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Office of Workforce Development

Fidelity Bonding Program

What Is Fidelity Bonding?

- Insurance to protect employer against employee dishonesty
- Covers any type of stealing: theft, forgery, larceny, and embezzlement
- In effect, a guarantee of worker job honesty
- An incentive to the employer to hire an at-risk job applicant
- A unique tool for marketing applicants to employers
- DOES NOT cover ‘liability’ due to poor workmanship, job injuries, work accidents, etc.
- Is NOT a bail bond or court bond needed in adjudication
- Is NOT a bond needed for self-employment (contract bond, license bond or performance bond)

Why Is Fidelity Bonding Needed for Job Placement?

- Employers view ex-offenders and other at-risk job seekers as potentially untrustworthy workers, thereby, denying them job-hire
- Insurance companies will not cover risky job applicants under commercial Fidelity Bonds purchased by employers to protect themselves against employee dishonesty
- Anyone who has ever “committed a fraudulent or dishonest act” is deemed NOT BONDABLE by insurance companies, a situation leading to routine denial of employment opportunities for such persons
- Being NOT BONDABLE is a significant barrier to employment possessed by the hardest-to-place job applicants; this barrier can be eliminated only by The Federal Bonding Program
- Job bonding enables the employer to “obtain worker skills without taking risk”
- Persons who are NOT BONDABLE can ultimately become commercially BONDABLE by demonstrating job honesty during the 6 months of bond coverage under the Federal Bonding Program (such commercial bonding will be made available by the Travelers Casualty and Surety Company of America; referred to hereafter as TRAVELERS)

Who Is Eligible for Bonding Services?

- Any at-risk job applicant is eligible for bonding services, including: ex-offenders, recovering substance abusers (alcohol or drugs), welfare recipients and other persons having poor financial credit, economically disadvantaged youth and adults who lack a work history, individuals dishonorably discharged from the military, and others
- Anyone who cannot secure employment without bonding
- Self-employed persons are NOT ELIGIBLE for bonding services (bondee must be an employee who earns wages with Federal taxes automatically deducted from paycheck)

- Bonds can be issued to cover already employed workers who need bonding in order to (a) prevent being laid off, or (b) secure a transfer or promotion to a new job at the company.
- Bonding coverage can apply to any job at any employer who has a tax identification number for the state of Louisiana.

How Can Bonds Be Accessed Under the Federal Bonding Program?

- Louisiana Workforce Commission is now eligible to deliver bonding services under The Federal Bonding Program
- The Fidelity Bonds issued to employers covering at-risk applicants are made available exclusively to The Federal Bonding Program by the which is not duplicated by any other federal or state program
- Bonds are issued instantly to be in effect the day that the applicant is scheduled to start work and at no cost to the employer
- The bond insurance issued ranges from \$5,000 to \$25,000 coverage for a 6-month period with no deductible amount (employer gets 100% insurance coverage); when this bond coverage expires, continued bond coverage can be purchased from the McLaughlin Company who is the agent for Travelers by the employer if the worker demonstrated job honesty under coverage provided by The Federal Bonding Program
- Bond can be issued to the employer as soon as the applicant has a job offer with a date scheduled to start work

Louisiana Workforce Commission Bonding Scale

Hourly Wage	Yearly Wage	Bond Amount
\$8.00 - \$9.61	\$16,640 – \$19,999	\$5,000
\$9.62 – \$14.42	\$20,000 - \$29,999	\$10,000
\$14.43 - \$19.23	\$30,000 - \$39,999	\$15,000
\$19.24 - \$24.03	\$40,000 - \$49,999	\$20,000
\$24.05 and up	\$50,000 and up	\$25,000

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