



BONDING IS A JOB PLACEMENT TOOL

NOW YOU CAN HIRE AND YOU CAN BE HIRED BECAUSE... The Federal Bonding Program (FBP) provides individual fidelity bonds to employers for at-risk job seekers who are (or may be) denied coverage by commercial carriers, such as:

- Justice-involved men, women and youth
- Individuals in recovery from substance use disorders
- TANF recipients
- Individuals with poor credit records
- Economically disadvantaged youth and adults who lack work histories
- Individuals dishonorably discharged from the military

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

ELIGIBILITY... Fidelity bonding may be provided for any individual who:

- Is not commercially bondable;
- Meets the legal working age set by the state in which the job exists;
- Has a firm job offer and is qualified for the job;
- Is offered full-time, steady work with reasonable expectation of permanence;
- Is not self-employed (bondee must be an employee who earns wages with federal taxes automatically deducted from paycheck); or
- Is already employed, but needs bonding in order to: (a) prevent being laid off; or (b) secure a promotion to a new job at the company.

APPLICATION... Coverage is provided by Chubb Insurance through the FBP, which is administered by the State Employment Security Agency. Either the job applicant or the prospective employer (on behalf of an applicant or employee) may apply for fidelity bonding insurance at any local office of the State Workforce Agency.

There are more than 1,700 of these offices throughout the United States, its possessions and territories. These offices often are identified as the State Job Service or workforce center.

PROCESSING... The application procedure is simple and quick. Bonding coverage becomes effective immediately when:

- The authorized state or local employment security office personnel have certified the bond (the process usually takes one or two days); and
- The applicant has a job offer with a date scheduled to start work or has begun work.

COVERAGE... The FBP provides the following coverage:

- Bonds are issued instantly to be in effect the day that the applicant is scheduled to start work. The bonds are self-terminating (no termination paperwork needed), and the employer does not sign any papers in order to receive the bond free of charge.
- The bond insurance issued provides \$5,000 coverage for a six-month period with no deductible amount (employer gets 100 percent insurance coverage).
- The bond is mailed to the employer by Union Insurance Group, an agent for Chubb Insurance.
- When the bond coverage expires, continued bond coverage can be purchased from Chubb Insurance by the employer if the worker demonstrated job honesty under coverage provided by the FBP. Coverage will be arranged for any bondee who has been bonded for a reasonable period of time without default under the FBP.
- This bond does not cover "liability" due to poor workmanship, job injuries, work accidents, etc. It is not a bail bond or court bond needed in adjudications. It is not a bond needed for self-employment

(contract bond, license bond or performance bond).

BONDING SERVICES USERS

State Employment Service Offices
 Workforce Centers
 Workforce Investment Act (WIA) System
 One-Stop Career Centers
 Occupational Training Organizations
 Offender Placement Networks
 Welfare-to-Work Programs



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