

DEPARTMENT OF HOMELAND SECURITY
U.S. Customs and Border Protection

CBP DIRECTIVE NO. 5340-014C

DATE: November 8, 2011

ORIGINATING OFFICE: OA:FM:FP/HRM

SUPERSEDES: CBPD 5340-014B, 8/22/05

REVIEW DATE: November 2014

SUBJECT: PROFESSIONAL LIABILITY INSURANCE

1 **PURPOSE.** To provide policy and procedures for reimbursing eligible employees who elect to purchase professional liability insurance.

2 **POLICY.** U.S. Customs and Border Protection (CBP) will reimburse eligible employees 50 percent of the cost of premiums for professional liability insurance related to the performance of their official duties as CBP employees.

2.1 Eligible positions include:

2.1.1 Law enforcement officers whose duties are primarily the investigation, apprehension, prosecution, or detention of individuals suspected or convicted of offenses against the criminal laws of the United States. This includes any law enforcement officer under 5 U.S.C. §§ 8331(20) or 8401(17) or under 22 U.S.C. § 4823.

2.1.2 Supervisors and management officials as defined by 5 U.S.C. § 7103(a)(10). A supervisor is an employee 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. A management official is 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.

2.2 CBP will reimburse 50 percent of the professional liability insurance costs for coverage listed below. The cost of any additional coverage included under an employee's policy is not eligible for reimbursement and must not be included in the amount requested for reimbursement. Authorized coverage includes:

2.2.1 Injuries to other persons or damages to their property;

2.2.2 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 policyholder (whether common law, statutory, or constitutional) while in the performance of his or her official duties as a CBP employee;

2.2.3 Costs of legal representation – including the costs associated with any administrative or judicial proceeding; or any investigative or disciplinary proceeding that may have resulted from any act, error, or omission of the policyholder while in the performance of his or her official duties as a CBP employee; and

2.2.4 Administrative Fee – some insurance companies include an administrative charge to acquire professional liability insurance. The administrative charge is a cost to acquire the insurance and is reimbursable under the 50 percent rule.

2.3 The following dates apply for position coverage in CBP and the procedures of this directive:

- legacy Customs employees are covered from October 1, 1999, forward;
- legacy U.S. Department of Agriculture (USDA) employees are covered March 1, 2003, forward;
- legacy Immigration and Naturalization Service (INS) employees are covered October 1, 2003, forward; and
- Air and Marine employees are covered October 1, 1999, forward.

Legacy USDA and INS employees with questions about coverage prior to becoming CBP should contact their respective legacy Human Resource office.

3 **AUTHORITIES.** Section 636 of Public Law 104-208; Section 642 of Public Law 106-58; 5 U.S.C. §§ 7103(a), 8331(20) and 8401(17); 22 U.S.C. § 4823.

4 **RESPONSIBILITIES.**

4.1 The Assistant Commissioner, Office of Administration, is responsible for processing requests for reimbursement of premiums paid for professional liability insurance.

4.2 The Assistant Commissioner, Office of Human Resources Management, is responsible for providing advisory services related to positions that meet the eligibility as defined under section 2.1 of this directive. On an annual basis, the Office of Human Resources Management will provide each Assistant Commissioner's office with a listing of their eligible positions for validation. Questions concerning the eligibility of specific positions or coverage may be referred to the Position Management and Classification, and Staffing Policy and Compensation Branches.

4.3 Eligible employees must follow the procedures specified in paragraphs 5.1 through 5.3 to request reimbursement. Employees are responsible for maintaining receipts for a 3-year period from the date of the request for reimbursement and for providing copies of receipts, upon request, to their supervisor and/or the National Finance Center (NFC). Employees who submit their receipts into the FedTraveler are not required to maintain additional documentation.

4.4 Approving officials are responsible for ensuring that the employee who requests reimbursement meets the eligibility requirements contained in paragraphs 2.1 and 2.2 and approving the request as specified in paragraph 5.3.

5 PROCEDURES.

5.1 Requests for reimbursement must be submitted through FedTraveler.

5.2 Obtain the proper accounting string from the office Budget Officer.

5.3 Log on to FedTraveler and select the following:

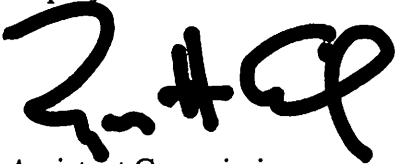
Under My Travel Desktop click Travel Desktop.

- Select the Local Expense Report menu option.
- Follow the instructions under Page Help on the left side of the screen.
- Select "Office Business Claims" in the Purpose Code drop down box.
- Select "Professional Liability" in the Expense Item drop down box.

5.4 If the employee's request for reimbursement is selected for audit, and the employee has not previously entered receipts into FedTraveler, their receipts must be entered into FedTraveler at this time.

5.5 Reimbursement will be made by electronic funds transfer (EFT). The employee's bank information on file for travel reimbursement will be used for the EFT payment.

5.6 Employees who become ineligible because of movement to a non-eligible position or separation from the Federal Government will be required to repay the portion of the reimbursement covering the remainder of the coverage year. Employees are responsible for notifying the NFC when they move out of a covered position. Supervisors shall ensure employees are notified of this requirement.



Assistant Commissioner
Office of Administration



Assistant Commissioner
Office of Human Resources Management