



The National Grange Answers All of Your Questions About BONDING

Q: What is Fidelity Bonding?

A: Fidelity 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 Fidelity Bonding Work?

A: The Fidelity Bond protects the Grange by covering financial losses due to dishonest or fraudulent acts of an individual or group. Should any unfortunate loss or theft of your Grange's funds occur, due to the dishonest acts of covered positions, you would file a claim for review. The bond would help to cover the Grange's financial loss up to the policy limit.

Q: Can The National Grange Help with this Required Bonding?

A: Yes. The National Grange has a schedule Fidelity Bond (also referred to as employee dishonestly insurance or crime coverage) available at a discounted group rate. The bond is issued through the NGM Insurance Company, located in Keene, NH. Every Grange is eligible to participate by enrolling through their state office. Coverage is not available in Alaska, California, and Hawaii.

Q: What Does the Bond Cover?

A: The Fidelity Bond available through The National Grange can provide coverage for all officers and member positions, 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, or for a Pomona Grange, and \$25,000 for a State Grange. Higher coverage limits are available and subject to underwriting. The Bond coverage is for one calendar year beginning January 1st. Coverage decisions must be communicated to The National Grange headquarters by March 31st 2022. Subsequent year coverage election must be communicated by January 1st.

Granges who elect not to renew coverage will be removed from the policy. **Once removed coverage cannot be elected to be added for two policy terms.**

Q: How Much Coverage Does our Grange Need?

A: The basic minimum coverage is the lowest amount of coverage 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, and compare the limit with the internal controls you have over these funds. Fidelity policies are typically not designed to provide coverage for every dollar that comes into an organization's control.

Q: How Do We Apply for Bonding?

A: Every Grange that would like to purchase discounted coverage enrolls through their State Grange. Prior to 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. Granges who want to obtain a higher coverage limit will choose an amount listed below. Coverage limits at \$50,000 or higher will need to complete a simple coverage questionnaire for underwriting review. Simply choosing your level of coverage and forwarding the premium to your State Grange adds you to the group policy. 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. Limits available are \$5,000; \$10,000; \$25,000; \$50,000; \$100,000. For limits of \$250,000 or \$500,000 we would require additional underwriting (including Questionnaire, Independent audited financial statement and a copy of the written internal control procedures).

Q: How Do I File a Claim?

A: Should a loss occur, you would contact the 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 at (202) 628-3507.