



## NEW YORK STATE DEPARTMENT OF LABOR FEDERAL BONDING PROGRAM

### ***SUMMARY OF PROGRAM***

The Federal Bonding Program is a means by which the Department of Labor has arranged fidelity bond insurance coverage to be given to employers to guarantee the job honesty of ex-offenders, welfare recipients, those with poor work histories, youth, and other high-risk job applicants.

### ***ELIGIBILITY***

(a) **EMPLOYER**- Employers are eligible if they are hiring for a full-time job of at least 30 hours a week that should last at least six months. Any job at any employer can be covered by the bond insurance.

(b) **EMPLOYEES**- Employees are eligible if they have the occupational skills needed to fill the job. Self-employment is not covered. No bondee may be covered for more than one job at the same time.

### ***AMOUNT OF BOND***

Bonds are either \$5,000 or \$10,000. Bonds are automatically issued for \$5,000, unless the State Bonding Coordinator, or designee, approves the local office request for \$10,000.

### ***DURATION OF BOND***

The Federal Bonding Program insurance policy is issued free-of-charge to the employer for a six-month duration. (Should the worker covered by the bond change jobs before the end of the six months of insurance coverage, a second and final bond covering the same worker can be issued to the new employer.) At the end of the six months of free bond coverage, if the worker has not caused a claim to be paid to the employer under the bond, the employer can choose to arrange to purchase continued bond coverage for the same worker at the regular commercial rate.

### ***EFFECTIVE DATE OF COVERAGE***

The bond is effective on the date the employee starts work, or immediately upon the signature of the local Department of Labor Bonding Representative if the employee has already started work. Employer signature is not required. The bond will be mailed directly to the employer by the Travelers Property Casualty Company. Bonds are issued through the insurer's agent, the McLaughlin Company, in Washington, D.C.

### ***COSTS***

All costs are borne by the New York State Department of Labor.

### ***HOW TO APPLY***

To obtain a bond, the prospective employer or employee applies at any New York State Labor Department Office and shows that a valid job exists, that the employee meets the job qualifications, and that the bond is needed for the employee to keep the job.

### ***ADDITIONAL INFORMATION***

Questions concerning this program may be directed to the New York State Bonding Coordinator, telephone (518) 485-2151.