28.307-2 Liability.

(a) *Workers' compensation and employer's liability*. Contractors are required to comply with applicable Federal and State workers' compensation and occupational disease statutes. If occupational diseases are not compensable under those statutes, they *shall* be covered under the employer's liability section of the *insurance* policy, except when contract operations are so commingled with a contractor's commercial operations that it would not be practical to require this coverage. Employer's liability coverage of at least \$100,000 *shall* be required, except in States with exclusive or monopolistic funds that do not permit workers' compensation to be written by private carriers. (See <u>28.305</u>(c) for treatment of contracts subject to the Defense Base Act.)

(b) General liability.

(1) The *contracting officer shall* require bodily injury liability *insurance* coverage written on the comprehensive form of policy of at least \$500,000 per occurrence.

(2) Property damage liability *insurance shall* be required only in special circumstances as determined by the agency.

(c) *Automobile liability*. The *contracting officer shall* require automobile liability *insurance* written on the comprehensive form of policy. The policy *shall* provide for bodily injury and property damage liability covering the operation of all automobiles used in connection with performing the contract. Policies covering automobiles operated in the *United States shall* provide coverage of at least \$200,000 per person and \$500,000 per occurrence for bodily injury and \$20,000 per occurrence for property damage. The amount of liability coverage on other policies *shall* be commensurate with any legal requirements of the locality and sufficient to meet normal and customary *claims*.

(d) *Aircraft public and passenger liability*. When aircraft are used in connection with performing the contract, the *contracting officer shall* require aircraft public and passenger liability *insurance*. Coverage *shall* be at least \$200,000 per person and \$500,000 per occurrence for bodily injury, other than passenger liability, and \$200,000 per occurrence for property damage. Coverage for passenger liability bodily injury *shall* be at least \$200,000 multiplied by the number of seats or passengers, whichever is greater.

(e) *Vessel liability*. When contract performance involves use of vessels, the *contracting officer shall* require, as determined by the agency, vessel collision liability and protection and indemnity liability *insurance*.

Parent topic: 28.307 Insurance under cost-reimbursement contracts.