



USAID
FROM THE AMERICAN PEOPLE

Acquisition & Assistance Policy Directive (AAPD)

From the Director, Office of Acquisition & Assistance Issued: Nov. 1, 2011

AAPD 12-01

Defense Base Act (DBA) Insurance for 2010-2015

Subject Category: Acquisition Management*
Type: POLICY

AAPDs provide information of significance to all agency personnel and partners involved in the Acquisition and Assistance process. Information includes (but is not limited to): advance notification of changes in acquisition or assistance regulations; reminders; procedures; and general information. Also, AAPDs may be used to implement new requirements on short-notice, pending formal amendment of acquisition or assistance regulations.

AAPDs are EFFECTIVE AS OF THE ISSUED DATE unless otherwise noted in the guidance below; the directives remain in effect until this office issues a notice of cancellation.

This AAPD: Is New Replaces/ Amends CIB/AAPD No: 07-04

<p>Applicable to:</p> <p><input checked="" type="checkbox"/> Existing awards; <input type="checkbox"/> Modification required</p> <p><input type="checkbox"/> No later than</p> <p><input checked="" type="checkbox"/> As noted in guidance below*</p> <p><input checked="" type="checkbox"/> RFPs/RFAs issued on or after the effective date of this AAPD; all other Pending Awards, i.e., 8(a), sole source, IQC</p> <p><input checked="" type="checkbox"/> Other *Applies to assistance as stated in the Purpose Section of the AAPD</p>	<p>Precedes change to:</p> <p><input type="checkbox"/> AIDAR Part(s) Appendix</p> <p><input type="checkbox"/> USAID Automated Directives System (ADS) Chapter</p> <p><input type="checkbox"/> Code of Federal Regulations</p> <p><input type="checkbox"/> Other</p> <p><input checked="" type="checkbox"/> No change to regulations</p>
<p><input type="checkbox"/> New Provision/Clause Provided Herein: If checked, scheduled update to GLAAS:</p>	

_____/s/_____
Aman S. Djahanbani

PURPOSE: The purpose of this directive is to provide Defense Base Act (DBA) rates and contact information in accordance with USAID's contract with Allied World Assurance Company (AWAC).

BACKGROUND: Insurance coverage is mandatory for all contractor and subcontractor employees performing work outside of the United States. USAID contractors and subcontractors must possess this coverage before their employees arrive in country and commence work on the contract. Contractors and subcontractors must maintain the insurance coverage until covered employees complete their overseas performance under the contract.

Assistance awardees are not required to purchase DBA insurance coverage for their own overseas employees. However, pursuant to Appendix A of 22 CFR 226, contracts under assistance that require performance outside the United States must contain a provision requiring each contractor and subcontractor to purchase DBA insurance coverage for its overseas employees. If assistance awardees elect to purchase DBA insurance coverage, they are permitted to use the AWAC rates listed below. Costs for such insurance are an allowable expense.

Answers to general Frequently Asked Questions about DBA insurance may be found on the Department of Labor's website at <http://www.dol.gov/owcp/dlhwc/dbafaqs.htm>. Agency guidance concerning DBA insurance requirements is found in ADS 302.3.5.8 and its mandatory reference. In accordance with ADS 302, updated information concerning USAID's DBA insurance contract and rates are provided through AAPDs.

GUIDANCE: Pursuant to ADS 302.3.5.8, this AAPD announces that USAID executed a contract for DBA insurance with AWAC. Policies written under the prior contract with Fidelity and Casualty of New York will continue in force until their expiration. The rates in this AAPD were effective March 1, 2010.

Below find the applicable rates and contact information for DBA coverage under the AWAC contract:

A. RATES

There are three different rates, depending on the nature of the services provided. If a contract contains more than one of the services listed below, the premium will be distributed proportionally to the amount of overseas employee remuneration estimated for each category.

Contract Year	Period of Performance	Services	Construction	Security Guards
Base Period	3/1/10 - 2/29/12	\$2.00	\$4.50	\$7.50
Option 1	3/1/12 - 2/28/13	\$2.00	\$4.50	\$7.50
Option 2	3/1/13 - 2/28/14	\$2.00	\$4.50	\$7.50
Option 3	3/1/14 - 2/28/15	\$2.00	\$4.50	\$7.50

The rates are per \$100 of contractors' overseas employee remuneration.

"Overseas employee remuneration" means the salary of an employee eligible for DBA coverage earned overseas and includes

- Overseas recruitment incentive,
- Post differential, and
- Danger pay,

But excludes

- Per diem,
- Housing allowance,
- Travel expenses,
- Temporary quarters allowance,
- Education allowance, and
- Any other miscellaneous post allowances

Any changes in the amount of remuneration paid during the term of the policy will result in corresponding changes to the amount of the premium.

B. OBTAINING DBA COVERAGE

Contractors must apply for coverage directly to AON Risk Insurance Services Inc., the agent for AWAC DBA Insurance, at one of the following offices:

- (1) AON Risk Insurance Services West, Inc.
199 Fremont St., Suite 1400
San Francisco, CA 94105

Hours: 8:30 A.M. to 5:00 PM, Pacific Time

Primary Contact: Fred Robinson
Phone: (415) 486-7516
Fax: (415) 486-7059
Email: Fred.Robinson@aon.com

Secondary Contact: Angela Falcone
Phone: (415) 486-7000
Email: Angela.Falcone@aon.com

OR

- (2) AON Risk Insurance Services East, Inc.
1120 20th St., N.W., Suite 600
Washington D.C. 20036

Hours: 8:30 A.M. to 4:00 P.M., Eastern Time

Primary Contact: Ellen Rowan
Phone: (202) 862-5306
Fax: (202) 429-8530

Email: Ellen.Rowan@aon.com

Secondary Contact: Chris Thompson

Phone: (202) 862-5302

Email: Chris.Thompson@aon.com

Applicants request coverage by completing Attachment I, "Application for Defense Base Act Insurance." Submit a faxed copy to either AON office or e-mail an executed application to usaiddbains@aon.com.

C. FORMS/REPORTS

Copies of Department of Labor (DOL) Forms LS 201 and LS 202 to make an initial report of death, injury, or illness are available at <http://www.dol.gov/owcp/dlhwc/lsforms.htm/>.

D. NOTICE OF EXCLUSION OF MEDICAL EVACUATION COVERAGE

Pursuant to AIDAR 752.228-70, medical evacuation insurance is a separate insurance requirement for overseas performance of USAID contracts and the Defense Base Act insurance addressed herein does not provide coverage for medical evacuation.

E. WAIVERS FOR THIRD COUNTRY AND LOCAL NATIONALS

Attachment I identifies the USAID DBA Waiver List for Third Country Nationals (TCNs) and Cooperating Country Nationals (CCNs).

POINT OF CONTACT:

Name: Barry Cohen, M/OAA/E

Phone: (202) 567-4629

Email: bcohen@usaid.gov

ATTACHMENTS:

- I. "Application for Defense Base Act Coverage," which includes the USAID DBA Waiver List.