

**3.4.1-14 Liability and Insurance--Leased Motor Vehicles** (February 2003)

(a) The Government shall be responsible for loss of or damage to--

(1) Leased vehicles, except for

(i) normal wear and tear and

(ii) loss or damage caused by the negligence of the Contractor, its agents, or employees; and

(2) Property of third persons, or the injury or death of third persons, if the Government is liable for such loss, damage, injury, or death under the Federal Tort Claims Act (28 U.S.C. 2671-2680).

(b) The Contractor shall be liable for, and shall indemnify and hold harmless the Government against, all actions or claims for loss of or damage to property or the injury or death of persons, resulting from the fault, negligence, or wrongful act or omission of the Contractor, its agents, or employees.

(c) The Contractor shall provide and maintain insurance covering its liabilities under paragraph (b) of this clause, in amounts of at least \$200,000 per person and \$500,000 per occurrence for death or bodily injury and \$20,000 per occurrence for property damage or loss.

(d) Before commencing work under this contract, the Contractor shall certify to the Contracting Officer in writing that the required insurance has been obtained. The policies evidencing required insurance shall contain an endorsement to the effect that any cancellation or any material change adversely affecting the interests of the Government shall not be effective

(1) for such period as the laws of the State in which this contract is to be performed prescribe or

(2) until 30 days after written notice to the Contracting Officer, whichever period is longer.

The policies shall exclude any claim by the insurer for subrogation against Government by reason of any payment under the policies.

(e) The Contractor warrants that the contract price includes no cost for insurance or contingency to cover losses, damage, injury, or death for which the Government is responsible under paragraph (a) of this clause.

**(End of clause)**

**PRESCRIPTION**

Shall be used in RFI/RFPs and contracts that include the leasing of motor vehicles.