

FIDELITY BOND PURCHASE AGREEMENT

Federal Bonding Program
Union Insurance Group, Inc.
303 W. Erie St. Suite # 310
Chicago, IL 60654
PHONE # 1-800-233-2258

The organization specified below hereby agrees to purchase a Fidelity Bond Package for use as a job placement tool to assist ex-offenders and other at-risk job applicants in securing employment.

NAME AND ADDRESS OF PURCHASING ORGANIZATION:

CONTACT PERSON: _____ E-MAIL _____

PHONE: _____ FAX _____

The size of the Fidelity Bond Package to be purchased is specified below.

NUMBER OF BOND UNITS: _____ (1 unit = \$5,000 coverage for 6-months)

TOTAL PACKAGE COST: \$ _____

It is understood that these bonds are to be issued free-of-charge to employers as a job placement incentive and cannot be resold by the purchaser. The bonds are insurance policies of Travelers Casualty and Surety Company of America. Union Insurance Group, Inc. is the agent for Travelers in issuing the bonds. Information pertaining to (1) the need for bonding services in job placement, (2) bond package availability and purchase, (3) procedures for bond issuance and management, and the separate responsibilities of the purchasing organization and Union Insurance Group, Inc., and (4) technical assistance provided to bond package purchasers by Union Insurance Group, Inc., is provided in the Company's published GUIDELINES ON THE PURCHASE & USE OF FIDELITY BONDS hereby incorporated into this Agreement by reference.

Enclosed is (check one): FULL PAYMENT _____ PURCHASE ORDER _____

(FEIN-TEIN # for Union Insurance Group, Inc. : 36-4226088)

SIGNATURE TITLE DATE

For re-orders, please provide original master policy number in the space at the bottom of this page

DO NOT WRITE BELOW THIS LINE

NO. BOND UNITS/DATE ISSUED BY Union Insurance Group _____ / _____
NO. UNITS/DATE ISSUED

BOND PACKAGE PURCHASER NO. _____ BOND UNITS NOS. _____

MASTER POLICY NO. _____

EXPLANATORY INFORMATION

PURCHASING ORGANIZATION: Any organization (public or private, nonprofit or profit) that provides job placement services to ex-offenders and other at-risk job applicants and issues the purchased Fidelity Bonds as a job placement tool without charge to any employer or job applicant for the bonds.

Each Bond Unit now costs \$100, regardless of how many bonds are purchased.

The bond units are to be issued over a 24-month period from the date of purchase of the package. Once issued, each unit of bonding provides the employer with 6-months insurance coverage.

BOND INSURANCE AMOUNT: Each bond unit provides \$5,000 insurance for employee dishonesty for a six-month period. The number of bond units issued for any specific six-month period is determined by the purchasing organization. Past experience shows that issuance of only one bond unit is sufficient to achieve most job placements. From 1 to 5 bond units can be issued to cover any full or part-time worker who earns wages and whose paycheck reflects automatic deductions for Federal taxes (self-employed persons cannot be covered by these bond units). Therefore, bond amounts issued will be either \$5,000, \$10,000, \$15,000, \$20,000 or \$25,000 (see FIDELITY BOND CERTIFICATION FORM included in GUIDELINES FOR BONDING). Bond units are not transferable from one employer to another.

After the initial six-month period of bonding, the purchasing organization may choose to renew the bond covering the same employee at the same employer who received the original bond. Such renewal will require use of additional bond units and OFFICIAL BOND INSURANCE STAMPS (see FIDELITY BOND CERTIFICATION FORM). However, after the initial six-month period of bonding, if no claim is paid due to employee dishonesty, St. Paul Travelers will make the bond available for purchase by the employer at a regular commercial rate.

The cost of each bond package includes 24 months of technical assistance pertaining to bond issuance, processing, utilization, exemplary practices, policy developments, sample public information materials, etc., as well as the toll-free hotline 1-800-233-2258 to address ongoing needs of service delivery staff of the purchasing organization.

BOND PURCHASE AND PAYMENT: Purchase of a bond package can be made by completing the FIDELITY BOND PURCHASE AGREEMENT and returning it to Union Insurance Group, Inc. with either full payment (check payable to Union insurance Group) or purchase order to be processed by the Company. Purchasers will receive (a) "Official Bond Insurance Stamps" (one for each bond unit purchased) to be affixed to each completed FIDELITY BOND CERTIFICATION FORM to effect issuance of the Fidelity Bond insurance policy to the employer, and (b) an initial supply of materials for implementing bonding services.

Bond issuance to employers can be arranged to be initiated by the purchasing organization on the day that Union Insurance Group, Inc. receives a completed FIDELITY BOND PURCHASE AGREEMENT.

MAIL SIGNED AGREEMENT TO:

Kathy Pawlina
Assistant Program Manager,
Federal Bonding Program
Union Insurance Group, Inc.
303 W. Erie St. Suite # 310
Chicago IL 60654