- 61.29 – Constable

Public Official Bond Statutes – City

- 62.09 (4)(b) – Treasurer, Comptroller, Chief of Police & “such others as the statutes or the council may direct” / Bond sum determined by City Council / Blanket bond permitted
- 62.09(11)(i) – Discussion on Deputy Clerk

Treasurer’s Tax Collection Bond

70.67 Options

- Personal bond / surety – Minimum \$500,000
- Bond from surety company – Maximum \$250,000
- Municipal ordinance – Amount of tax collected for County

WHAT IS A PUBLIC OFFICIAL BOND?

Chapter 19.01(2) Oaths and Bonds

(2) FORM OF BOND. (a) Every official bond required of any public officer shall be in substantially the following form:

We, the undersigned, jointly and severally, undertake and agree that, who has been elected (or appointed) to the office of, will faithfully discharge the duties of the office according to law, and will pay to the parties entitled to receive the same, such damages, not exceeding in the aggregate dollars, as may be suffered by them in consequence of the failure of to discharge the duties of the office.

Dated,(Year)

....(Principal)....,

....(Surety)....,

(See Attachment A)

WHERE ARE BONDS FILED?

Official bonds executed by city officers must be filed in the office of the city clerk. If the city clerk is required by the common council to file a bond, the clerk must file the bond in the office of the city treasurer.

Similarly, official bonds executed by village officers must be filed in the office of the village clerk, except the village clerk is required to file the bond in the office of the village treasurer.

WHEN MUST A BOND BE FILED?

Public official bonds are usually made a prerequisite to the assumption of office. Failure of a municipal official to execute a required bond within the time prescribed by law creates a vacancy in that office.

The official bonds of city officers must be approved by the mayor, and when so approved must be filed within ten days after the officer has been notified of his or her election or appointment.

The official bonds of village officials must be approved by the village president. The village clerk, treasurer, and constable are required to file an official bond at the same time they take their

oath of office, which must be done within five days after receiving notice of election or appointment to office.

The only time limit for the filing of bonds by other municipal officials who are not required to take an official oath appears to be in sec. 19.01(5), which provides that every official required to file a bond shall do so before entering upon the duties of the office.

Local officials should bear in mind that a new bond is required for each term of office. Thus, incumbents who are reelected or reappointed must renew their bonds within the prescribed time periods. Also, bonds continue in force until the officer's successor is duly qualified and installed.

PROBLEMS

1. Bond Application – (See Attachment B)
Applicant agrees to indemnify Bonding Company for any loss.
2. Wisconsin Statute 19.015 – **Actions by the state, municipality or district.**
Whenever the state or any county, town, city, village, school district or technical college district is entitled to recover any damages, money, penalty or forfeiture on any official bond, the attorney general, county chairperson, town chairperson, mayor, village president, school board president or technical college district board chairperson, respectively, shall prosecute or cause to be prosecuted all necessary actions in the name of the state, or the municipality, against the officer giving the bond and the sureties for the recovery of the damages, money, penalty or forfeiture.
3. Wisconsin Statute 895.46 – **State and political subdivisions thereof to judgements taken against officers.**
(1) (a) If the defendant in any action or special proceeding is a public officer or employee and is proceeded against in an official capacity or is proceeded against as an individual because of acts committed while carrying out duties as an officer or employee and the jury or the court finds that the defendant was acting within the scope of employment, judgement as to damages and costs entered against the officer employee in excess of any insurance applicable to the officer employee shall be paid by the state or political subdivision which the defendant is an officer or employee. Agents of department of the state shall be covered by this section while acting within the scope of their agency. Regardless of the results the litigation the governmental unit, if it does not provide legal counsel to the defendant officer or employee, shall pay reasonable attorney fees and costs of defending the action, unless it is found by the court or jury that the defendant officer or employee did act within the scope of employment. The duty of a governmental unit to provide or pay for the provision of legal representation does not apply to the extent that applicable insurance provides that representation.

4. Standard Employee Dishonesty Insurance excludes “Bonded” positions and Tax Collector / Treasurer.

SOLUTIONS

1. High limits on Employee Dishonesty Insurance Policy with exclusions for Bonded Positions and Treasurer / Tax Collector removed – (See Attachment C)
2. Broad Public Official Liability Policy to cover intentional acts.
3. Change the Statute! – As recommended in Assembly Bill 168 and Senate Bill 122.

COPY

Wisconsin



Effective Date: May 1st, 2012

Western Surety Company

OFFICIAL BOND AND OATH

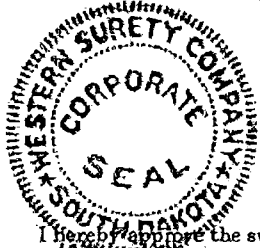
Bond No. 61326205

WE, THE UNDERSIGNED, JOINTLY AND SEVERALLY, UNDERTAKE AND AGREE

That,

appointed
 elected to the office of Deputy Treasurer in the
Village of Belleville, State of Wisconsin, will faithfully discharge the duties
of his said office according to law and will pay to the parties entitled to receive the same, such damages, not exceeding in
the aggregate Fifteen Thousand and 00/100 DOLLARS (\$ 15,000.00),
as may be suffered by them in consequence of his failure so to discharge such duties, for the term ~~ending~~
Indefinite

Dated this 11th day of April 2012



Principal
WESTERN SURETY COMPANY
By Paul T. Bruflat
Paul T. Bruflat, Senior Vice President

I hereby approve the sufficiency of the Surety named in the above bond this 17th day of

April 2012
April Little
Title Clerk/Treasurer

OATH OF OFFICE

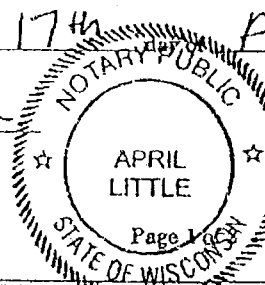
STATE OF WISCONSIN

County of Dane } as

I, the undersigned, who have been elected
 appointed to the office of Deputy Clerk/Treasurer
but have not yet entered upon the duties thereof, swear (or affirm) that I will support the Constitution of the United
States and the Constitution of the State of Wisconsin, and will faithfully discharge the duties of said office to the best of
my ability. So help me God.

Subscribed and sworn to before me this 17th April 2012 Principal

My commission expires
November 27 2012



April Little
April Little, Notary Public

APPLICATION

PUBLIC OFFICIAL BOND

1. Name of Applicant _____
 Address: _____
2. Bond Amount \$ _____ Effective Date _____
3. To whom payable _____
 (Exact Name of City, Village, Township, County Board or other political body)
4. Position of Applicant _____
5. Were you elected or appointed? _____
6. Term of office begins _____ Ends _____

IF BOND AMOUNT EXCEEDS \$25,000 PLEASE DATE, SIGN AND HAVE WITNESSED BELOW

In consideration of the execution by the Ohio Casualty Group of the bond herein applied for, I agree to pay the company's usual premium in advance while such bond or any continuation thereof remains in force; and I further agree to indemnify and keep indemnified the Company and hold and save it harmless from any and all liability, loss, cost, charges or expenses of whatever kind or nature, including reasonable attorney fees, which the Company shall at any time sustain or incur by reason or in consequence of having executed this bond or any continuation or renewal hereof; and to pay over, reimburse, and make good to the Company all sums of money which the Company shall pay on account of the execution of said bond any continuation or renewal thereof; and I hereby waive any homestead or other exemption to which I may be entitled under the laws of any state of the United States of America.

Dated this _____ day of _____

 (Signature of Applicant) (Seal)

WITNESS:

 (Signature of Witness)

Submitted by Producer/Agency: _____ Location _____

POLICY NUMBER: BD1 - 1835285



GOVERNMENT CRIME POLICY DECLARATIONS

In Return For The Payment Of The Premium, And Subject To All The Terms And Conditions Of This Policy, We Agree With You To Provide The Insurance As Stated In This Policy.

Coverage Is Written:

Primary
 Excess
 Coindemnity
 Concurrent

Company Name Area: The Hanover Insurance Company
Producer Name Area: R & R INSURANCE SERV INC
Named Insured:
(Also list any Employee Benefit Plan(s) Included as Insureds)
Mailing Address:
Policy Period
From: January 1, 2014
To: Until Cancelled 12:01 A.M. at your mailing address shown above.

Insuring Agreements	Limit of Insurance Per Occurrence	Deductible Amount Per Occurrence
1. Employee Theft - Per Loss	\$ 250,000.00	\$ 2,500.00
2. Employee Theft - Per Employee Coverage	Not Covered	Not Covered
3. Forgery Or Alteration	\$ 250,000.00	\$ 2,500.00
4. Inside The Premises - Theft of Money And Securities	Not Covered	Not Covered
5. Inside The Premises - Robbery Or Safe Burglary Of Other Property	Not Covered	Not Covered
6. Outside The Premises	Not Covered	Not Covered
7. Computer Fraud	\$ 250,000.00	\$ 2,500.00
8. Funds Transfer Fraud	\$ 250,000.00	\$ 2,500.00
9. Money Orders And Counterfeit Money	Not Covered	Not Covered

If "Not Covered" is inserted above opposite any specified Insuring Agreement, such Insuring Agreement and any other reference thereto in this policy is deleted.

GOVERNMENT CRIME COVERAGE FORM (LOSS SUSTAINED FORM)

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is or is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

A. Insuring Agreements

Coverage is provided under the following Insuring Agreements for which a Limit of Insurance is shown in the Declarations and applies to loss that you sustain resulting directly from an "occurrence" taking place during the Policy Period shown in the Declarations, except as provided in Condition E.1.j. or E.1.k., which is "discovered" by you during the Policy Period shown in the Declarations or during the period of time provided in the Extended Period To Discover Loss Condition E.1.f.:

1. Employee Theft – Per Loss Coverage

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

2. Employee Theft – Per Employee Coverage

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by each "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

3. Forgery Or Alteration

a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

(1) Made or drawn by or drawn upon you; or

(2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

For the purposes of this Insuring Agreement, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

b. If you are sued for refusing to pay any instrument covered in Paragraph 3.a., on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

4. Inside The Premises – Theft Of Money And Securities

a. We will pay for loss of "money" and "securities" inside the "premises" or "banking premises":

(1) Resulting directly from "theft" committed by a person present inside such "premises" or "banking premises"; or

(2) Resulting directly from disappearance or destruction.

b. We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", if you are the owner of the "premises" or are liable for damage to it.

- c. We will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of or unlawful entry into those containers.

5. Inside The Premises – Robbery Or Safe Burglary Of Other Property

- a. We will pay for loss of or damage to "other property":
 - (1) Inside the "premises" resulting directly from an actual or attempted "robbery" of a "custodian"; or
 - (2) Inside the "premises" in a safe or vault resulting directly from an actual or attempted "safe burglary".
- b. We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "robbery" or "safe burglary" of "other property", if you are the owner of the "premises" or are liable for damage to it.
- c. We will pay for loss of or damage to a locked safe or vault located inside the "premises" resulting directly from an actual or attempted "robbery" or "safe burglary".

6. Outside The Premises

- a. We will pay for loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft", disappearance or destruction.
- b. We will pay for loss of or damage to "other property" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from an actual or attempted "robbery".

7. Computer Fraud

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the "premises" or "banking premises":

- a. To a person (other than a "messenger") outside those "premises"; or
- b. To a place outside those "premises".

8. Funds Transfer Fraud

We will pay for loss of "funds" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

9. Money Orders And Counterfeit Money

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

- a. Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- b. "Counterfeit money" that is acquired during the regular course of business.

B. Limit Of Insurance

The most we will pay for all loss resulting directly from an "occurrence" is the applicable Limit of Insurance shown in the Declarations.

If any loss is covered under more than one Insuring Agreement or Coverage, the most we will pay for such loss shall not exceed the largest Limit of Insurance available under any one of those Insuring Agreements or Coverages.

C. Deductible

We will not pay for loss resulting directly from an "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

D. Exclusions

- 1. This insurance does not cover:

- a. **Acts Committed By You**

- Loss resulting from "theft" or any other dishonest act committed by you, whether acting alone or in collusion with other persons.

- b. **Acts Of Employees Learned Of By You Prior To The Policy Period**

- Loss caused by an "employee" if the "employee" had also committed "theft" or any other dishonest act prior to the effective date of this insurance and you or any of your officials, not in collusion with the "employee", learned of that "theft" or dishonest act prior to the Policy Period shown in the Declarations.

c. Acts Of Officials, Employees Or Representatives

Loss resulting from "theft" or any other dishonest act committed by any of your officials, "employees" or authorized representatives:

- (1) Whether acting alone or in collusion with other persons; or
- (2) While performing services for you or otherwise;

except when covered under Insuring Agreement A.1. or A.2.

d. Confidential Information

Loss resulting from:

- (1) The unauthorized disclosure of your confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or
- (2) The unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information, credit card information or similar non-public information.

e. Governmental Action

Loss resulting from seizure or destruction of property by order of governmental authority.

f. Indirect Loss

Loss that is an indirect result of an "occurrence" covered by this insurance including, but not limited to, loss resulting from:

- (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property".
- (2) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

g. Legal Fees, Costs And Expenses

Fees, costs and expenses incurred by you which are related to any legal action, except when covered under Insuring Agreement A.3.

h. Nuclear Hazard

Loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

i. Pollution

Loss or damage caused by or resulting from pollution. Pollution means the discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

j. War And Similar Action

Loss or damage resulting from:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

2. Insuring Agreements A.1. and A.2. do not cover:

a. Bonded Employees

Loss caused by any "employee" required by law to be individually bonded.

b. Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

c. Trading

Loss resulting from trading, whether in your name or in a genuine or fictitious account.

d. Treasurers Or Tax Collectors

Loss caused by any treasurer or tax collector by whatever name known.

3. Insuring Agreements A.4., A.5. and A.6. do not cover:

a. Accounting Or Arithmetical Errors Or Omissions

Loss resulting from accounting or arithmetical errors or omissions.

b. Exchanges Or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

c. Fire

Loss or damage resulting from fire, however caused, except:

- (1) Loss of or damage to "money" and "securities"; and
- (2) Loss from damage to a safe or vault.

d. Money Operated Devices

Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

e. Motor Vehicles Or Equipment And Accessories

Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.

f. Transfer Or Surrender Of Property

- (1) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":
 - (a) On the basis of unauthorized instructions;
 - (b) As a result of a threat to do bodily harm to any person;
 - (c) As a result of a threat to do damage to any property;
 - (d) As a result of a threat to introduce a denial of service attack into your computer system;
 - (e) As a result of a threat to introduce a virus or other malicious instruction into your computer system which is designed to damage, destroy or corrupt data or computer programs stored within your computer system;
 - (f) As a result of a threat to contaminate, pollute or render substandard your products or goods; or

(g) As a result of a threat to disseminate, divulge or utilize:

- (i) Your confidential information; or
- (ii) Weaknesses in the source code within your computer system.

(2) But, this Exclusion does not apply under Insuring Agreement A.6. to loss of "money", "securities" or "other property" while outside the "premises" in the care and custody of a "messenger" if you:

- (a) Had no knowledge of any threat at the time the conveyance began; or
- (b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

g. Vandalism

Loss from damage to the "premises" or its exterior, or to any safe, vault, cash register, cash box, cash drawer or "other property" by vandalism or malicious mischief.

h. Voluntary Parting Of Title To Or Possession Of Property

Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

4. Insuring Agreement A.7. does not cover:

a. Credit Card Transactions

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

b. Funds Transfer Fraud

Loss resulting from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

c. Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

5. Insuring Agreement A.8. does not cover:

COMPUTER FRAUD

Loss resulting from the use of any computer to fraudulently cause a transfer of "money", "securities" or "other property".

**COURT AND PUBLIC OFFICIAL
BOND APPLICATION**



Fax Number: 1-517-327-4827
Phone Number: 1-800-445-4185 X1060 (MI ONLY)
1-800-346-0346 X1060 (ALL OTHERS)
bonds.und@aoins.com

P.O. BOX 30660 • LANSING, MICHIGAN 48909-8160

AGENCY INFORMATION

Agency Name: R. S. Semler & Associates Insurance, Inc. Agency Code: 23-0041-00
Producer Name: Craig R. Semler Producer Code: _____

Please execute the following bond. I have executed bond number: _____
(Check your power of attorney Letter of Instructions)
Bond Form Used (Copy must be attached): Auto-Owners Form Obligee Form

APPLICANT INFORMATION (PLEASE PRINT OR TYPE AND ATTACH ALL PAPERS FOR THIS BOND)

Entity: Individual Partnership Corporation LLC Other: _____
Principal (Applicant) Name: Richard J. Goeckner
Social Security Number: 331-52-0450
Residence Address: 10421 Lawndale Drive, Cedarburg WI 53012
Mailing Address (If different from residence address): _____
Applicant's Business Description or Latest Occupation: Village Clerk
Name to appear on bond, if different from Applicant: _____
Business Name (if applicable): _____
Business Location Address: _____
Phone Number: _____ Fax Number: _____
E-mail: rgoekner@village.newburg.wi.us Website: _____
Date business was established: _____ Federal Tax ID Number (FEIN): _____
Obligee Name and Address (party requiring the bond): Village of Newburg, P.O. Box 50, Newburg WI 53050

Bond Amount: \$50,000 Effective Date: ASAP TBD Bond Term (if known): _____

COURT BONDS

PLAINTIFF APPEAL BONDS

Title of Case: _____ vs _____
If a replevin, attachment or indemnity to sheriff, please describe the property to be seized and its location(s): _____
If judgment has already been rendered, please give the date and nature of the judgment: _____

PROBATE BONDS

PUBLIC ADMINISTRATORS AND PUBLIC GUARDIANS ARE NOT ELIGIBLE FOR OUR PROGRAM.

Is the Applicant indebted to the estate or trust? Yes No

If yes, please explain: _____

What is the Applicant's relationship to the deceased or ward? _____

What is the Applicant's net worth? _____

Has anyone objected to the Applicant's appointment as fiduciary? Yes No

What is the Applicant's experience in handling fiduciary responsibilities? _____

Name of deceased or ward: _____

Date of Death: _____ Date of Appointment: _____

If the appointment was over six months ago, please explain the delay:
(If there was a delay, DO NOT execute the bond. Please refer this application to an underwriter for approval.)

Who are the heirs of this estate? _____

Will any going business (excluding farms) of the estate be continued by the fiduciary? Yes No
(If yes, please send a copy of the court order.)

Name of Minor(s): _____

Date of Birth: _____

Name of Incompetent: _____

Date of Birth: _____ Health Status: _____

Are guardianship funds to be used for support of the ward? Yes No

If yes, approximately how much per month? _____ (Please send a copy of the court order authorizing the monthly expenditures.)

What is the source of the guardianship funds? _____
(If an insurance settlement is the source, DO NOT execute the bond. Please refer this application to an underwriter for approval.)

Please describe the assets of the estate or trust: _____

Inventory of the Assets:

Cash: _____ Securities: _____

Real Estate: _____ Other: _____

Is the bond required on the demand of an interested person? Yes No

If yes, who? _____

Will the attorney remain involved throughout the duration of this estate? Yes No
(If an attorney will not be involved, DO NOT write the bond. Please refer this application to an underwriter for approval.)

Name of Attorney: _____ Name of Firm: _____

Firm's Address: _____

Firm's Telephone Number: _____

RECEIVER, BANKRUPTCY TRUSTEE OR ASSIGNEE BONDS

Please attach a copy of the court order, judgment and/or any other documents pertaining to this action.

Debtor Name: _____

Debtor Address: _____

Type of Action (liquidation, reorganization, receiver of rents, etc.): _____

Does the Applicant carry fidelity coverage? Yes No

If yes, in what amount? _____

Who is the carrier? _____

Does the Applicant carry professional liability and/or errors and omissions coverage?..... Yes No If yes, in what amount?

Professional Liability Amount: _____

Who is the professional liability carrier? _____

Errors and Omissions Amount: _____

Who is the errors and omissions carrier? _____

PUBLIC OFFICIAL BONDS

Position Title: Village Treasurer/Administrator Was the Applicant elected or appointed? Appointed

Has the Applicant previously occupied this position?..... Yes No From: _____ To: _____

What surety wrote your bond for that term? _____

How often will the Applicant's accounts be audited? Annually By Whom? Johnson, Block & Company Madison WI (CPA)

Estimated net worth of Applicant: _____

If the Applicant is a peace officer, how many years of experience do they have? _____

Has the Applicant ever had a bond claim filed against them?..... Yes No

If yes, please explain: _____

Has the public body had any losses caused by employee dishonesty in the past five years?..... Yes No

Is the Applicant replacing their predecessor mid-term? Yes No

If yes, why? previous treasurer terminated her employment with the Village of Newburg

GENERAL COMMENTS

This individual has bond #66158880 with AutoOwners Insurance, as he is also the Village Clerk.

FRAUD STATEMENTS

FLORIDA ONLY "Any person who knowingly and with intent to injure, defraud or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree."

ALL STATES EXCEPT FLORIDA "Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act which is a crime and may be subject to penalties including imprisonment, fines and denial of insurance benefits."

INDEMNITY AGREEMENT

The undersigned applicant and indemnitors hereby request Auto-Owners Insurance Company (the "Company") to become surety for the above bond. The undersigned hereby certify the truth of all statements in the application, authorize the Company to verify this information and to obtain additional information from any source, including obtaining a credit report at the time of application, in any review or renewal, at the time of any potential or actual claim, or for any other legitimate purposes as determined by the Company in its reasonable discretion, and jointly and severally agree:

- (1) To pay the usual premiums, including renewal premiums, to the Company or its agents, when due,
- (2) To completely INDEMNIFY the Company from and against any liability, loss, cost, attorney's fees and expenses whatsoever which the Company shall at any time sustain as surety or by reason of having been surety on the bond or any other bond issued for applicant, or for the enforcement of this agreement, or in obtaining a release or evidence of termination under such bonds; regardless of whether such liability, loss, costs, damages, attorney's fees and expenses are caused, or alleged to be caused, by the negligence of the Company,
- (3) To furnish the Company with satisfactory and conclusive termination evidence that there is no further liability on this bond or any other bond issued for applicant,
- (4) Upon demand by the Company for any reason whatsoever, to deposit current funds with the Company in an amount sufficient to satisfy any claim against the Company by reason of such suretyship,
- (5) That the Company shall have the right to handle or settle any claim or suit in good faith. An itemized statement of loss and expense incurred by the Company, sworn to by an officer of the Company, shall be prima facie evidence of the fact and extent of the liability of the undersigned to the Company.
- (6) That the Company may decline to become surety on any bond and may cancel or amend any bond without cause and without any liability which might arise therefrom.
- (7) That the Company shall, without notice, have the right to alter the penalty, terms and conditions of any bond issued for undersigned, and this agreement shall apply to any such altered bond,
- (8) That if a contract or performance bond is issued hereunder, the undersigned hereby assign to the Company any monies now due or hereafter becoming due under the contract, including all deferred payments and retained percentage, supplies, tools, plants, equipment and materials due or used on the contract.
- (9) At the Company's discretion, this indemnity agreement shall be governed in all respects by the laws of the State of Michigan and the undersigned applicant and indemnitors consent to the jurisdiction of the courts of the State of Michigan and the United States District Court for the District of Michigan in all actions or proceedings arising from or relating to this indemnity agreement,
- (10) That this indemnity may be cancelled as to subsequent liability by an indemnitor upon written notice to the Company at P.O. Box 30660, Lansing, Michigan 48909, effective ten (10) days after the earliest date hereafter upon which the Company could have cancelled all bonds in force for applicant,
- (11) In the event of any payment by the Company, to pay the Company interest on each amounts at the highest legal rate from the date such payments are made.

Applicant and spouse MUST sign this indemnity agreement for surety bonds if the bond exceeds \$25,000. The Company reserves the right to require signed indemnity at its discretion.

Signed this _____ day of _____, _____.

1. _____
2. _____
3. _____

PROXY DESIGNATION

I designate J.F. Harrold, J.S. Tagsold, and D.J. Thelen, and each of them, attorneys and proxies, with power of substitution and revocation to each, to vote as proxy at all meetings of the Company, and at any and all adjournments thereof. The powers hereunder shall be exercised by a majority of said attorneys and proxies so present, but if only one is present, then that one shall have full power to act.

Applicant's Signature and Date: _____