

# Department Notices

Bureau: HR  
Office of Origin: HR/ER/WLD  
Category: Human Resources  
Date of Announcement: March 24, 2017

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## Professional Liability Insurance Guidance and Procedures – Important Reminders

### Key Points:

- The Department will reimburse eligible State employees for the purchase of professional liability insurance in the amount of \$175 (dollars), or 50% (percent) of the annual premium, whichever is less.
- Relevant legal authorities, responsibilities, eligibility criteria, and reimbursement procedures are provided below.

### Legal Authorities

Legislation: Section 642 of the Treasury and General Government Appropriations Act of 2000 (Public Law 106-58, September 29, 1999), amended section 636 of the Treasury, Postal Service, and General Government Appropriations Act of 1997 (Public Law 104-208, September 30, 1996) to require Federal agencies to reimburse qualified supervisors, management officials and law enforcement officers who elect to purchase private professional liability insurance. Such reimbursement is not to exceed one-half the costs incurred by an employee for professional liability insurance. This legislation became effective October 1, 1999.

### Definition and Purpose of Professional Liability Insurance (PLI):

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 or judicial proceeding.

### **Eligibility for Department Reimbursement:**

Eligible employees are limited to U.S Government supervisors and management officials, as defined by 5 USC 7103(a) and law enforcement officers, as defined by section 636 of the Treasury, Postal Service, and General Government Appropriations Act of 1997 (Public Law 104-208, September 30, 1996), including any law enforcement officer under 5 USC §8331(20), 5 USC §8401(17), or 22 USC §4823. Employees should refer to 3 FAM 3847 for more information.

### **PLI Considerations:**

a. In making the decision whether or not to purchase professional liability insurance, eligible employees should be aware that the Department has authority to indemnify employees for personal liability for official acts.

b. The USG also supplies an attorney to government officials in most Federal court cases involving official acts, although generally not for employees in the Office of the Inspector General or Office of Special Counsel Investigations.

c. Each eligible employee must carefully assess his/her circumstances to determine if purchasing private liability insurance is beneficial and would be responsible for researching available private PLI companies for coverage options and to purchase a policy.

### **Reimbursement Procedures:**

- Domestic employees: Must submit their claim for reimbursement to the bureau's Executive Director for approval.
- Overseas employees: Must submit their claims to their Management Officer for approval.

*Process for Reimbursement:*

A) Claim Form SF 1164 "Claim for Reimbursement for Expenditures on Official Business" must be submitted along with a receipt for the paid premium.

B) The SF 1164 should include the following statement: "This claim is submitted in accordance with P.L. 104-208 as amended in the Treasury and General Government Appropriations Act of 2000(P.L. 106-58, September 29, 1999)."

C) For Overseas employees at posts using E2 Solutions' Local Payments for employee reimbursements, the claim should be entered into E2. The following statement must be included in the remarks of the claim: "This claim is submitted in accordance with P.L. 104-208 as amended in the Treasury and General Government Appropriations Act of 2000 (P.L. 106-58, September 29, 1999)."For posts interested in this streamlined functionality, please see [16 STATE 43004 Global e-Travel Local Payments](#).

D) Funding for reimbursement is a bureau expense domestically and a post expense overseas.

E) For Domestic Employees - Once approved and funded, please submit approval package to the HST cashier's office located in Room 1258.

Locally hired medical providers may be covered for damages for personal injury negligently caused while acting within their scope of duty. Please email [MEDQI@State.gov](mailto:MEDQI@State.gov) for guidance on indemnification of locally hired medical providers.

Please refer to 3 FAM 3840 for Department policy. Specific PLI information can be found on HR/ER/WLD's [PLI website](#).

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