

The image features a large, light gray watermark of the USAID seal in the background. The seal is circular and contains the text "UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT" around the perimeter. In the center of the seal is a shield with a map of the United States, and the word "USAID" is prominently displayed in a dark gray box across the middle of the seal. The text of the document is overlaid on this seal.

**USAID**

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U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

July 3, 2000

MEMORANDUM FOR ALL CONTRACTING OFFICERS AND NEGOTIATORS

TO: DISTRIBUTION LIST FAC  
FROM: M/OP, Rodney Johnson, Director  
SUBJECT: Defense Base Act (DBA) Coverage and DBA Waiver List

CONTRACT INFORMATION BULLETIN 00 - 07

This CIB supersedes and cancels CIB 98-25.

The purpose of this bulletin is to update guidance relative to Defense Base Act (DBA) coverage and DBA Waiver List.

USAID's contract with Fidelity and Casualty of New York to provide Defense Base Act (DBA) coverage to USAID direct and host country contractors includes a provision for periodic adjustment of the basic rate. The fixed rates for the first two years of the contract, July 1, 1998 - June 30, 2000, was \$1.84 per \$100 of employee remuneration. Based on recalculation of the initial rate (incurred losses divided by earned premium) the new rate for the next year, July 1, 2000 through June 30, 2001, is \$1.54 per \$100 of employee remuneration.

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

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WASHINGTON, D.C. 20523

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 the Application for Defense Base Act Coverage. Applications and complete information and instructions are available directly from Rutherford International, Inc or from the Rutherford website.

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). "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. Rutherford may adjust the application date, at its option, to meet particular circumstances.

#### COST OF COVERAGE

For the period July 1, 2000 through June 30, 2001, the rate is \$1.54 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, 2001.

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

DBA coverage is worker's compensation insurance providing 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 1) 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
Czech Republic	Montenegro	Western Samoa
Democratic Republic of the Congo	Morocco	Yemen
Djibouti	Mozambique	Yugoslavia
Dominica	Namibia	Zambia
Dominican Republic	Nepal	Zimbabwe
Ecuador	New Caledonia	
Egypt	Nicaragua	
El Salvador	Niger	
Equatorial Guinea	Nigeria	
Estonia	Oman	
Ethiopia	Pakistan	
Fiji	Panama	
Gambia	Papua New Guinea	
Georgia	Paraguay	
Ghana	Peru	
Grenada	Philippines	
Guatemala	Poland	
Guinea	Portugal	
Guinea-Bissau	Romania	
Guyana	Russian Federation	
	Rwanda	
	St. Christopher & Nevis	