

**Department of
Veterans Affairs**

Memorandum

Date:

OCT 18 2000

From: Assistant Secretary for Human Resources and Administration (006)

Subj: Reimbursement for Professional Liability Insurance

To: Administration Heads, Assistant Secretaries, Other Key Officials, and Deputy Assistant Secretaries

1. On August 24, 2000, the Acting Secretary authorized the reimbursement of professional liability insurance premiums to VA supervisors, management officials, and law enforcement officers for not more than one-half the cost incurred by such employees. Qualified employees electing to purchase professional liability insurance will be reimbursed up to one-half the cost of their policies, not to exceed \$150 per year. Reimbursement costs will be the responsibility of the organization in which the employee works and may be paid retroactively to October 1, 1999, the date of the enactment of the statute.

2. Since there are already local procedures in place for processing vouchers, VA activities, including Administration CFOs and station-level CFOs, shall follow the local vouchering procedures and use the forms that have been authorized for such use. Please share this information with eligible employees and those officials in your organization who will be responsible for implementing this program.

3. General questions should be referred to Bob MacDonald at (202) 273-9707. However, questions concerning the vouchering process or other pay issues should be directed to Steve Arisumi at (202) 273-5531.



Eugene A. Brickhouse

Attachment: Definitions - Reimbursement for
Professional Liability Insurance

Reimbursement for Professional Liability Insurance

Definitions

1. **Professional Liability Insurance** is insurance which provides coverage for:
 - a. The legal liability for damages due to injuries to other persons, damages 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 tortuous act, error, or omission of the covered individual (whether common law, statutory or constitutional) while in the performance of such individuals duties as a qualified employee; and
 - b. The cost of legal representation for a 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 duties as a qualified employee, and other legal costs and fees relating to any such administrative or judicial proceeding.
2. **Supervisors and Management Officials** have the meaning given them by section 7103(a)(10) and (11) of Title 5.
 - a. **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 judgement, 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;
 - b. **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;
3. **Law Enforcement Officer** means an employee, the duties of whose position are primarily in the investigation, apprehension, prosecution, or detention of individuals suspected of, or convicted of offenses against the criminal laws of the United States, including an employee engaged in this activity who is transferred to a supervisory or administrative position (Section 8331(20) or 8401(17) of Title 5, or under section 4823 of Title 22, United States Code).
4. **Qualified Employees** are employees who may be reimbursed for half of the cost of professional liability insurance premiums, not to exceed \$150 per year, provided they meet the definition of a supervisor, management official, or law enforcement officer.

