



Fidelity Bonding Program (FBP) of Michigan

The Workforce Development Agency (WDA) offers free-of-charge Fidelity Bonding to help high-risk job seekers obtain employment. A Fidelity Bond is a business insurance policy of the Travelers Casualty and Surety Company of America that insures an employer against employee theft, forgery, larceny, and embezzlement.

The Fidelity Bonding Program (FBP) of Michigan is an incentive for employers to hire job seekers who are qualified, but who are considered high-risk because of a factor in their personal background. The bonding program allows employers to obtain workers without taking a risk and allows high-risk job seekers to find work. The WDA sponsors the program that will make a Fidelity Bond available for any job seeker who has a bona-fide offer of employment.

Those eligible for this program include the following individuals:

- People with poor credit records including bankruptcies
- Economically disadvantaged youth and adults who lack a work history
- Welfare assistance recipients
- Recovering substance abusers
- Ex-offenders
- Dishonorably discharged from military service
- Youth in apprenticeships
- Those who cannot be commercially bonded

Either the employer or the job seeker may request the bond. A bond can be issued to the employer as soon as the job seeker has an offer. Workers must meet the legal working age. Self-employed people are not eligible. Workers must be paid wages with federal taxes automatically deducted from their pay in order to qualify for the program. Fidelity bonding is free for the first six months' coverage.

Bonding assistance is available through local Michigan Works! Agency (MWA) Service Center. A MWA Service Center provider will request a letter from the employer offering the job seeker employment and stating the starting date, job title, rate of pay, conditions of work, and that the offer of employment is for full time employment and conditional upon the job seeker receiving a Fidelity Bond. The Bonding dollar amount ranges from a minimum of \$5,000 to a maximum of \$25,000 in multiples of \$5,000. The employer must include a justification statement in the offer of employment letter if the amount requested is over \$5,000.

Once the bond request is processed, the free-of-charge bond is mailed directly to the employer. The job start date is the effective date of the bond insurance. The bond insurance expires after six months; however, the employer may purchase continued coverage from the Travelers Property Casualty Insurance Company. The employer may contact the insurance company, or a MWA Service Center provider to extend the bonding insurance coverage. For additional information about the FBP, contact the MWA at: 1-800-285-WORKS or access the FBP information at: www.mitalent.org/fidelity-bonding-program



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