

**Forest Service Handbook
National Headquarters - Washington Office
Washington, DC**

**Forest Service Handbook 6109.12 – Employment and Benefits Handbook
Chapter 70 - Insurance**

Amendment: 6109.12-1999-3

Effective date: April 30, 1999

Duration: This amendment is effective until superseded or removed.

Approved by: Mike Dombeck, Chief

Date approved:

Responsible Staff:

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Superseded Document(s):

Digest: Following is an explanation of the changes throughout the directive by section.

This amendment establishes new codes to incorporate and revise initial direction issued by a 6180-2/6500 letter, Professional Liability Insurance, dated January 14, 1998, and signed by John G. Lopez, Acting Director, Human Resources Management Staff.

71.01 - 71.03: Sets out the authority, objective, and policy for partial reimbursement for professional liability insurance.

71.04: Sets out the responsibility of the head of the servicing human resources management office to notify all eligible employees of the opportunity and procedures for reimbursement of half the annual cost of professional liability insurance, and the responsibility of employees related to this reimbursement.

71.05: Defines eligible employees; professional liability insurance; and reimbursable expenses.

71.2: Lists the documentation required for reimbursement.

71.3 - 71.32: Directs that salary funds are to be used for making reimbursements and lists methods of payment.

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71.4: Directs employees to refund to the Forest Service a pro-rata portion of any refund for cancelled insurance.

71.5: Sets out minimum requirements for record keeping.

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71 - Professional Liability Insurance

Professional liability insurance (defined in sec. 71.05) provides an additional source of coverage for the expenses of legal representation and settlements related to performance of an employee's official duties for those employees who believe it is needed.

71.01 - Authority

The authority to offer reimbursement to specific categories of employees for reimbursements not to exceed one-half the cost of professional liability insurance is provided in Title 5 of the United States Code, chapter 59, subchapter IV. Departmental Regulation (DR) 4060-1 provides further direction on procedures.

71.02 - Objective

To make professional liability insurance more affordable to eligible employees.

71.03 - Policy

Ensure that:

1. Eligible employees are informed about the provisions for partial reimbursement for the cost of professional liability insurance, and
2. Reimbursements are made accurately, appropriately, and in a timely manner.

71.04 - Responsibility

1. Head of Servicing Human Resources Management Office. The head of each unit's servicing human resources management office is responsible for:

- a. Notifying eligible employees about the provisions regarding professional liability insurance;
- b. Offering reimbursements;
- c. Informing employees of procedures for obtaining reimbursement, including any documentation required as proof of coverage by, and payment for, professional liability insurance; and
- d. Providing oversight for refunds due the agency when policies are canceled.

2. Employees. Employees are responsible for following the procedures in sections 71.01 - 71.5 when making requests for reimbursement of costs for professional liability insurance. Employees who receive a refund upon canceling professional liability insurance for which they had been reimbursed are responsible for repaying appropriate amounts of the refund to the Forest Service.

71.05 - Definitions

(5 U.S.C. ch. 59, subch. IV)

Eligible Employees. Employees eligible for the partial reimbursement of the professional liability insurance costs in the Forest Service:

- a. Law enforcement employees as defined in 5 U.S.C. 8331 (20) and 8401 (17). These are employees in positions covered by law enforcement retirement identified by early retirement code 1 or 2 in the USDA National Finance Center position management system online, screen QM.
- b. Supervisors and managers as defined in 5 U.S.C. 7103(a). These employees are identified by supervisory codes 2, 4, or 5 in the USDA National Finance Center information research inquiry system, screen 102.

Professional Liability Insurance. Insurance that provides coverage for both:

- 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/or
- 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 performing official duties as a qualified employee, and other legal costs and fees relating to any such administrative or judicial proceeding.

Reimbursable Expenses. One-half of applicable annual premium expenses for professional liability insurance.

71.1 - Offering Reimbursement for Professional Liability Insurance

Inform all eligible employees (sec. 71.05) of the opportunity and procedure for reimbursement.

71.2 - Documentation Required for Reimbursement Requests

Eligible employees must present the following to support all requests for partial reimbursement for the expense of obtaining professional liability insurance:

1. Certification by the servicing human resources management office that the individual is eligible for reimbursement;
2. Copy of professional liability insurance policy issued in the employee's name;

3. Proof of premium payment for the policy; and
4. Approved Claim for Reimbursement for Expenditures on Official Business, Form SF-1164.

71.3 - Funds for Reimbursement

71.31 - Source of Funds

Charge reimbursement of expenditures for professional liability insurance to the same fund codes used to pay the eligible employee's salary.

71.32 - Payment Methods

As appropriate, use one of the payment methods commonly used to conduct Forest Service business, such as imprest fund; third party draft; National Finance Center (NFC) miscellaneous payment (MISPAY); payroll/personnel remote entry system (PRES); or a payment through the agency's core financial system, that is, the Foundation Financial Information System (FFIS). An employee paying premiums by payroll deduction can be reimbursed only after paying for one year of premiums (or a partial start-up year as determined by the company) and receiving a receipt from the company.

71.4 - Refunds

An individual who cancels professional liability insurance and receives a refund for a period for which the individual has received an agency reimbursement payment shall report the cancellation by letter, include a copy of the documentation provided by the refunding company, and pay the Forest Service a pro-rata portion of the refund. Process such payments by individuals through use of a bill for collection, or through NFC using Form AD-343, Payroll Action Request.

71.5 - Record Keeping

The head of the servicing human resources management office shall maintain a record of the names of employees reimbursed, their law enforcement or supervisor/manager status, and the date and amount of reimbursement.