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# Defense Base Act (DBA) Insurance

**What is Defense Base Act (DBA) insurance for?** DBA insurance provides contractor employees with insurance coverage, akin to workers' compensation insurance, while performing work under U.S. Government contracts outside the United States.

**Why do you need it?** U.S. law and regulation requires contractors to obtain DBA insurance coverage for its employees for certain contracts, including public-work contracts, with the U.S. Government performed outside the United States. Federal Acquisition Regulation (FAR) 52.228-3, Workers' Compensation Insurance (Defense Base Act) (JUL 2014), requires contractors to provide disability compensation, medical insurance benefits, and death benefits during contract performance for all covered employees.

**When does it apply?** A contractor **MUST** buy DBA insurance for its employees working outside the 50 United States, unless the contractor is under a self-insurance program approved by the U.S. Department of Labor (DoL) or is subject to a waiver (see FAR 28.305). Note: Non-DoL approved self-insurance programs or other non-DBA insurance policies may supplement mandatory DBA coverage, but these policies are not a substitute for mandatory DBA coverage.

- Both prime contractors and subcontractors must obtain DBA insurance.
- DBA insurance is not required for supply acquisitions unless training or equipment installation is involved (i.e., the performance is overseas).

## **Important DBA facts:**

### **Does:**

- Apply to all paid workers associated with the contract, including third-country nationals and local nationals;
- Provide coverage for injuries or deaths arising in the course of employment; and
- Provide benefits for injuries and lost wages due to work-related conditions.

### **Does not:**

- Provide coverage for injuries or death arising from a war hazard; or
- Cover outside activities, such as excursions, periods of rest and relaxation, additional travel during breaks, etc.

## **Useful resource:**

A list of authorized DBA insurance carriers can be found on the DoL's website at: <https://www.dol.gov/agencies/owcp/dlhwcl/sdba>