Coverage

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

Bonds are usually issued in the amount of $5,000.00, and cover a six-month period beginning on the first day of employment. At the end of the FBP Coverage the Travelers Property Casualty Company will arrange a bond for any bondee who has been bonded without default under the Federal Bonding Program.

How successful is the Program?

A recent report showed that about 40,000 bonds have been issued.

- The default rate for the Federal Bonding Program is under two percent. This means that claims have been paid on fewer than one in fifty bondees.
- Employers of FBP bondees have expressed a high degree of satisfaction with their performance.

Oklahoma Employment Security Commission

Toll free:

1-888-980-WORK

W·O·R·K·F·O·R·C·E

OKLAHOMA

Federal Bonding Program

No Bond, No Job

Barrier Removed

What is the Federal Bonding Program?

The Federal Bonding Program provides individual fidelity bonds to employers for job applicants who have a barrier to employment. Any at-risk job applicant is eligible for bonding services, including:

- Ex-offenders, ex-addicts; welfare recipients and other persons having poor credit, poor youth who lack a work history, individuals dishonorably discharged from the military; and
- Anyone who cannot secure employment without bonding.
- Self-employed persons are NOT eligible for bonding services.
- Persons who are not bondable can ultimately become commercially bondable by demonstrating job honesty during the six months of bond coverage under the Federal Bonding Program.

The application procedure is simple, and can be done at any Workforce Office or by telephone.

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. Federal Bonding covers any type of stealing: theft; forgery; larceny; and embezzlement. It is, in effect, a guarantee of worker job honesty.

- Federal Bonding does NOT cover liability due to poor workmanship, job injuries, or work accidents.
- It is not a bail bond or court bond .

Eligibility

Fidelity bonding may be provided for any individual who has a firm job offer and is qualified for the job. The job offers full-time (at least 30 hours per week) steady work with reasonable expectation of permanence, and is not self-employment.

Application

Coverage is provided by the Travelers Property Casualty Company through the Federal Bonding Program, which is administered by the Oklahoma Employment Security Commission ("OESC"). Either the job applicant or the prospective employer (on behalf of the applicant) may apply for fidelity bonding insurance at any Workforce Office or by telephone.

- There is no deductible in bond insurance amount if employee dishonesty occurs.
- There is no follow-up and no termination actions required.

Processing

The application procedure is simple and quick. Bonding coverage becomes effective on the first day of employment following the application process.

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