



WASHINGTON STATE GRANGE

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August 22, 2023

Grange Brothers and Sisters:

The National Grange is continuing to offer bonding insurance for each Grange. Information on the bonding insurance from the National Grange is included in this mailing.

Upon selecting your amount of coverage, please complete the form below and return it with your payment to the State Grange Office. Checks should be made payable to the Washington State Grange. **All bonding payments must be received by December 15 so we can meet the December 31 deadline as established by the bonding company.** The bonding coverage is for the 2024 calendar year. Coverage will start when the State Grange forwards your payment and information to the National Grange.

For Granges wishing for coverage greater than \$50,000, you must complete the additional questionnaire as required by the bonding company.

Upon receipt of the form below and your payment, we will send you a confirmation receipt, listing coverage level, payment amount, and the date your payment was forwarded to the National Grange.

I hope your Grange will take advantage of this program and benefit from the opportunity provided by the National Grange.

Fraternally,

Tom Gwin
State President

Please detach and return this portion with your payment.

Grange Name _____

Contact Person _____

Level of Bonding Coverage _____ Amount of Payment _____

Please make checks payable to the Washington State Grange and mail no later than December 15 to:

Washington State Grange
PO Box 1186
Olympia, WA 98507

BONDING RATES 2024 – NOTE: RATES HAVE CHANGED FOR 2024

DEADLINE – must be received by National Grange by DECEMBER 31, 2023

Limit	Base Premium
\$5,000	\$53

Excess Coverage Limit	Premium
\$10,000	\$60
\$25,000	\$75

For the higher limits below, a simple questionnaire is required to be completed.

\$50,000	\$100
\$100,000	\$120

For limits \$250,000 or above, additional underwriting is required (including Questionnaire, your Independent audited financial statement and a copy of your written internal control procedures).

\$250,000	\$145
\$500,000	\$185

These are the only coverages available—choose from these set amounts.

****As a reminder, we will continue to require the Granges that opt in for coverage to be listed. We will compare the current list to the next term renewal list. If any Granges that have opted in for coverage in 2023 and they opt out of coverage in 2024 we cannot include them in the policy for three policy terms.**



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 December 31st.

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 (Limits of \$50,000 and \$100,000 require a questionnaire be completed). 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.



FIDELITY COVERAGE APPLICATION
COVERAGE LIMITS \$50,000 or More

Complete Name of Association (Please Print or Type)

Address:

UNDERWRITING QUESTIONS - DISHONESTY

1. Are annual audits performed by an Independent CPA? [] Yes [] No
If NO, is an annual audit performed by an audit committee comprised of individuals who do not sign checks or make deposits or withdrawals? [] Yes [] No

2. Are bank accounts reconciled at least monthly by someone not authorized to sign checks or make deposits or withdrawals? [] Yes [] No
Enter name of individual or position performing monthly bank account reconciliation _____

3. Will countersignature of all checks be required? [] Yes [] No

If YES, at what limit is countersignature required? _____

Names of authorized check signers _____

If NO, describe account controls on a separate sheet of paper

Fidelity Losses (past 6 years) Provide: Dates, Amounts and Description of Losses - Check if None []

Date Amount Description of Loss

[Empty table box for recording losses]

Please list by position, officers, committee chairperson, or employee positions to be covered under this policy:

Table with 3 columns: Position, Paid Position, Volunteer Position. Includes five rows for listing positions.

*If more than one person occupies a position, please include the number of persons per position.



To the best of the applicant's knowledge and belief, applicant has no information of any dishonest act committed by any officer, committee chairperson or employee either before or after becoming an officer, committee chairperson or employee of the applicant.

Signed on this _____ day of _____, _____.

Applicant and agent acknowledge, by their respective signatures, the Fraud Warning contained herein.

Applicant Name

By:

Insurance Fraud Warning:

An application or an addendum to an application shall clearly contain a fraud warning substantially as follows: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud. This is suggested language. Any language that is substantially similar is acceptable if it does not contain specific fines or penalties.