



Freshen your Knowledge of Fidelity Bonds

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A fidelity bond is a bond which indemnifies an employer against financial loss due to the dishonesty of an employee or protects a business from certain types of damage caused by employees. This type of protection is not mandatory in most states, but it does shield a company from expenses that are not covered by other policies.



There are several types of fidelity bonds, each providing specific coverage:

- **Employee Dishonesty:** Do you want to protect yourself from employee theft? Employee Dishonesty is a generic term describing fidelity bond coverage guaranteeing against loss caused by dishonest officers or employees of a commercial firm or by dishonest public officials or employees. For dishonesty there is no deductible and there is very basic coverage for dishonest acts of employees.
- **Business Service Bond:** Do you want to protect your clients from theft committed by your employees? Business Service bonds are used in such industries as in-house child care.
- **Commercial Crime Bond:** Do you want to cover more than just employees? Commercial crime is really more like insurance than a typical bond. If a claim is made the policy owner will likely have to pay a deductible to recoup any loss.

For Employee Dishonesty there is no deductible and there is very basic coverage for dishonest acts of employees. Crime insurance can cover much more than employee dishonesty.

The seven basic agreements for a crime policy are:

1. Employee Theft (which is most like our dishonesty product)
2. Forgery or Alteration
3. Inside the Premises - Theft of Money or Securities
4. Inside the Premises - Robbery or Safe Burglary of Other Property
5. Outside the Premises
6. Computer Fraud
7. Money Orders and Counterfeit Paper Currency

These coverages can extend coverage to more than employees (such as a burglar who breaks in and takes money from a safe) and therefore it is much more comprehensive in coverage. Several endorsements can also be added to cover particular situations such as kidnapping, extortion, and hijacking.

Goldleaf Surety Services has a number of good surety markets that write fidelity bonds. For fidelity - or all types of bonds - you can access Goldleaf through Big "I" Markets. Simply log in to www.bigimarkets.com or email us at bigimarkets@iiba.net and an underwriter will contact you.