

**TITLE: CIB 99-25 Defense Base Act (DBA) Coverage and DBA Waiver List**

MEMORANDUM FOR ALL CONTRACTING OFFICERS AND NEGOTIATORS

TO: DISTRIBUTION LIST FAC  
FROM: M/OP, Marcus L. Stevenson, Procurement Executive  
SUBJECT: Defense Base Act (DBA) Coverage and DBA Waiver List

**CONTRACT INFORMATION BULLETIN 98 - 25**

This CIB supersedes and cancels CIB's 98-18 and 97-05.

USAID has competitively awarded a two year (with options for three additional years) requirements contract to Fidelity and Casualty of New York to provide Defense Base Act (DBA) coverage to USAID direct and host country contractors at favorable rates. The fixed rates for the first two years of the contract, July 1, 1998 - June 30, 2000, are provided below.

**OBTAINING DBA COVERAGE**

Applications for coverage should be made directly to:

Rutherford International, Inc.  
5500 Cherokee Avenue, Suite 300  
Alexandria, VA 22312  
Points of Contact: Sara Payne or Diane Ford  
(703) 354-1616

Hours of Operation are: 8 a.m. to 5 p.m. (Eastern Standard Time) Telefax: (703) 354-0370 E-Mail: [www.rutherford.com](http://www.rutherford.com)

Applications may be requested by telephone or facsimile and coverage will be effective the day the covered individual leaves the United States. Applicants should request coverage in accordance with USAID Contract No. HNE-Q-00-98-00163-00 with Fidelity and Casualty of New York. Rutherford International, Inc., the agent for Fidelity and Casualty of New York, will require a fax copy of Attachment 1, Application for Defense Base Act Coverage. Applications and complete information and instructions will be available from the Rutherford website within 60 days of the issuance date of this CIB. Until then, contractors may contact Rutherford directly for applications.

Coverage is effective on the date listed on the application form (See attachment 1) as the "coverage effective date" ( the date the individual leaves the United States.). The date of application is the date Rutherford invoices the applicant. For new business, the applicant has 10 days from the date of application (Rutherford's invoice date) to submit the premium. For renewal business, the applicant has 30 days from the date of application (Rutherford's invoice date) to submit the premium. The application date can be adjusted by Rutherford, at its option, to meet particular circumstances.

**COST OF COVERAGE**

For the period July 1, 1998 through June 30, 2000, the rate is \$1.84 per \$100 of employee remuneration for all USAID financed contracts, subcontracts and subordinate contracts for both direct and host country contracts. For the purpose of this contract, employee remuneration is defined as salary plus overseas recruitment incentive and post differential, but excludes per diem, housing allowance, travel expenses, temporary quarters allowance, education allowance and other miscellaneous post allowances.

A CIB will be issued to provide information on rates after June 30, 2000.

## **DESCRIPTION OF DEFENSE BASE ACT (DBA) COVERAGE**

DBA coverage is worker's compensation insurance which provides that employees may collect in the event that an employee is injured while working on a contract financed by the U. S. Government and performed outside the U.S. DBA coverage also pays benefits to dependents of employees in the event that an employee is killed as a direct result of the employee's employment under a U.S. Government financed contract. DBA coverage is required by statute for employees of contractors and subcontractors regardless of the duration of their assignment. It is over and above any State coverage. Subcontracts under USAID financed contracts are also included in the required coverage.

Personal Services Contractors (PSCs) are exempt from Defense Base Act coverage. PSCs are treated like direct-hire employees for worker's compensation purposes and are covered by the Federal Employees Compensation Act.

The Defense Base Act does not apply to grants and cooperative agreements or sub-contracts or sub-grants under assistance instruments.

## **WAIVER OF COVERAGE**

DBA insurance coverage is required for employees of contractors (and their subcontractors) unless a waiver has been obtained from the U.S. Department of Labor (See FAR 28.305). Blanket Waivers from Defense Base Act insurance requirements have been issued by the Department of Labor for foreign nationals in over 100 countries in which USAID has or had programs. Foreign national employees covered by this waiver are exempt from the requirement to secure Defense Base Act Insurance but must be provided worker's compensation benefits as prescribed in applicable foreign laws. However, the waivers do not apply to any employee who is:

1. A citizen of the United States;
2. A resident of the United States; or,
3. Hired in the United States.

The attached DBA Waiver List (Attachment 2) identifies all countries for which foreign national employees are exempt from the requirement to secure Defense Base Act coverage.

## **CONTRACT CLAUSE**

As prescribed in AIDAR 728.309, the supplemental coverage at AIDAR 752.228-3 is to be added to the clause specified in FAR 52.228-3 by the USAID Contracting Officer.

## **DEFENSE BASE ACT (DBA) WAIVER LIST**

Afghanistan	Haiti	St Lucia
Albania	Honduras	St. Vincent
Antigua	Hungary	Senegal
Armenia	India	Serbia
Azerbaijan	Indonesia	Seychelles
Bahamas	Israel	Sierra Leone
Bangladesh	Italy	Slovak Republic
Barbados	Jamaica	Slovenia
Belarus	Jordan	Somalia

Belize	Kazakhstan	South Africa
Benin	Kenya	Sri Lanka
Bolivia	Korea	Sudan
Bosnia & Hercegovina	Krygyzstan	Swaziland
Botswana	Latvia	Syria
Brazil	Lebanon	Tajikistan
Bulgaria	Lesotho	Tanzania
Burkina Faso	Liberia	Thailand
Burundi	Lithuania	Togo
Cambodia	Macedonia	Tonga
Cameroon	Madagascar	Tunisia
Cape Verde	Malawi	Turkey
Chad	Mali	Turkmenistan
Chile	Mauritania	Uganda
Colombia	Mauritius	Ukraine
Costa Rica	Mexico	Uruguay
Cote d'Ivoire	Moldova	Uzbekistan
Croatia	Mongolia	Vietnam
	Montenegro	Western Samoa
Czech Republic	Morocco	Yemen
Democratic Republic of the Congo	Mozambique	Yugoslavia
Djibouti	Namibia	Zambia
Dominica	Nepal	Zimbabwe
Dominican Republic	New Caledonia	
Ecuador	Nicaragua	
Egypt	Niger	
El Salvador	Nigeria	
Equatorial Guinea	Oman	
Estonia	Pakistan	
Ethiopia	Panama	
Fiji	Papua New Guinea	
Gambia	Paraguay	
Georgia	Peru	
Ghana	Philippines	
Grenada	Poland	
Guatemala	Portugal	
Guinea	Romania	
Guinea-Bissau	Russian Federation	
Guyana	Rwanda	
	St. Christopher & Nevis	