

National Grange Overview of Bonding

Section 4.10.9 of the Digest of Laws of the National Grange stipulates that all Granges, at their own expense, are to be bonded or insured for employee dishonesty with coverage to include at least the Secretary and Treasurer of each organization.

POLICY

The National Grange has purchased an insurance policy (Employee Dishonesty Coverage Form A- Blanket, Policy # F-124591) through National Grange Mutual Insurance Company of Keene, NH. Although participation in the group policy is not required, holding a bond or policy is required. Individual units may purchase their own policies according to their State's criteria for doing so. See section 4.10.9 printed below.

Coverage is as follows:

National Grange	\$100,000.
State Granges	\$25,000.
Pomona Granges	\$2,500.
Subordinate Granges	\$5,000.

Coverage limits are the minimum for each organization and may be optionally increased by each organization as they see fit. Additional premiums apply for coverage over the limits outlined above.

This is a blanket policy that covers all members and officers of each Grange that participates. It is not restricted to the Secretary and Treasurer of each Grange.

PROCESS

Each Grange is offered the opportunity to participate. Letters are sent from the National Master to the State Masters at the end of each calendar year tasking them with assessing the insurance needs of their individual Granges for the following calendar year. The letters included a rate schedule for the previous, and a report of past participants and their coverage levels.

Each State Grange forwards to the National Grange an updated report of participating Granges and their combined total premiums due. The National Grange forwards these funds to National Grange Mutual Insurance Company.

4.10.9 Bonding – The Secretary and Treasurer of each Subordinate, Pomona, State and national Grange shall furnish, at the expense of their respective Granges, a fidelity bond or other approved surety (insurance or employee dishonesty coverage), in such amount as the Executive Committee of their respective Granges shall determine. At the direction of the Executive Committees of the various Granges of the divisions of the Order, any other officer or employee of the said Granges shall furnish, at the expense of said Grange, a fidelity

bond or other approved surety, in such an amount as the Executive Committee shall determine.

Notwithstanding, the bonding requirement set forth, the Executive Committee of a State Grange may permit any Pomona, Subordinate, or Junior Grange to become self-insured. Each State Grange shall be authorized to create its own criteria before permitting self-insured status.

The National Grange answers all of your questions about BONDING

Q: What is bonding?

A: Bonding is a type of insurance coverage to protect the financial assets of your Community, Pomona or State Grange. Section 4.10.9 of the Digest of Laws of the national Grange stipulates that all Granges, at their own expense, are to be bonded or insured for employee dishonesty with coverage to include at least the Secretary and Treasurer of each organization.

Q: How does bonding work?

A: The bond protects the Grange by covering financial losses due to fraudulent activities of an individual or group. Should any unfortunate loss or theft of your Grange's funds occur, you would file a claim. The bond would cover the Grange's financial loss.

Q: Can the National Grange help with this required bonding?

A: Yes. The National Grange has a blanket fidelity bond (also referred to as employee dishonesty insurance or crime coverage) available at a discounted group rate. The bond is issued through the National Grange Mutual Insurance Company in Keene, NH. Every Grange* is eligible to participate by enrolling through their State office. *except AK, CA, MN

Q: What does the bond cover?

A: The fidelity bond available through the National Grange covers all officers and members, not just the Secretary and Treasurer who are required to be bonded by the Digest of Laws. Basic minimum coverage is \$5,000 for a Community Grange, \$2,500 for a Pomona Grange, and \$25,000 for a State Grange. The bond coverage is for one calendar year beginning January 1st.

Q: How much coverage does our Grange need?

A: The basic minimum coverage is the lowest amount of covered offered. In some cases this is enough for a Grange. In many cases, this amount is too low. An easy way to determine how much coverage you need would be to assess the maximum amount of money your Grange handles, including your bank accounts, financial assets, and cash you handle at Grange activities.

Q: How do we apply for bonding?

A: Every Grange that would like to purchase discounted coverage enrolls through their State Grange. At the end of each year, the National Master sends a letter and a rate schedule to each State Master. Each State Grange then offers this opportunity to their Pomona and Community Granges, collects their premiums and forwards a lump sum check with a list of participating Granges and amounts of their coverage to the National Grange office. **Simply choosing your level of coverage and forwarding the premium to your State Grange adds you to the group policy.** The date your funds are received at the National Grange office is the day your policy is effective. The rates are based on the policy beginning January 1st so be sure to enroll early to take advantage of a full year of coverage.

Q: How do I file a claim?

A: Should a loss occur, you would contact the National Grange office for instructions and claim forms. You should also call the National Grange office if you have any further questions about bonding. The toll-free phone number is: 1-888-4-GRANGE (1-888-447-2643).