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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/dlhwc/lbdba>