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 28.305(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.