



DEPARTMENT OF DEFENSE
WASHINGTON HEADQUARTERS SERVICES
1155 DEFENSE PENTAGON
WASHINGTON, DC 20301-1155



HUMAN RESOURCES

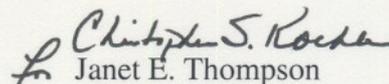
JUL 21 2009

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Update to Professional Liability Insurance

This memorandum serves to update the Points of Contact for the Professional Liability Insurance guidance issued by the Director, Personnel & Security, dated September 21, 2000.

For questions about the processing of claims, please contact Mr. S.T. Pettiford at 703-604-6069. For questions regarding Professional Liability policy, please contact Ms. Monica Gielarowski on 703-604-5963. All guidance previously provided remains current.


Janet E. Thompson
Director

Attachment:
WHS Memorandum, September 21, 2000



DISTRIBUTION:

CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARY OF DEFENSE (NETWORK AND
INFORMATION INTEGRATION)
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DIRECTOR PROGRAM ANALYSIS AND EVALUATION
ASSISTANT TO THE SECRETARY OF DEFENSE
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CENTER
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CHIEF JUDGE, U.S. COURT OF APPEALS FOR THE ARMED
FORCES



DEPARTMENT OF DEFENSE
WASHINGTON HEADQUARTERS SERVICES
1777 NORTH KENT STREET
ARLINGTON, VA 22209

PERSONNEL
AND SECURITY

21 SEP 2000

MEMORANDUM FOR CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, BALLISTIC MISSILE DEFENSE ORGANIZATION
DIRECTOR, DEFENSE ADVANCED RESEARCH PROJECTS
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CHIEF JUDGE, COURT OF APPEALS FOR THE ARMED FORCES
DIRECTOR, DEFENSE LEGAL SERVICES AGENCY
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DIRECTOR, OPERATIONAL TEST AND EVALUATION
DIRECTOR, PRISONER OF WAR/MISSING PERSONNEL OFFICE
DIRECTOR, OFFICE OF ECONOMIC ADJUSTMENT
DIRECTOR, DEFENSE TRICARE MANAGEMENT ACTIVITY

SUBJECT: Professional Liability Insurance

Attached is the professional liability insurance guidance for OSD/WHS and its serviced activities. Also attached is a series of frequently asked questions and answers relative to the mechanics of processing a professional liability insurance claim.

If you have questions on the processing a claim for professional liability insurance, you may contact Lillie Talcott of the Employee Benefits and Records Division of the Human Resource Services Center. She may be reached on (703) 617-7962.

Janet Thompson
Janet E. Thompson
Director

Attachments:
As Stated





ADMINISTRATION AND
MANAGEMENT

OFFICE OF THE SECRETARY OF DEFENSE
1950 DEFENSE PENTAGON
WASHINGTON, DC 20301-1950

September 13, 2000

MEMORANDUM FOR CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF
DEFENSE
DIRECTOR, BALLISTIC MISSILE DEFENSE
ORGANIZATION
DIRECTOR, DEFENSE ADVANCED RESEARCH
PROJECTS AGENCY
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FORCES
DIRECTOR, DEFENSE LEGAL SERVICES AGENCY
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SERVICE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
DIRECTOR, PRISONER OF WAR/MISSING PERSONNEL
OFFICE
DIRECTOR, OFFICE OF ECONOMIC ADJUSTMENT
DIRECTOR, DEFENSE TRICARE MANAGEMENT ACTIVITY

SUBJECT: Professional Liability Insurance

Attached is procedural guidance delineating the required steps to obtain reimbursement to cover a portion of incurred expenses for professional liability insurance. The procedures contained herein implement the provisions of Section 636 of the Treasury, Postal Service, and General Appropriations Act for Fiscal Year 1997, Public Law 104-208, as amended for professional liability insurance. Also attached is a copy of the applicable Department of Defense guidance. Reimbursements are retroactive to the effective date of the authority, October 1, 1999.

My point of contact for questions is Ms. Sandra Weston of the Directorate for Personnel and Security. She may be reached on (703) 617-7115.

D. O. Cooke
Director

Attachments:
As Stated

WHS GUIDANCE
ON
PROFESSIONAL LIABILITY INSURANCE

References: (a) Section 636 of the Treasury, Postal Service, and General Appropriations Act for Fiscal Year 1997, as amended (5 U.S.C. note prec. § 5941)
(b) DoD Guidance on Professional Liability Insurance, 6 June 2000

Purpose: The purpose of this guidance is to provide procedures for submitting requests for payment for the purchase of Professional Liability Insurance under the provisions of references (a) and (b). Professional Liability Insurance is defined in reference (a) as liability insurance that covers:

“(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 of the covered individual (whether common law, statutory, or constitutional) while in the performance of such individual’s official duties as a qualified employee; 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 of the covered individual while in the performance of such individual’s official duties as a qualified employee, and other legal costs and fees relating to any such administrative judicial proceeding.”

Applicability: This guidance applies to employees assigned to the Office of the Secretary of Defense (OSD), the Organization of the Joint Chiefs of Staff, and other activities for which operational support is provided by the Washington Headquarters Services (WHS) Directorate for Personnel and Security Customer Support Operating Office (hereafter referred to collectively as the OSD Components). Other Defense agencies (e.g., those with separate customer service support units and/or regional offices) will issue their own guidance to administer the Professional Liability Insurance program in conjunction with the provisions stated in references (a) and (b).

Policy: It is Department of Defense policy that covered employees will be reimbursed up to 50% (currently not more than \$150) per year on the cost of a covered premium. Qualified employees will be reimbursed for a professional liability insurance policy only once within a calendar year.

Coverage: This guidance applies to employees whose positions meet the definitions of “supervisor” or “management official”, as defined by 5 USC § 7031(a), or “law enforcement officer”, as defined by either 5 USC § 8331(20) or § 8401(17) (see reference (b) attached). Reference (a) does not cover non-appropriated fund employees or military personnel.

Responsibilities: Within the OSD Components, the Director, Personnel and Security (P&SD) will manage and administer processes for professional liability insurance reimbursement, including liability determinations. The Director, P&SD or his/her designee will determine whether an individual meets the definition of “qualified employee” in accordance with references (a) and (b) and if so, will certify employee eligibility for reimbursement of the cost of

professional liability insurance premiums in accordance with reference (b). When necessary, the determination of eligibility will be made in consultation with management officials of the serviced components and the Office of the General Counsel, WHS.

The Defense Finance and Accounting Service will determine whether an insurance policy meets the definitions of "professional liability insurance" in reference (a).

The Director, Budget and Finance will ensure appropriate funding is available and provide accounting data/fund citations (as necessary) for reimbursement of covered employees. Defense agencies or OSD field organizations such as the Ballistic Missile Defense Organization and the American Forces Information Services, having their own financial accounting system will also ensure the availability of funding to fulfill this requirement. Funds for professional liability insurance payments will be taken from appropriations available for civilian personnel costs, in accordance with Office of Management and Budget Circular A-11 Preparation and Submission of Budget Estimates, which places the cost of this insurance under object class 12.1, Civilian Personnel Benefits.

Procedures: Employees are responsible for submitting a completed SF-1164, Claim for Reimbursement for Expenditures on Official Business, along with an invoice from the insurance carrier (to verify the cost of the premium), the policy number, the name of the insurance company, and proof of payment to WHS, Personnel and Security Directorate, Human Resource Services Center, Employee Benefits and Records Division. Incomplete submission will be returned to the employee. The Employee Benefits and Records Division will ensure that the employee meets the eligibility requirements of references (a) and (b) and certify employee eligibility for payment. After the Employee Benefits and Records Division official signs in block 9 of the SF-1164 certifying eligibility, the request will be forwarded to the appropriate Defense and Finance and Accounting Services office for payment processing. Electronic funds transfer (EFT) for professional liability insurance reimbursement is required. Employees must provide the EFT data before payment will be made.

Denial of Claims: An appeal from the denial of reimbursement for the cost of a professional liability insurance premium, because either the employee is determined not to be in a covered position or the insurance policy does not meet the statutory definition of "professional liability insurance," will be processed as the denial of a claim for reimbursement for expenditures, in accordance with applicable procedures for processing such claims.

Please see updated information below (as of March 2005)

Supervisors, Management Officials and Law Enforcement Officers are eligible for reimbursement for up to one-half of their professional liability insurance premium, not to exceed \$150 per year.

Reimbursement is an easy process. Covered employees submit an SF 1164, Claim for Reimbursement for Expenditures on Official Business, with a copy of the premium invoice to WHS/HRD/Personnel Services. The premium invoice must include the annual premium cost, the policy number, the name of the insurance company and proof of payment (such as a cancelled check). If you work for an organization that does not receive budget support from WHS, please include the accounting citation on the form.

Completed requests for reimbursement should be sent to WHS/HRD/Personnel Services, Attention, S. T. Pettiford, (703) 604-6069. If you would prefer to use the U.S. Mail, the mailing address is:

WHS/Human Resources Directorate/Personnel Services Division
Attn: S. T. Pettiford
2521 South Clark Street
Arlington, VA 22202-3918

FREQUENTLY ASKED QUESTIONS
PROFESSIONAL LIABILITY INSURANCE CLAIM PROCESSING

Question – How do I apply for Professional Liability Insurance reimbursement?

Answer – The Standard Form (SF) 1164, Claim for Reimbursement for Expenditures on Official Business, is used for reimbursement of payment for Professional Liability Insurance. The form is submitted to the Personnel and Security Directorate, Human Resource Services Center, Personnel Services Directorate, Employee Benefits and Records Division. When the Employee Benefits and Records Division signs the SF-1164 certifying that the employee is eligible for reimbursement, the form is forwarded to the Defense Finance and Accounting Service to complete the process.

Question - If I purchased an insurance policy in October of 1999, can I be reimbursed for it?

Answer – Yes you may be reimbursed as long as the policy was in effect on or after October 1, 1999. Any policy purchased for professional liability insurance prior to the October 1, 1999 date is ineligible for payment, unless its period of coverage is in effect on October 1, 1999.

Question - If I purchased a policy in January 1999 that covers me through the end of that year, but I also purchased another policy on January 1, 2000 to carry me through this year, am I eligible for two (2) reimbursement checks within this calendar year since I purchased two policies within the covered time period?

Answer – No. While there is no limit on the number of times you can be reimbursed within one year, the DoD's guidance prohibits making payments that exceed the \$150 annual reimbursement cap. Therefore, you may receive multiple payments on policies, as long as they do not exceed the annual reimbursement cap.

Question 3 - Is the signature of the Personnel representative in the Employee Benefits and Records Division on my SF-1164 certification that my policy is eligible for payment?

Answer – No. Even though block 9 on the SF-1164 states that the signature therein is a certification for payment, the signature of the Personnel representative in that box only certifies that the employee is a supervisor, manager, or law enforcement official and therefore meets the legal requirements for eligibility. The Employee Benefits and Records Division will typically process an SF-1164 submitted for claim within 3 business days of receipt. The policy will then be forwarded to DFAS for payment, where they will review the individual's insurance policy to ensure policy eligibility/coverage.

Question - What blocks must be completed on the SF-1164?

Answer – The employee must complete blocks 1, 4, 6, 7, and 10. Be sure to attach an invoice from the insurance carrier to verify cost, and documentation containing the policy number, the name of the insurance company, and proof of payment to complete the request.

Question - How will I be paid any reimbursement due me?

Answer – The Department of Defense guidance designates Electronic Fund Transfer (EFT) as the only method of payment for professional liability insurance payments. If you do not already have an EFT account, you must submit a direct deposit form SF-1199A to your payroll office prior to requesting reimbursement so that the appropriate account can be credited.

Question - Can I get a paper check to cover my reimbursement?

Answer – No. The authorized method of reimbursement is EFT. No paper checks will be issued.

Question - Where can I get a copy of the Standard Form (SF) 1164, Claim for Reimbursement for Expenditures on Official Business?

Answer – The SF-1164 is available on Form Flow under SFFORMS. It is also available under forms on the Office of Personnel Management web page at WWW.OPM.GOV. Also, you may be able to obtain a hard copy of the form from your administrative office.