

(Courtesy of Michigan State University)
Defense Base Act Frequently Asked Questions

1. What is Defense Base Act (DBA)?

DBA is an extension of the Longshore and Harbor Workers' Compensation Act (LHWCA) which provides disability compensation and medical benefits to employees and death benefits to eligible survivors of employees. The primary goal of the Defense Base Act is to provide coverage to anyone working under any contract with an agency of the U.S. government for work outside the U.S., whether military in nature or not. Almost any contract with a U.S. agency will require Defense Base Act coverage.

2. Who is covered under the DBA?

The Defense Base Act covers the following employment activities:

- Work for private employers on U.S. military bases or on any lands used by the U.S. for military purposes outside of the United States
- Work on a contract with any U.S. government agency
- Work on contracts approved and funded by the U.S. under the Foreign Assistance Act
- Work for American employers providing welfare or similar services outside the United States for the benefit of the Armed Services, e.g. the United Service Organizations

If any of the above criteria is met, all employees engaged in such employment, regardless of nationality - including U.S. citizens and residents, host country nationals (local hires), and third country nationals (individuals hired from another country to work in the host country), are covered under the Act.

NOTE: Non-US contracting agencies do NOT have to provide DBA coverage. Check with your agency to confirm.

3. Is work performed pursuant to a grant covered under the DBA?

At this time, work performed pursuant to a grant is **NOT** covered under DBA.

4. Who administers the DBA insurance?

There are a number of insurance groups that offer DBA insurance. Currently, MSU has contracts with Rutherford Insurance for DBA coverage. For more information regarding the Rutherford group please follow: www.rutherford.com

5. What types of benefits are available under the DBA?

The Defense Base Act provides disability and medical benefits to covered individuals injured in the course of employment and death benefits to eligible survivors. Terms and conditions as well as compensation limits vary depending on the U.S. government funding agency and obligation under the contract.

6. Are there any payment provisions?

There may be payment provisions depending on the U.S. government funding agency and the terms of the contract. At the time of DBA policy purchase, you will receive a package regarding your coverage and any benefit restrictions. It is encouraged that a review of the policy be done upon receipt and that the insurer is contacted with any questions.

7. Is DBA insurance required for our subcontractors?

If the subcontractor is being funded by a contract that MSU has with a U.S. government agency requiring of MSU DBA coverage then yes, that restriction should also be flowed down to the subcontractor. If our subcontractor fails to secure the DBA insurance as required, then the liability of payment for any entitled benefits becomes the financial responsibility of MSU.

8. Does MSU have to acquire DBA coverage for foreign nationals?

Yes. Benefits under the DBA are payable regardless of nationality. MSU should secure insurance coverage for all their employees working outside the United States under a U.S. government contract, including U.S. citizens and residents, host country national (local hires), and third country nationals (hired from another country to perform work in the host country).

9. Do I have to buy DBA insurance for the entire length of a contract?

No. DBA insurance is purchased for only the period of time that a payee under the contract is traveling or in travel status. Once the insurer is notified of the specified travel dates a policy amendment is issued that reflects the specified travel. The policy is amended for each period of travel and a premium is calculated based on the number of days.

WSU Notes:

WSU's Office of Risk Management Services says that WSU is required to purchase insurance through the Department of Enterprise Services, Office of Risk Management. The contact here at WSU is Rick Fadness who can help departments navigate the process.