

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 access to \$5,000-\$25,000 of coverage for an employee's first six months of employment. Fidelity Bonds are issued to 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 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 - Bonds are provided at no cost to the employer or the job candidate through the State Bonding Coordinator. The Fidelity Bond reimburses the employer for the dishonest acts of the employee for a six-month term and may be renewed for a second six-month term upon request. Each bond has a \$5,000 limit with a \$0 deductible so there are never any out-of-pocket expenses for the employer.

*For More Information
Contact Bonding Coordinator:*

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

Email: fidelitybondingprogram.DEED@state.mn.us

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