

**Functional Series 500 - Management Services  
ADS 537 - Professional Liability Insurance**

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\*An asterisk indicates that the adjacent material is new or substantively revised.

## **ADS 537 - Professional Liability Insurance**

### **537.1 OVERVIEW**

Effective Date: 06/01/2001

This chapter establishes the policy directives and required procedures for reimbursement to eligible employees for a portion of the cost of professional liability insurance.

### **537.2 PRIMARY RESPONSIBILITIES**

Effective Date: 10/01/2003

\*a. Operating units (Missions, Bureaus, and Independent Offices) are responsible for approving or disapproving requests for reimbursement of the costs of professional liability insurance, and committing and obligating the funds against their budget allowance for this expense.

### **537.3 POLICY DIRECTIVES AND REQUIRED PROCEDURES**

#### **537.3.1 Professional Liability Insurance**

Effective Date: 10/01/2003

\*USAID will reimburse eligible employees the lesser of \$175 or one-half of the annual premium for professional liability insurance. This increased maximum amount for reimbursement is retroactive to October 1, 2003.

Professional liability insurance is insurance that provides coverage for

- a. Legal liability for damages due to injuries to other persons, damage to their property, or other damage or loss to such other persons (including the expenses of litigation and settlement) resulting from or arising out of any tortious act, error, or omission by the covered individual (whether common law, statutory, or constitutional) while the individual is performing his or her official duties; and
- b. The cost of legal representation for the covered individual in connection with any administrative or judicial proceeding (including any investigation or disciplinary proceeding) relating to any act, error, or omission by the individual while the individual is performing his or her official duties, and other legal costs and fees relating to any such administrative or judicial proceeding.

#### **537.3.2 Reimbursement Procedures**

Effective Date: 10/01/2003

\*Employees must submit an [SF-1034](#), Public Voucher for Purchases and Services Other Than Personal, to their executive or administrative office with evidence of the amount of premium, the terms of the coverage, and proof of payment. The operating unit is responsible for approving or disapproving the request, committing and obligating

the funds against existing budget allowances (Object Class Code 121650, Professional Liability Insurance), and forwarding the SF-1034 to the paying office for reimbursement.

### **537.3.3 Eligible Employees**

Effective Date: 06/01/2001

Eligible employees include both U.S. and non-U.S. citizen employees and both direct-hire and personal services employees who are any of the following:

a. Supervisors. A supervisor is an employee having authority in the interest of the Agency to hire, direct, assign, promote, reward, transfer, furlough, layoff, recall, suspend, discipline, or remove employees, adjust their grievances, or effectively recommend such action, if the exercise of the authority is not merely routine or clerical in nature but requires the consistent exercise of independent judgment. Also, direct-hire employees who are assigned to supervisory designated positions as signified by the numeric codes of 2 or 4 in column 4 of the Agency's Official Staffing Pattern.

A supervisor is also an individual with authority to direct an employee's daily work activities, which could include non-supervisory team leaders, managers of Foreign Service National (FSN) staff, and others.

b. Management officials. A management official is an employee required to submit either the SF-278, Public Financial Disclosure Report, or the OGE Form - 450, Confidential Financial Disclosure Report.

c. Law enforcement officials.

### **537.3.4 Funding**

Effective Date: 06/01/2001

Operating Expense (OE) funds must be used for OE-funded employees. Program funds must be used for program-funded employees unless this poses an undue administrative burden and it is more cost efficient to use OE funds.

Reimbursements for this professional liability insurance to Personal Service Contractors (PSCs) do not have to be made as part of their contracts. Reimbursement can be provided independently under this authority without reference to their contracts.

## **537.4 MANDATORY REFERENCES**

### **537.4.1 External Mandatory References**

a. **Section 642 of the Treasury and General Government Appropriations Act, FY 2000, Public Law 106-58, September 29, 1999, which amended section 636 of Treasury, Postal Service and General Government Appropriations Act, 1997**

**537.4.2 Internal Mandatory References**

**537.4.3 Mandatory Forms**

**\*a. [SF-1034, Public Voucher for Purchases and Services Other Than Personal](#)**

**537.5 ADDITIONAL HELP**

**536.5.1 Optional Forms**

**537.6 DEFINITIONS**

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