

# DFARS Procedures, Guidance, and Information

## PGI 228—Bonds and Insurance

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*(Revised April 21, 2014)*

### PGI 228.3--INSURANCE

#### PGI 228.304 Risk-pooling arrangements.

(1) The plan—

(i) Is implemented by attaching an endorsement to standard insurance policy forms for workers' compensation, employer's liability, comprehensive general, and automobile liability. The endorsement states that the instant policy is subject to the National Defense Projects Rating Plan.

(ii) Applies to eligible defense projects of one or more departments/agencies. For purposes of this section, a defense project is any eligible contract or group of contracts with the same contractor.

(A) A defense project is eligible when—

(1) Eligible contracts represent, at the inception of the plan, at least 90 percent of the payroll for the total operations at project locations; and

(2) The annual insurance premium is estimated to be at least \$10,000.

(B) A contract is eligible when it is—

(1) Either domestic or foreign;

(2) Cost-reimbursement type; or

(3) Fixed price with redetermination provisions.

(2) Under construction contracts, include construction subcontractors in the prime contractor's plan only when subcontractor operations are at the project site, and the subcontract provides that the prime contractor will furnish insurance.

(3) Use the agreement in Table 28-1, Insurance Rating Plan Agreement, when the Government assumes contractor premium payments upon contract termination or completion.

(4) The Federal Tort Claims Act provides protection for Government employees while driving Government-owned vehicles in the performance of their assigned duties. Include the endorsement in Table 28-2, Automobile Insurance Policy Endorsement, in automobile liability insurance policies provided under the National Defense Projects Rating Plan.

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### TABLE 28-1, INSURANCE RATING PLAN RATING AGREEMENT

#### Special Casualty Insurance Rating Plan Assignment-Assumption of Premium Obligations

It is agreed that 100 percent\* of the return premiums and premium refunds (and dividends) due or to become due the prime contractor under the policies to which the National Defense Projects Rating Plan Endorsement made a part of policy \_\_\_\_\_ applies are hereby assigned to and shall be paid to the United States of America, and the prime contractor directs the Company to make such payments to the office designated for contract administration acting for and on account of the United States of America.

The United States of America hereby assumes and agrees to fulfill all present and future obligations of the prime contractor with respect to the payment of 100 percent\* of the premiums under said policies.

This agreement, upon acceptance by the prime contractor, the United States of America, and the Company shall be effective from \_\_\_\_\_

Accepted \_\_\_\_\_ (Date)  
\_\_\_\_\_  
(Name of Insurance Company)  
By \_\_\_\_\_ (Title of Official Signing)

Accepted \_\_\_\_\_ (Date)  
\_\_\_\_\_  
United States of America  
(Authorized Representative)  
By \_\_\_\_\_

Accepted \_\_\_\_\_ (Date)  
\_\_\_\_\_  
(Prime Contractor)  
By \_\_\_\_\_ (Authorized Representative)

\*In the event the Government has less than a 100 percent interest in premium funds or dividends, modify the assignment to reflect the percentage of interest and extent of the Government's assumption of additional premium obligation.

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### TABLE 28-2, AUTOMOBILE INSURANCE POLICY ENDORSEMENT

It is agreed that insurance provided by the policy with respect to the ownership, maintenance, or use of automobiles, including loading and unloading thereof, does not apply to the following as insureds: The United States of America, any of its agencies, or any of its officers or employees.

#### **PGI 228.305 Overseas workers' compensation and war-hazard insurance.**

(d) Submit requests for waiver through department/agency channels. Include the following in the request:

- (i) Name and address of contractor.
- (ii) Contract number.
- (iii) Date of award.
- (iv) Place of performance.
- (v) Name of insurance company providing Defense Base Act coverage.
- (vi) Nationality of employees to whom waiver is to apply.
- (vii) Reason for waiver.

#### **PGI 228.370 Additional clauses.**

(b)(3) DFARS 252.228-7001, Ground and Flight Risk Clause, requires the assignment of a Government Flight Representative (GFR) to administer the requirements of the combined instruction [Contractor's Flight and Ground Operations](#), (DCMA INST 8210.1, AFI 10-220, AR 95-20, NAVAIRINST 3710.1 (Series), and COMDTINST M13020.3). At the time the solicitation is issued, contracting officers shall contact DCMA Aircraft Operations (AO) and the appropriate Military Service to obtain technical advice and allow adequate lead time for assigning a GFR. Make requests for assignment of a GFR to—

HQ DCMA: DCMA-AO  
3901 A Avenue, BLDG 10500  
Fort Lee, VA 23801-1809  
804– 734-0338

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Email: [AOInbox@dcma.mil](mailto:AOInbox@dcma.mil) (include "Ground and Flight Risk Clause" on the subject line)

Army: HQ, Army Materiel Command  
ATTN: AMCOP-CA  
4400 Martin Road  
Redstone Arsenal, AL 35898  
256-450-6477

Navy: Commander, Naval Air Systems Command (AIR-09F)  
22541 Millstone Road, Unit 10  
Patuxent River, MD 20670-1601  
301-342-7233

Air Force: HQ AFMC/A3V  
508 W. Choctawhatchee  
Eglin AFB, FL 32542-5713  
850-882-7890

Coast Guard: Assistant Commandant for Engineering and Logistics  
COMDT CG 4  
2100 2nd St. SW  
Washington, DC 20593-0001  
202-267-0187