

28.301 Policy.

Contractors *shall* carry *insurance* under the following circumstances:

(a)

(1) The Government requires any contractor subject to Cost Accounting Standard (CAS) 416 (48 CFR 9004.416) to obtain *insurance*, by purchase or self-coverage, for the perils to which the contractor is exposed, except when-

(i) The Government, by providing in the contract in accordance with law, agrees to indemnify the contractor under specified circumstances; or

(ii) The contract specifically relieves the contractor of liability for loss of or damage to Government property.

(2) The Government reserves the right to disapprove the purchase of any *insurance* coverage not in the Government's interest.

(3) Allowability of the *insurance* program's cost *shall* be determined in accordance with the criteria in [31.205-19](#).

(b) Contractors, whether or not their contracts are subject to CAS 416, are required by law and this regulation to provide *insurance* for certain types of perils (*e.g.*, workers' compensation). *Insurance* is mandatory also when commingling of property, type of operation, circumstances of ownership, or condition of the contract make it necessary for the protection of the Government. The minimum amounts of *insurance* required by this regulation (see [28.307-2](#)) *may* be reduced when a contract is to be performed outside the *United States* and its *outlying areas*. When more than one agency is involved, the agency responsible for review and approval of a contractor's *insurance* program *shall* coordinate with other interested agencies before acting on significant *insurance* matters.

(c) Contractors awarded nonpersonal services contracts for health care services are required to maintain medical liability *insurance* and indemnify the Government for liability producing acts or omissions by the contractor, its employees and agents (see [37.400](#)).

Parent topic: [Subpart 28.3 - Insurance](#)