



# BARRIER REMOVED

## HIGHLIGHTS OF THE FEDERAL BONDING PROGRAM

The **FEDERAL BONDING PROGRAM (FBP)** provides individual fidelity bonds to employers for at risk job applicants who are (or may be) denied coverage by commercial carriers because of a:

- **Record of arrest, conviction, or imprisonment**
- **History of alcohol or drug abuse**
- **Poor credit history**
- **Lack of an employment history**
- **Dishonorable discharge**

***FBP coverage is provided at no cost to the employer  
or the job applicant.***

### What Is Bonding?

Many employers carry insurance to protect themselves against employee theft or dishonesty. Employees who handle money or valuable tools or goods are covered. This insurance is called fidelity bonding. When such commercial insurance is denied because of an individual's background, the employer often denies a job to that person.

## **How Does the Federal Bonding Program Work?**

### **Eligibility**

Fidelity Bonds:

- Can be issued for any job at any employer in any state
- Cover any employee dishonesty committed on or away from the employer's work facility
- Cover any full or part-time employee paid wages (with Federal taxes automatically deducted from pay) including those hired by temporary staffing agencies.
- Assist job seekers in securing employment as well as already employed workers who need bonding to prevent being laid off or to secure a transfer or promotion to a different job within their company
- Cannot be issued to self-employed individuals

### **Application**

Coverage is provided by the Travelers Property Casualty Insurance Company through the Federal Bonding Program, which is administered by the State Employment Security Agency. The prospective employer may apply for fidelity bonding insurance by calling the State Bonding Coordinator listed below.

### **Processing**

The Federal Bonding processing has been streamlined to take only a few minutes. The employer calls the State Bonding Coordinator on the new hire's first day of work. After a simple interview with the employer over the phone, the Bonding Coordinator instantly issues the bond. There is no follow-up and no termination actions required by the employer.

### **Coverage**

Coverage usually begins on the first day of work for the new employee. The bond is mailed to the employer by Travelers.

A representative of your local employment security office can help you match the amount of the FBP coverage to the exact needs of the potential employee.

The \$5,000 bond may cover a period of up to six months. However, at the end of the FBP coverage, if the employer cannot arrange for bonding through his/her own insurance company, or through another commercial underwriter, the Travelers Casualty and Surety Company will arrange for Company standard commercial bonding coverage. This coverage will be arranged for any bondee who has been bonded for a reasonable time period without default under the Federal Bonding Program.

For more information contact:

Charles Rose  
State Bonding Coordinator  
717-787-6915

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