

REIMBURSEMENT FOR PROFESSIONAL LIABILITY INSURANCE

I. Purpose

This Directive establishes the Department of Homeland Security (DHS) human capital policy and responsibilities regarding reimbursement to qualified employees for the cost of purchasing professional liability insurance.

II. Scope

This Directive applies throughout DHS, unless exempted by statutory or federal regulatory authority.

III. Authorities

- A. [Public Law 104-208 \(Division A, Title VI, Section 636\)](#), Reimbursements Relating to Professional Liability Insurance ([Title 5, United States Code, prec. 5941 note](#)); as amended by [Public Law 105-277 \(Division A, Title VI, Section 644\)](#), [Public Law 106-58 \(Title VI, Section 642\(a\)\)](#) and [Public Law 110-161 \(Division F, Title IV, Section 429\(a\)\)](#)
- B. DHS Delegation 00002, "Delegation to the Under Secretary for Management"
- C. DHS Delegation 01000, "Delegation for Financial Activities"
- D. DHS Delegation 03000, "Delegation for Human Capital and Human Resources"

IV. Responsibilities

- A. The ***DHS Chief Human Capital Officer*** establishes Departmental human capital policy and guidance regarding reimbursement to qualified employees for a portion of the cost of purchasing professional liability insurance.

- B. The **DHS Chief Financial Officer** establishes Departmental financial policy and guidance regarding reimbursement to qualified employees for a portion of the cost of purchasing professional liability insurance.
- C. The **DHS Components Heads**:
1. Oversee the administration and implementation of reimbursement to qualified employees for a portion of the cost of purchasing professional liability insurance within their Components.
 2. Establish guidelines and procedures, as necessary, to administer the professional liability insurance reimbursement program within their Components.
- D. The **Executive Director, Headquarters Human Resources Management and Services** assumes the responsibilities listed under section IV.C. for all Support Components, with the exception of the National Protection and Programs Directorate (NPPD), the Office of Inspector General (OIG), and the Federal Law Enforcement Training Centers (FLETC).

V. Policy and Requirements

- A. **Policy**: Component heads or their designees authorize reimbursement to qualified employees for one-half (50 percent) of the annual premium paid to obtain professional liability insurance, in accordance with statute (Section III.A.).
- B. **Requirements/Procedures**: Component guidelines and procedures ensure that:
1. Only fully paid professional liability insurance premiums are reimbursed;
 2. If the annual premium for the professional liability insurance is paid in installments (for example, bi-weekly, quarterly, or semi-annually), reimbursement is made when the premium for a full plan year has been paid;
 3. If the annual premium for the professional liability insurance is prorated for a partial year of coverage, only one-half of the premium amount paid is reimbursed; and

4. The employee repays the agency a prorated share of the reimbursement received if the professional liability insurance coverage is discontinued, the employee separates from the DHS, or otherwise becomes ineligible for reimbursement (for example, by moving to a non-eligible position) during a period covered by the reimbursement.

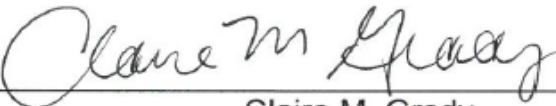
a. The amount to be repaid to the agency is equal to the number of full months during which the employee is ineligible for reimbursement of professional liability insurance premiums multiplied by monthly reimbursement rate.

b. The monthly reimbursement rate is one-half of the annual premium for the professional liability insurance divided by 12.

C. Terms used in this Directive can be found in [Appendix A: Definitions](#).

VI. Questions

Address any questions or concerns regarding this Directive to the Office of the Chief Human Capital Officer.



Claire M. Grady
Under Secretary for Management

02 APR 2018

Date

Appendix A: Definitions

The following terms have the meaning given the term in the statute cited in Section III.A. For the purposes of this policy, the terms include:

- A. **Law Enforcement Officer** has the meaning given the term in the statute cited in Section III.A. For the purposes of this policy, the term includes:
1. An employee who occupies a position approved for coverage as law enforcement officer under Title 5, United States Code, §§ 8331(20) or 8401(17), including an employee who is not covered by the special retirement provisions due to the employee's service history, and
 2. An attorney whose duties primarily entail the criminal prosecution of persons suspected of offenses against the criminal laws of the United States.
- B. **Management Official** has the meaning given in 5 U.S.C. § 7103(a)(11), which states: "[management official](#)" means an individual employed by an agency in a position the duties and responsibilities of which require or authorize the individual to formulate, determine, or influence the policies of the agency.
- C. **Professional Liability Insurance** means insurance which provides coverage for:
1. 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
 2. 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.
- D. **Qualified Employee** means an employee whose position is that of a law enforcement officer, supervisor, or management official.

Appendix A: Definitions

E. **Supervisor** has the meaning given in 5 U.S.C. § 7103(a)(10), which states: “supervisor” means an individual employed by an agency having authority in the interest of the agency to hire, direct, assign, promote, reward, transfer, furlough, layoff, recall, suspend, discipline, or remove employees, to adjust their grievances, or to effectively recommend such action, if the exercise of the authority is not merely routine or clerical in nature but requires the consistent exercise of independent judgment, except that, with respect to any unit which includes firefighters or nurses, the term “supervisor” includes only those individuals who devote a preponderance of their employment time to exercising such authority.