



To enhance mission performance, TSA is committed to promoting a culture founded on its values of Integrity, Innovation and Team Spirit.

NOTE : Pursuant to Section 101 of the Aviation and Transportation Security Act (49 U.S.C. 114(n)), this directive and all related Handbooks, Attachments, and Appendices, establish Transportation Security Administration (TSA) policy and must be applied accordingly.

REVISION: This revised directive cancels and supersedes TSA MD 1100.00-3, *Reimbursement for Professional Liability Insurance*, dated December 30, 2014.

SUMMARY OF CHANGES: Section 7, Procedures, updated the mailing address for SF-1164 submission.

1. **PURPOSE:** This directive provides TSA policy and procedures concerning reimbursement for the cost of obtaining professional liability insurance.
2. **SCOPE:** This directive applies to TSA employees who occupy law enforcement officer (LEO), supervisor, and management official positions as they are defined in Section 4, and the Supervisory Transportation Security Officers (STSOs).
3. **AUTHORITIES:**
 - A. The Aviation and Transportation Security Act, Pub. L. 107-71 (ATSA)
 - B. The Omnibus Consolidated Appropriations Act, 1997, Pub. L. 104-208, § 636, as amended by the Treasury and General Government Appropriations Act, 2000, Pub. L. 106-58, § 642
4. **DEFINITIONS:**
 - A. Approving Official: A qualified employee's immediate supervisor.
 - B. LEO: A TSA employee whose duties are primarily the investigation, apprehension, prosecution, detention, or supervision of individuals suspected or convicted of offenses against the criminal laws of the United States. This includes LEOs as defined under section 8331(20) or 8401(17) of Title 5, United States Code. Refer to [TSA MD 1100.88-1, Law Enforcement Position Standards and Hiring Requirements](#), for TSA LEO designations.
 - C. Management Official: A TSA employee whose duties require/authorize him or her to formulate, determine, or influence the policies of TSA and its customers. A management official does not include an employee whose functions are limited to implementing, as opposed to shaping, agency policy.
 - D. Professional Liability Insurance: Insurance coverage purchased by a qualified employee that provides coverage for:

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- (1) Legal liability for damages due to injuries to other persons, damage 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 tortious act, error or omission of the covered employee (whether common law, statutory, or constitutional) while in the performance of that employee's official duties as a qualified employee; and
 - (2) The cost of legal representation for the covered employee in connection with any administrative or judicial proceeding (including any investigation or disciplinary proceeding) relating to any act, error, or omission of the covered employee while in the performance of such employee's official duties as a qualified employee, and other legal costs and fees relating to any such administrative or judicial proceeding.
- E. Supervisor: A TSA employee who has the authority to hire, direct, assign, promote, reward, transfer, furlough, layoff, recall, suspend, discipline, or remove employees, to adjust 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.

5. RESPONSIBILITIES:

- A. The approving officials or their designees are responsible for reviewing employee requests for reimbursement for professional liability insurance and related documents, and approving or denying the requests.
- B. Qualified employees claiming reimbursement for professional liability insurance are responsible for submitting all required documents in support of the claim for reimbursement, and for maintaining copies of the supporting documents for a period of three (3) years following the plan year for which reimbursement was made.

6. POLICY:

- A. TSA will reimburse qualified employees for a portion of the premium paid to obtain insurance coverage that meets the statutory definition of professional liability insurance.
- B. Employees who occupy LEO, supervisor, management official, and STSO positions are qualified to claim reimbursement for a portion of the premium paid to purchase professional liability insurance.
- C. TSA neither encourages nor discourages purchase of a professional liability insurance policy.
- D. The decision to purchase professional liability insurance is a personal choice for each employee. Qualified employees should make personal judgments concerning their liability and their need for professional liability insurance coverage.

NOTE: The Department of Justice (DOJ) is responsible for determining if it is in the best interest of the United States Government (USG) to defend an employee sued in his or her individual capacity for acts taken within the scope of official duties. If DOJ decides to defend the employee, DOJ may assign a DOJ attorney to represent the employee, agree to pay for

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private counsel, or approve requests to reimburse the employee for private counsel fees already incurred, at DOJ's discretion. However, DOJ may determine that defending the employee is not in the best interest of the USG and, therefore, refuse to defend the employee. In rare cases, an employee can be found personally liable for constitutional torts while acting within the scope of his or her duties or for on-the-job misconduct.

- E. TSA will reimburse a portion of the annual premium costs for professional liability insurance incurred by qualified employees. Annual reimbursement shall be limited to the lesser of: one-half of the annual premium (or *pro-rated* annual premium, whichever is less) or \$150.00.
- F. Only fully paid costs may be reimbursed and reimbursement may be made no more often than once every year for the plan year that is being claimed.
- G. Reimbursement may *only* be made for full months when the employee was *both* covered by paid professional liability insurance *and* in a qualified position. Reimbursement may be *pro-rated* on a monthly basis. For example, if during an annual period of paid coverage, an employee was moved out of a qualified position for 45 days, the employee may seek reimbursement for the 10 full months of paid coverage he or she served in the qualified position, or 10/12 of the paid annual premium.
- H. Liability policies that do not meet the requirements of the applicable statute, such as umbrella liability policies or blanket legal representation policies are not reimbursable.

7. PROCEDURES:

- A. To claim reimbursement for professional liability insurance, qualified employees must submit the following to their approving official:
 - (1) A properly completed [SF-1164, Claim for Reimbursement for Expenditures on Official Business](#). Employees should complete the form SF-1164 in accordance with the guidance provided in the [Financial Management Manual](#). See Financial Management Manual, Part 1, Chapter 7, Section 9, *Reimbursement for Miscellaneous Expenses - Non Travel*;
 - (2) A copy of the insurance policy or other documents evidencing the purchase of professional liability insurance; and
 - (3) Proof of full payment of the annual premium for which reimbursement is being sought.
- B. The approving officials shall review the documents submitted by the qualified employees to ensure all requirements for reimbursement have been met and shall forward the approved SF-1164 to:

Commanding Officer
USCG Finance Center (OPB CS2)
1430A Kristina Way
Chesapeake, VA 23326

8. **APPROVAL AND EFFECTIVE DATE:** This policy is approved and effective the day of signature unless otherwise specified.

APPROVAL

Signed

August 20, 2015

Karen Shelton Waters
Assistant Administrator for Human Capital

Date

EFFECTIVE

Date

Distribution: Administrator, Deputy Administrator, Assistant Administrators, Regional Directors, Federal Security Directors, Supervisory Air Marshals in Charge, Business Management Division Directors, Administrative Officers, and Human Resources Specialists

Point-of-Contact: HelpDesk@mailserver-hraccess.tsa.dhs.gov