

Desk Aid

Background

A fidelity bond is a form of insurance protection that covers the policyholder/employer for a loss caused by a one-time act of dishonesty (theft, forgery, larceny, and embezzlement) of a specific employee. An employer's risk for potential loss is most often covered with a \$5,000 bond. The bond is issued for six months. After the six-month period, if no claim was paid - Travelers Property Casualty Insurance offers employers another six-month fidelity bond at regular commercial rates.

When a customer has a background that would make her a high-risk hire – tell her about fidelity bonding, teach her to offer bonding to potential employers as a hiring incentive and give her an information flyer (Federal Fidelity Bonding for Texas Employers) to share during job interviews.

To apply for the bond – the employer will call Workforce Solutions Employer Service Central Office. The employer must plan to hire the individual in permanent, full-time employment of 30 or more hours per week in a traditional “employer-employee” relationship (not contract or self-employment). Employers Service staff will take information from an employer over the phone - to complete the bond application and submit it for approval.

Eligible Customers

- Customers eligible for courtesy bonds include:
 - individuals with records of arrest, probation, or any police record
 - applicants with poor credit histories, including bankruptcy (self-certification)
 - veterans dishonorably discharged from the military
 - public assistance recipients
 - applicants with a substance abuse history (self-certification)
 - low-income youth who lack a work history
 - anyone who cannot secure bonding through the regular commercial system

Staff Procedures

- Tell the potentially eligible customer about the fidelity bond possibility. Obtain documentation to prove the eligibility criteria. (Customer may self-certify to poor credit history, bankruptcy, or substance abuse history.) Give the customer the Federal Fidelity bond flyer to show to employers when applying for or interviewing for jobs. Tell the customer to explain to employers, “If you hire me – you can get a fidelity bond on me at no cost to you. Call Workforce Solutions Employer Service at 713-688-6890 for more information.”
- Tell the customer the employer can request a bond application by contacting the Employer Service Central Office at 713-688-6890. They can ask to speak with Tammy Alexander.
- Document the customer's eligibility for the bond in Counseling Notes in the customer's TWIST record and file supporting eligibility documents in the customer's paper file.