

Minnesota Federal Bonding Program

Hire At-Risk Employees with No-Cost Bonding Insurance

Fidelity Bonding is no-cost employee dishonesty insurance that protects employers against employee theft of any money or property by means of theft, larceny, forgery or embezzlement. The Minnesota Federal Bonding Program provides individual Fidelity Bonds to employers for new or current employees who may be denied coverage by commercial carriers because of a:

- Record of arrest, conviction or imprisonment
- Economically disadvantaged youth or adults who lack a work history
- History of alcohol or drug abuse
- Poor credit history
- Welfare recipients
- Dishonorable discharge
- Lack of employment history
- Anyone who cannot secure employment without being bonded

How the Program Works

To be eligible for the bonding service, a person must have a full or part-time job or a job offer with a date set to start work. Also, the wages must be paid with Federal taxes automatically deducted from the paycheck. Self-employment is not eligible for the service.

Application - The Fidelity Bond is issued as a policy of Travelers Property Casualty. The Minnesota Department of Employment and Economic Development is an authorized agency for the issuance of these Fidelity Bonds. The employer can contact the Minnesota Federal Bonding Coordinator to apply for a Fidelity Bond.

Processing - There are no papers for the employer to sign. The Fidelity Bond coverage for current employees is effective when the Minnesota Federal Bonding Coordinator certifies the bond. For new employees, the Fidelity Bond is effective the day the employee begins work.

Coverage - The Fidelity Bond has "no deductible" and the amount of insurance issued is \$5,000. The Fidelity Bond is mailed to the employer by Travelers Property Casualty. The duration of the Fidelity Bond is six months. If the bondee demonstrates honesty during the six months, Travelers Property Casualty will make a standard commercial policy available for the employer to purchase.

MN Federal Bonding Coordinator

WEBSITE: <http://mn.gov/deed>
(enter keyword "Bonding")

EMAIL: deed.wotc@state.mn.us
PHONE: 651-259-7521 or 1-888-234-5521

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