

Professional Liability Insurance

Staff Bulletin
March 20, 2000

This Staff Bulletin provides procedures for reimbursement of professional liability insurance premiums paid by eligible HUD management officials and supervisors.

Public Law 104-208, Section 636 of the Treasury, Postal Service and General Government Appropriations Act of 1997, authorized agencies to reimburse law enforcement officers, supervisors and management officials, for up to one-half of the costs of professional liability insurance. Subsequently, Public Law 106-58, the Treasury and General Government Appropriations Act of 2000, Section 642, was issued (effective October 1, 1999), to require agencies to reimburse any qualified employee for up to one-half of the annual premium for professional liability insurance.

Accordingly, retroactive to October 1, 1999, eligible employees may be reimbursed for a portion of the costs for professional liability insurance for an annual policy, on a fiscal year basis (October 1 through September 30). The reimbursement shall be for one-half of the annual premium or \$150.00, whichever is less. Eligible employees include management officials and supervisors, as defined in Title 5 of the United States Code and explained below.

The term "supervisor" is as defined under 5 United States Code (USC) 7103(a) (10), and applies to an individual that has delegated authority to, among other things, hire, direct, assign, promote or discipline employees, and is so designated in the employee's official personnel record.

The term "management official" is as defined under 5 USC 7103 (a) (11), and applies to an individual whose duties and responsibilities require or authorize the individual to formulate, determine, or influence the policies of the agency, as is so designated in the employee's official personnel records.

The professional liability insurance policy must provide coverage for:

- 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
- 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 or judicial proceeding.

Reimbursement Procedures:

Requests for reimbursement should be submitted directly to the Program office's Administrative Officer in Headquarters, using [Standard Form \(SF\)-1034, Public Voucher for Purchases and Services Other Than Personal](#). The SF-1034 may be downloaded by selecting "handbooks/forms" at the HUDweb homepage. In addition to the SF-1034, the request must also include:

- a receipt from the insurance provider showing the annual premium amount; and
- proof of payment, for example, a copy of a check or a paid receipt.

The SF-1034 will be verified by the Headquarters Administrative Officers and forwarded to the CFO Accounting Center, for processing. Approved payments will be paid by electronic funds transfer.

Insurance Cancellation:

Should the insurance be canceled for any reason prior to the end of the fiscal year, the employee must refund the proportionate amount to the Department. For example, if an insurance policy is canceled after 6 months for which the annual premium amount was \$200.00, the employee must reimburse the proportionate amount (\$50.00) to the Department.

For additional information, please contact your Headquarters Administrative Office.

[Return to Notices](#)