

Chapter 14 The U.S. Army NAF Risk Management Program

Section I Introduction

14-1. Policies and principles

This chapter describes the basic policies and principles that govern the U.S. Army NAF Risk Management Program (RIMP). Subsequent sections provide details on coverages and claims procedures.

14-2. Applicability

a. This chapter applies to—

(1) All U.S. Army NAFIs worldwide. All U.S. Army NAFIs worldwide (except as provided in c below) including chaplains' funds and NAFIs of the Department of Defense and other agencies for which the Army has executive agent responsibilities. They include the Defense Logistics Agency, Defense Mapping Agency, National Security Agency, and the DOD Concessions Committee.

(2) Civilian NAFIs on Army installations. Civilian NAFIs may participate in RIMP only if the AAFCWF Board of Directors approves.

b. Isolated unit funds that own property should report to RIMP through the supporting IMWRF.

c. This chapter does not apply to AAFES, the Cadet Mess Ration Fund USMA, the U.S. Army Reserve, or the U.S. Army National Guard.

14-3. Administration

a. RIMP is a centralized property and casualty insurance program for U.S. Army NAF activities. The Director, Financial Management, USACFSC, administers the program for the Commander, USACFSC.

b. The Army Central Insurance Fund (ACIF) is a NAFI which receives and disburses the funds of RIMP.

c. The objective of RIMP is to provide broad insurance protection for Army NAF assets at the lowest cost. Assets purchased with APFs are not covered under this program. RIMP will use self-insurance programs and centralized commercial insurance to provide insurance protection.

d. Address inquiries to USACFSC (CFSC-FM-I), 4700 King Street, Alexandria, VA, 22302—4406.

Section II The Risk Management Program

14-4. Policy

a. RIMP follows the general principles of the commercial insurance industry in administering the self-insurance program. Special terms used in this chapter are contained in the Glossary.

(1) RIMP maintains a database of insured assets, employees, and payroll. As coverage needs of NAFIs are identified, RIMP provides the coverage either through the self-insured program or a commercial insurance company.

(2) RIMP invoices NAF activities for the cost of insurance and maintains reserves to pay claims.

(3) Losses covered by the RIMP programs are adjusted and payment of claims is made from the ACIF. Other than claims processed under the provisions of AR 27-20, general principles of the insurance industry are used in adjusting claims.

(4) RIMP maintains data on loss history and advises NAFI managers of losses that could be prevented or reduced with proper attention to loss and accident prevention measures.

b. All NAFIs must participate in RIMP and certain coverages are mandatory. This ensures there is an acceptable spread of risk so that routine losses can be predicted with accuracy and there is stability in the RIMP programs.

c. Other insurance is not allowed unless specifically authorized by the Director, Financial Management, USACFSC.

d. When the value or nature of certain insurable exposures dictates, RIMP may obtain commercial insurance coverage to protect exposure to loss.

e. Insurance policies are not issued under this program. Annually, each fund manager will correct statements of insured exposures to update the RIMP database.

14-5. Insurance programs

a. Separate insurance programs within RIMP are—

(1) *Property*. NAFI assets including buildings and contents, equipment, furniture, fixtures, inventory; watercraft, vehicles, and aircraft; money and securities and fidelity bonding for employees.

(2) *Tort*. Claims against NAFIs due to general liability. Such claims are defined and processed under the provisions of AR 27-20.

(3) *Workers' Compensation*. On-the-job injuries and illnesses. Coverage is mandated by Federal statutes.

(4) *Cargo*. Merchandise and property shipped to and from NAFIs. This coverage may be mandatory, depending on the dollar value of the shipment.

(5) *Unemployment Compensation*. Benefits for former NAF employees as required by Federal law. RIMP administers the program for Army NAF activities.

(6) *Family child care providers*. The ACIF maintains a RIMP claims fund for family child care (FCC) providers which is used to pay claims against FCC providers adjudicated per AR 27-20.

b. Participation in the following RIMP programs is mandatory:

(1) Fidelity bonding, money, and securities.

(2) General tort, vehicle tort, and aircraft liability for flying and parachute activities.

(3) Workers' Compensation and Unemployment Compensation.

(4) Family Child Care (FCC) Providers Claims Fund.

14-6. Review of insured exposures

a. RIMP records the physical assets, money, number of employees, and annual payroll of each NAFI to form an Army-wide database. This database is updated and corrected at times to permit a fair allocation of self-insured premiums. Large NAFIs with many employees, high dollar sales, and substantial physical assets are charged more in premiums than small NAFIs (such as the Chaplains' Fund, with one fund manager, no salaried employees, and limited physical assets). Annually, RIMP sends a Review of Insured Exposures to fund managers which shows the insurance data recorded. The fund manager updates the review and returns it to RIMP. The fund manager should sign, date, and return the review whether there are changes or not. This information provides a new database and forms the basis from which claims are paid. Assets not recorded on the Review of Insured Exposures are not insured. Claims are paid for assets that are properly reported for coverage. Coverage is effective the date the Review of Insured Exposures is signed. Premiums are adjusted based on the updated survey information, effective the date the new Review of Insured Exposures is signed.

b. As part of the review, the fund manager receives a copy of DA Form 4316-R (Application for Building Insurance) showing the data currently recorded for each insured building. RIMP provides a formula for establishing the actual cash value (ACV) of each building on the DA Form 4316-R, based on updated building costs per square foot and local area cost factors. The fund manager may accept the ACV as computed or may request a different ACV with supporting justification.

c. Fund managers should notify RIMP when the insurable value of contents changes more than 10 percent per location from that recorded on the Review of Insured Exposures. A change of more than 10 percent in the number of employees should also be reported.

d. RIMP provides coverage for newly acquired aircraft, vehicles, computers, buildings, building improvements and betterments, watercraft, livestock, and unlicensed vehicles for 30 days from date of acquisition. The fund manager must submit a written request for coverage to RIMP for coverage to be continued beyond 30 days.

14-7. Loss and accident prevention

a. In order to prevent or reduce losses and keep cost of insuring programs as low as possible, fund managers must observe DA, MACOM, and installation safety procedures.

b. Accident prevention and safety policies are outlined in the following regulations:

- (1) AR 190-13 (The Army Physical Security Program).
- (2) AR 190-40 (Serious Incident Report).
- (3) DA Pam 385-1 (Unit Safety Management).

c. Self-inspection forms (DA Form 285, U.S. Army Accident Investigation Report) are used by fund managers to detect unsafe practices and conditions.

14-8. Foreign insurance coverages

a. *Workers' Compensation and Employers' Liability.*

(1) In foreign nations, where local nationals working for the United States are required to be covered by the host nation's Worker's Compensation and Employer's Liability plan, private insurance is not allowed.

(2) The local commander will insure foreign employees in accordance with host nation requirements.

b. *Automobile and general liability.*

(1) RIMP provides physical damage insurance coverage as specified in section X in those foreign countries where the use of such vehicles is authorized. RIMP does not provide insurance coverage for bodily injury or death, or property damage sustained by third parties in nations where the United States does not have a Status of Forces Agreement (for example, Austria and Switzerland).

(2) Local commanders will require NAFIs that lease recreational vehicles to authorized users to obtain commercial liability insurance (proof of which is shown by a Green Card) to cover third party liability whenever the contemplated use of such vehicles includes travel to countries where the United States does not have a Status of Forces Agreement or where proof of liability insurance is required to enter the country.

(3) NAFI vehicles may not be operated in a country where a Status of Forces Agreement does not exist unless prior approval is obtained from the host country.

c. *Optional foreign insurance coverages.* When participation in host nation insurance funds or commercial insurance companies is not required by law but is an option, NAFIs will use the RIMP insurance program. Where overriding circumstances exist, requests for exceptions are sent to USACFSC (CFSC-FM-I) 4700 King Street, Alexandria, VA 22302-4406 for consideration and final decision.

14-9. Insurance requirements for concessionaires and contractors

Guidance regarding insurance requirements for concessionaires and contractors is contained in AR 215-4.

14-10. Claims against users

a. Damage to NAF property insured under RIMP is adjusted under the Property Program described in this chapter. RIMP reserves the right to seek recovery for claim payments against authorized users, through procedures established in chapter 13 or through legal proceedings.

b. Users of NAF property and facilities may be held legally liable for bodily injury or damage to the property of others caused by their negligence or omissions. Claims against authorized users are adjudicated per Section IV.

Section III Financial Requirements

14-11. Funding

a. The Army MWR Fund is the successor-in-interest to the ACIF.

b. Rates used to calculate premiums are derived from the RIMP database and loss experience. The rates will be the minimum

amount necessary to produce income for self-insured and commercially insured loss projections, plus a 10 percent surplus. Rates may be revised each year based on actual losses.

c. A premium for tort insurance is charged to all NAFIs for general liability coverage. An extra premium is charged for automobile liability coverage.

14-12. Premiums

a. Invoices for insurance premiums are mailed each October for the fiscal year. NAFIs with poor loss records may be subject to a surcharge imposed by RIMP, based on dollar value of claims paid.

b. NAFI fund managers should project their cash flow and be prepared to pay according to the billing schedule each year.

c. The payment of RIMP insurance invoices including unemployment compensation assessments is paid by the electronic transfer of funds from NAFI bank accounts through the Central Banking Program. RIMP mails the original insurance invoice to the NAFI and a copy to the servicing CAO. The fund manager should review the invoice and notify the RIMP immediately if an adjustment is necessary. RIMP processes the adjustments and sends a corrected invoice to the NAFI and the servicing CAO. On the 30th day after the invoice date, the premium is automatically debited from the NAFI bank account. The transaction is shown on the NAFI's monthly bank statement.

d. For those NAFIs not participating in the electronic transfer, ACIF invoices are due in full when received. ACIF invoices not paid within 30 days of the invoice date incur a 15 percent late fee surcharge. Claims made by NAFIs with outstanding premium balances are not considered by RIMP until all premiums are paid.

e. NAFIs have the option to pay their annual insurance invoices on a quarterly basis. A predetermined charge is applied to each quarterly payment. Within 30 days of receipt of the annual invoice in October, each fund manager must advise RIMP how payments will be made.

14-13. Maintenance of funds

a. Annual premium and expenses are established for the following programs for each fiscal year:

- (1) Property Program.
- (2) General Tort Program.
- (3) Workers' Compensation Program.
- (4) Workers' Compensation Program for Korean Nationals.
- (5) Aircraft Liability Program.
- (6) Vehicle Tort Program.
- (7) Open Cargo Program.
- (8) Unemployment Compensation Program.
- (9) Family Child Care Program.

b. Reserve funds are replenished each year based on actual exposure to loss. Reserves are established within the ACIF by the Director, Financial Management, USACFSC, and are based on audits and actuarial reviews. Reserve funds include—

(1) *Tort reserve.* This reserve is established annually based on known liabilities of general tort, vehicle tort, and aircraft tort.

(2) *Workers' compensation.* This fund is used to pay workers' compensation claims and expenses only. It is not commingled with other funds or used for any purpose except expenses and claims related to the workers' compensation program. Reserves are established based on the annual actuarial review.

c. In order to provide funds to pay for catastrophic losses, fund balances are maintained for each of the programs in paragraph 14-13a above. The Director, Financial Management, USACFSC, is charged with determining the appropriate fund balance for each program based upon the potential liabilities.

Section IV Claims Against NAF Activities—Tort Program

14-14. Types of claims and approval procedures

a. Claims covered by this section include—

(1) Claims against NAFIs (tort claims) due to acts or omissions of the NAFI, or its employees.

(2) Claims by employees of NAFIs for loss, damage, or destruction of personal property incident to their employment.

(3) Claims arising out of the activities of members or authorized users of NAF property.

(4) Claims arising out of the activities of FCC providers (para 14–20).

b. Workers' compensation claims procedures are prescribed in Section XV.

c. Procedures for settling and paying tort claims are set forth in AR 27–20, chapter 12. The ACIF acts as a disbursing agent for the payment of claims settled by claims approval and settlement authorities under the provisions of AR 27–20, or by the Department of Justice.

14–15. Tort claims

a. Claims against NAFIs as described in paragraph 14–14 are investigated, processed, and settled by claims approval and settlement authorities using the procedures described in AR 27–20 and this regulation. Procedures for claims arising out of activities of FCC providers are outlined in AR 27–20 and paragraph 14–20 of this chapter. Separate procedures for claims arising from flying activities are outlined in paragraph 14–61 .

b. Generally, NAFIs may not procure or pay for public liability insurance. Exceptions may be requested through channels to the Director, Financial Management, USACFSC.

c. Claims may arise from the activities of:

(1) NAF civilian employees of NAF activities.

(2) Active duty military personnel while performing off-duty, part-time work compensated from NAFs.

(3) Members of recreational NAFIs or authorized users of NAF recreational property, while using such property, except real property, in the manner and for the purposes authorized by DA regulations and/or the charter, constitution, or bylaws of the particular NAF membership activity.

(4) FCC providers, members of their households, and substitute providers as prescribed in paragraph 14–20 of this chapter.

d. Litigation:

(1) Civil action brought against a NAIFI, its officials, or employees, based on acts or omissions committed within the scope of their duties or employment, is reported per AR 27–40, chapter 2. Actions normally are defended by the Department of Justice, and legal representation is obtained as prescribed in AR 27–40, chapter 3.

(2) If a soldier, employee, or other authorized user of NAF property is sued individually because of an alleged act or omission committed while using NAF property, and if TJAG or designee determines the property was being used in the manner and for the purpose authorized, NAFs may be used to pay expenses incident to the suit, judgments, and compromise settlements.

(3) The filing of such suits are reported per AR 27–40. The report may include a request for authority to employ civilian counsel. Instructions are issued that provide guidance to persons who might be sued individually in connection with the use of fund property. The instructions will direct the person, upon being served, to deliver the summons immediately to the responsible NAIFI fund manager, to cooperate fully with the NAIFI representative to defend against the suit, and to refrain from making any statement except as permitted by this regulation.

(4) Only TJAG or a designee may authorize employing civilian counsel.

(5) If authority to employ civilian counsel is granted, TJAG or a designee will—

(a) Issue instructions to attorneys who are employed pursuant to this authority.

(b) Determine whether a compromise offer should be accepted and paid.

(c) Determine whether satisfaction of the judgment rendered against the individual sued is properly the responsibility of the NAIFI involved.

(6) Upon certification by TJAG or designee that payment of attorney fees, litigation expenses, compromises, and judgments is

proper, payment is made per AR 27–20, chapter 12. Expenses incident to suits arising out of the operations of NAFIs, other than those of the AAFES, are paid by the ACIF.

14–16. Investigation of claims—fund manager's role

a. Any incident involving personal injury or property damage can result in a claim. Even where no injury or damage is apparent, established claims procedures are followed in the event a claim is filed at some future date. Any incident which may potentially cause a claim requires the guidance of the local staff judge advocate.

b. Fund managers should establish local procedures to ensure—

(1) All incidents are reported to the fund manager.

(2) Employees understand the importance of recording relevant information such as date, time, and place of incident; injured person's name, address and phone number; names of witnesses; condition of premises; nature of injury or damage to property; and any statements made by persons involved.

c. Upon learning of any incident that may result in a claim, the fund manager must—

(1) Notify the appropriate claims judge advocate (CJA).

(2) Provide the CJA with all relevant information recorded at the time the incident occurred. The fund manager should also report other information which may have a bearing on the incident, such as specific instructions or warnings provided to patrons; documented efforts to repair known defects; and agreements with patrons, such as rental agreements, waivers, and hold harmless agreements used with recreational equipment and facilities or in conjunction with particular activities.

(3) Notify the ACIF (CFSC-FM-I) within 24 hours of all incidents involving death or serious injury requiring hospitalization. Per AR 27–20, paragraph 12–3c, the CJA will notify the ACIF of claims against NAFIs that are filed in excess of \$25,000.

(4) Direct all communication and correspondence regarding the incident or claim to the appropriate CJA. Fund managers have no authority to pay bills or expenses related to a claim or to attempt to settle a claim.

(5) Follow procedures for payment of claims set forth in paragraph 14–19.

d. Separate procedures apply for incidents and claims arising from flying and parachute activities. Guidance is located in paragraph 14–61.

14–17. Claims by employees

Claims by employees of NAFIs for loss, damage, or destruction of personal property incident to their employment are investigated and processed per AR 27–20, chapters 2, 11, and 12. Claims are paid from NAFs.

14–18. Contract claims

The SJA will be consulted when it is unclear whether a case should be processed as a contract claim under AR 215–4 or as a tort claim under AR 27–20.

14–19. Payment of claims

a. The settlement or approving authority responsible for adjudicating the claim determines whether a claim is payable or not, what amount is to be paid, and whether payment is to be made from NAFs or APFs.

b. Procedures for payment are outlined in AR 27–20, paragraph 12–7.

(1) Valid claims of \$100.00 or less are paid by the NAIFI sustaining the loss.

(2) Valid claims in excess of \$100.00 are sent by the CJA to the ACIF for payment in full if approved by the settlement authority. Payment is not made by the NAIFI.

Section V

Claims Against FCC Providers

14–20. Establishment of FCC Claims Program activities

Effective 1 October 1985, RIMP established a program to provide

payment of certain claims arising from the activities of FCC providers. To be cognizable, claims must arise from child care activities provided as part of the quarters-based system of child care authorized by AR 608–10.

14–21. Claims

a. The processing of claims arising from the activities of FCC providers while providing care under the FCC program is set forth in AR 27–20, chapter 12. Such claims generally are limited to injuries or death to children receiving care under the FCC program due to the negligence of the FCC provider, authorized members of that provider's household, and approved substitute providers. A claim is not payable if it is based upon any death or injury arising out of any criminal act or omission or any otherwise intentional tort or intentional violation of applicable laws or regulations (such as assault, battery, indecent assault, rape, false imprisonment, false arrest, malicious prosecution, abuse of process, libel, slander, misrepresentation, deceit). Claims arising from the transportation of such children in motor vehicles and claims involving loss or damage of property are not cognizable. The total payment for all claims (including derivative claims) arising as a result of injury to or death of any one person is limited to \$500,000 for each incident. Continuous or repeated exposure to substantially similar general harmful activity or conditions is treated as one incident for purposes of determining the limit of liability.

b. The claims settlement or approving authority determines the liability and the amount of the award. If a decision has to be made whether to pay from NAFs or APFs, the matter should be referred to Commander, U.S. Army Claims Service (USARCS), ATTN: JACS-TC, Fort Meade, MD 20755, for resolution. If a claim is found meritorious and payable from NAFs, payment is made by RIMP per paragraph 14–14 and AR 27–20, chapter 12. Upon certification that costs are proper, payment is made by RIMP.

c. Claims authorities in the field may ask, through the Commander, USARCS, for an advisory opinion from the USACFSC prior to settling any claim arising under paragraph *a* above, where it is not clear that the injured or deceased child was receiving care within the scope of the FCC program.

14–22. Reporting requirements

a. All incidents of personal injury and death to children under the care of a FCC provider are reported by the FCC provider to the FCC director, who immediately reports to the local CJA. The Child Development Services (CDS) coordinator must cooperate with the CJA in investigating and resolving all claims. CDS coordinators will inform RIMP (CFSC-FM-1), by letter within 3 days, of any claim arising from the activities of FCC providers while providing care under the FCC program (exempt report, AR 335–15).

b. The CDS coordinator reports the name, social security number, and date of certification for each fully or provisionally certified FCC provider at each installation or community to RIMP as of 1 October of each year. This information is used in a database of providers and assists in determining authorized NAF claims costs. The authorized USACFSC NAF claims costs associated with the FCC program is determined by the Commander, USACFSC, or his designee. Throughout the year, additional providers certified after 1 October are reported to RIMP. Certified providers who transfer to another installation or community need not be reported by the new installation or community until 1 October of the next year.

c. APFs are used to pay FCC claims fund cost, per the Military Child Care Act (MCCA).

14–23. Private insurance

The RIMP program is intended to provide certain limited claims relief as described in AR 27–20, chapter 12. It is not a substitute for private liability insurance. Whether or not to carry private liability insurance is an independent business decision made by the FCC provider.

Section VI Property Program—Introduction

14–24. Property program coverage

a. The RIMP property program protects the value of assets acquired with NAF or assets donated to a NAFI, and the property leased to a NAFI where the leasing agreement requires the NAFI to have property insurance. The property program also covers the interest of the NAFI in the real and business property of others in the care, custody, and control of the NAFI; and the NAFI's liability imposed by law or assumed by contract for such property. To be insured, any assets owned by the NAFI or assets for which the NAFI is responsible by lease or contract are properly reported to RIMP. A copy of the lease or contract is sent to RIMP. Assets acquired with APF are not insured under this program.

b. Details of coverages are outlined in the following sections. RIMP will assist NAFIs with other insurance requirements.

c. General exclusions to the RIMP property program are outlined in paragraph 14–26. In addition, exclusions that apply to particular coverages are stated in the applicable section. Where a conflict exists between this regulation and a commercial insurance policy, the commercial insurance policy will take precedence.

d. Buildings constructed or altered with funding from the Army MWR Fund, or any other source of NAFs, including the AAFCWF for civilian NAFIs, are insured for the useful life of the building.

e. Coverage for buildings, improvements and betterments, and aircraft physical damage requires the NAFI to submit an application for coverage to RIMP for approval. Coverage is not effective until the completed applications, DA Form 4316–R and 4316–1–R (Request for Insurance Coverage—Aircraft), are approved by RIMP. Instructions for completing the forms are in the sections describing these coverages. DA Forms 4316–R and 4316–1–R may be locally reproduced on 8 1/2" by 11" inch paper. Copies for local reproduction purposes are located at the back of this regulation.

f. Except where coverage is mandatory, the NAFI does have the option not to insure its assets; however, NAFIs should follow prudent business practices. Losses not insured become operating losses for the NAFI and may cause loss of income producing revenue or the dissolution of the NAFI.

14–25. Valuation of assets

a. Values of buildings, betterments and improvements, contents, watercraft, vehicles, aircraft, and computers insured under RIMP are reported as full ACVs. Values reported to RIMP at original cost without depreciation factors may result in a higher premium for the NAFI than if depreciation factors were applied.

b. Values reported to RIMP at less than ACV are subject to a pro rata coinsurance penalty at the time of adjustment. For example, if the contents of a building are reported as \$50,000 and the value is actually \$75,000, any loss is adjusted on the basis of the ratio of insurance to actual value. In this case, two-thirds (66 percent) of any loss would be paid.

14–26. Exclusions

a. Excluded from coverage under the property program are losses caused by:

(1) Nuclear reaction, nuclear radiation, and radioactive contamination, whether controlled or uncontrolled or coming from peaceful sources or weapons of war.

(2) Hostile or warlike action during peace or war, declared or undeclared; whether by:

(*a*) Attacking or defending forces;

(*b*) Any authority or any air, naval, or military forces;

(*c*) Any weapon of war;

(*d*) Insurrection, rebellion, revolution, civil war, usurped power, or

(*e*) Any action taken by Governmental authorities to hinder, combat, or defend against such occurrences.

(3) Mysterious disappearance (except for money and securities), short delivery, nondelivery, profit shortfall, or inventory shortage, unless reasonably presumed that the loss was caused by stealing.

(4) Authorized destruction, demolition, or disposal.

(5) The misplacing, mislaying, or forgetting of property or money by anyone in charge of it.

(6) The outright neglect of management controls or physical security.

(7) Loss or damage resulting from freezing of plumbing or heating or fire protection systems in vacant or unoccupied buildings; unless, at the time of loss normal utility service including heating is maintained to the building. All prudent and reasonable efforts are made to safeguard the property from hazards that may be increased due to the building's being vacant or unoccupied.

b. Not insured under the RIMP property program are—

(1) Land, growing crops, standing timber and golf course grounds. Separate coverage is available for golf courses upon request to RIMP.

(2) Swimming pools, fences, paved areas such as tennis courts, and other concrete or asphalt areas such as patios.

(3) Underground electrical and air-conditioning conduits, electrical or outdoor lead-in-wiring, radio or television antennas, and satellite disks.

(4) Above or underground gas lines or tanks, sprinkler systems.

(5) Photographs, antique rugs, statuary, marble, bronzes, antique furniture, rare books, antique silverware, trophies, war prizes and memorabilia, manuscripts, jewelry, furs, antique or unique weapons, wildlife exhibits, or mounted animals or fish.

(6) Accounts receivable, time-element losses (such as business interruption, loss of revenue), and valuable papers. Business interruption is available upon written request to RIMP.

14–27. Property claims

a. Deductible. Claims are not sent to RIMP for losses of \$100 or less. The activity which sustains the loss will absorb it as an operating expense.

b. Notification. Notification requirements vary, depending on the type of loss and the estimated dollar value of the loss.

(1) RIMP will be informed within 24 hours, by message or telephone, of any loss under the self-insured programs when the entire loss exceeds \$5,000, or of any inflight accident of Army flying or parachute activity. Telephone reports will be confirmed within 48 hours by written notice of loss in memorandum format. Information copy of message reports will be sent to the MACOM.

(2) Notice of loss of less than \$5,000 by mail, will be in memorandum format. The information contained in paragraph c below is required. Routine notices are sent as soon as possible, but no later than 60 days, after a loss. Normally RIMP does not accept claims that are filed more than 60 days after knowing of the loss.

(3) The CJA responsible for processing such claims will be informed if it is likely that tort claims against the NAFI may arise from the same event.

(4) If a third party is involved in a loss, the fund manager may submit a property claim to RIMP without waiting for determination of responsibility. RIMP will settle the claim directly with the NAFI. If restitution is received from a responsible third party, RIMP is entitled to first recovery of any amount reimbursed.

c. Notification format. Claims for losses covered under RIMP are sent to USACFSC (CFSC-FM-I), 4700 King Street, Alexandria, VA 22302–4406 (exempt report, AR 335–15). A memorandum to include the following information is used to inform RIMP of a loss:

(1) Installation or MACOM.

(2) Name of business activity within IMWRF.

(3) Name of fund manager and DSN or commercial telephone number.

(4) Date, time, and place of loss.

(5) Brief description of what happened.

(6) Estimated loss (in dollars).

d. Proof of loss.

(1) RIMP will acknowledge all claims reported by advising the fund manager of the assigned claim number and which documents are required as Proof of Loss. The documents required for each

claim will vary, depending on the type of loss. Examples of documents requested as Proof of Loss may include—

(a) Investigative reports, such as MP reports, CID reports, reports of investigation, fire or traffic accident reports.

(b) Supporting documents to prove the amount of loss, such as repair or replacement estimates, DD Form 1844 (Schedule of Property (AR 27–20 chapter 11)), an audit by a disinterested party, or a statement from the Central Accounting Officer (to confirm the exact amount of money missing).

(c) Information to confirm coverage, such as vehicle serial number, aircraft N number, or building number.

(d) A statement by the fund manager stating whether the loss could have been prevented and what action has been taken to prevent a similar loss in the future.

(2) The completed Proof of Loss will be mailed to the RIMP within 90 days after the date of the loss. The claim will be closed without payment if the documents required as Proof of Loss are not submitted within 90 days. If obtaining the documents is difficult, an extension may be requested in writing before the deadline. The fund manager will sign the Proof of Loss and will send it to RIMP.

e. Claim numbers.

(1) After receiving the notice of loss, RIMP will assign a claim number to it and inform the NAFI fund manager who sustained the loss. All future correspondence about the loss between the NAFI and RIMP will contain this number.

(2) The activity filing a claim will maintain a record of the claim. Records are kept until the claim is processed and a closing notice is received from RIMP. The closing notice will include a payment or a statement that the claim was judged nonpayable.

f. Investigation of losses.

(1) Investigation of property and casualty losses are conducted as prescribed in chapter 13.

(2) For unusual property or casualty losses, RIMP may send a representative to review and recommend how to handle the loss.

g. Adjustment of property losses.

(1) RIMP will adjust claims against the property program.

(2) For loss or damage, each claim is adjusted separately. From the total of claims arising from the same event, \$100 is deducted and borne by the NAFI. Deductible amounts for aircraft physical damage are detailed in Section XI.

(3) The basis for adjusting loss is the ACV of the damaged or destroyed property. Losses are paid to the NAFI. In overseas areas the foreign exchange rate in effect at the time of the loss is used to determine the U.S. dollar equivalent.

(4) RIMP may adjust severe or unusual losses by using professional adjustment organizations.

(5) RIMP uses the depreciation guide at table 14–1 to help establish the ACV of property at the time of a loss. RIMP uses a national automobile valuation guide such as the National Automobile Dealers Association (NADA) in the case of a total loss of a vehicle. (This is an example of a valuation guide that may be used and is not intended as an endorsement.) (Table 14–1 is located at the end of this chapter.)

(6) If reimbursement is made by a third party (employee, authorized user, or commercial insurance carrier) on a loss that was paid by RIMP, RIMP is entitled to first recovery of any amount reimbursed.

Section VII Property Insurance—Buildings and Contents

14–28. Coverage

This program provides coverage for buildings, improvements and betterments to buildings, and contents that are purchased with NAF. Coverage is provided against all risks of physical loss or damage from any external source, subject to exclusions stated in paragraphs 14–26 and 14–36. Buildings, improvements and betterments, and contents are insured at ACV. All requests for insurance for buildings and improvements and betterments are submitted to RIMP on DA Form 4316–R. (Guidance for valuing buildings and contents is

in paras 14–32 and 14–34 below.) Replacement cost insurance is not available.

14–29. Building requirements

a. Buildings consist of the foundations, walls, ceilings, roof, floors, and built-in or attached equipment which is a permanent part of the building, such as the following:

- (1) Utility connections.
- (2) Furniture, cabinets, and shelving.
- (3) Venetian blinds, shades, window screens, and screen doors.
- (4) Elevators and escalators.
- (5) Drinking water coolers.
- (6) Telephone, fire, alarm, and intercom systems.
- (7) Protective construction features, such as awnings.
- (8) Theater seats, church pews, and pulpit.
- (9) Heating, ventilating, and air-conditioning installations (but not portable or window units).
- (10) Food preparation and serving equipment.
- (11) Electrical generators and incinerators.
- (12) Dishwashers, hoods, and vents.
- (13) Refrigerators and freezers.
- (14) Bowling lanes, including seating and pinsetting equipment.
- (15) Awnings or canopies.
- (16) Stained glass windows.

b. Permanent structures such as stand-alone storage sheds and picnic pavilions are considered buildings. To insure this type of structure, an application (DA Form 4316–R) is submitted for approved by RIMP.

c. Mobile homes fixed in place and not self-propelled may be insured under this program as buildings.

d. Exterior and neon signs, large billboards, awnings, and canopies normally considered parts of a building are not covered unless the building is insured. To insure signs without insuring the building, DA Form 4316–R will be completed to include a description and value of the property.

e. Property insured under this program is covered while being carried in NAFI owned or leased vehicles.

14–30. Buildings insured

a. NAFIs directed by the Commander, USACFSC, or the BOD, AAFCWF, will insure buildings as stated in paragraph 14–28, above.

b. Buildings constructed or altered with AMWRF funds will be insured for the useful life of the building.

c. The buildings listed below, constructed or modified with locally generated NAFs or donations may be insured at the option of the fund manager. Buildings leased to a NAFI, where the leasing agreement requires the NAFI to provide insurance, may also be covered under this program.

- (1) Those built entirely with NAFs,
- (2) Those built with other than NAFs or improved or altered with NAFs which exceed 50 percent of the ACV, or
- (3) Those in which the value of improvements and betterments is paid from NAFs.

d. When international agreements require that NAFIs insure used non-owned buildings in foreign nations, the Director, Financial Management, USACFSC, will authorize such insurance.

14–31. Application for insurance—buildings, improvements and betterments

a. Insurance for buildings, or improvements and betterments to buildings will not go into effect until—

(1) The fund manager of the NAFI completes DA Form 4316–R. The improvements and betterments will be described in the remarks section of the form.

(2) RIMP confirms that the insurance is in force.

b. To increase or decrease the amount of insurance on a building, the fund manager must submit a new application.

c. The amount of insurance is the ACV of the building. As part

of the annual Review of Insured Exposures, the fund manager receives a copy of DA Form 4316–R showing the data currently recorded for each insure building. RIMP provides a formula for establishing the ACV of each building on the DA Form 4316–R, based on updated building costs per square foot and local area cost factors. The fund manager may accept the ACV as computed or may request a different ACV with supporting justification.

d. Improvements and betterments are insured at full ACV.

14–32. Building valuations

a. AR 415–17 lists the costs to build new types of buildings. RIMP uses these costs to value buildings insured under the RIMP. Fund managers insure buildings for ACV.

b. ACV is computed by subtracting the known depreciation from the replacement cost.

c. RIMP may also help to estimate the ACV of buildings. First, find the replacement cost. The building costs per square foot (permanent construction) as of 1994 are shown in table 14–2.

Table 14–2
Building costs

Facility: Bowling Alley
Cost: \$145.00 (plus \$45,000 for each lane, including automatic equipment)

Facility: Officers Club
Cost: \$150.00

Facility: NCO Club
Cost: \$135.00

Facility: Guest House
Cost: \$120.00

Facility: Autocraft Center
Cost: \$115.00

Facility: Youth Center
Cost: \$115.00

Facility: Marina
Cost: \$100.00

Notes:

These costs are increasing about 10 percent per year (AR 415–17). For semipermanent construction, use 90 percent of the above values, and for temporary construction, use 60 percent. The area of the building in square feet will show a replacement cost figure. A brick NCO club of 10,000 square feet has a replacement cost of \$1,350,000.

d. To apply to decreased value, RIMP uses straight line depreciation based on the useful life for construction as shown in table 14–3.

Table 14–3
Straight line depreciation

Construction: Frame
Depreciation: 30 years

Construction: Masonry
Depreciation: 45 years

Construction: Fire-resistant (concrete)
Depreciation: 60 years

Notes:

A 10-year old brick NCO club with a replacement cost of \$1,350,000 would have an ACV of \$1,050,300 ($10/45 = .222$ depreciation) ($1.000 - .222 = .778$ ACV) ($\$1,350,000 \times .778 = \$1,050,300$). It does not matter that the actual construction cost 10 years ago may have been \$350,000. These depreciation rates have no connection with depreciation schedules required by DOD 7000.14–R, volume 13.

e. NAF funded buildings are insured for the full ACV of the building and not for the amount of initial construction cost. If insured for an amount less than the ACV, any loss is adjusted based on the ratio of actual insurance to actual value. If a building worth \$500,000 (ACV) is insured for a lower amount (say \$300,000), any loss is settled based on three-fifths of the loss (insurance carried

divided by ACV). A \$100,000 loss is settled for \$60,000. The full amount of insurance is paid only for a total loss.

f. The building costs per square foot above apply only to buildings in the United States. NAFIs overseas will consult the Army Corps of Engineers or other sources to determine local construction rates and any other factors that would affect the cost per square foot of construction.

14-33. Contents insured

The property program insures NAFI-owned or leased—

a. Contents of buildings (such as furniture, fixtures, and carpets) used during occupancy.

b. Stock used for resale activities (such as food, beverages, books, and audio equipment).

c. Property while being carried in NAFI-owned or leased vehicles.

d. Valuable items such as silver services, paintings, or fine arts. Valuable items that are not excluded under paragraph 14-26 may be insured with the RIMP. If the value of the item exceeds \$5,000, a description of the item and a current appraisal are required.

14-34. Contents valuation

a. Contents are insured for ACV. To determine value of property under this section, find its replacement cost and deduct for depreciation. This equals ACV. Also use the depreciation guide at table 14-1, located at the end of this chapter.

b. NAFIs may use a straight-line depreciation schedule, normally 10 percent per year. If these book values are reported to RIMP, contents will probably be under-insured. NAFIs should get the replacement costs for their property, apply depreciation factors as they would be used in the event of a loss (para 14-27g), and report ACVs to RIMP for insurance coverage.

c. Inventory held for resale is valued at the wholesale price paid by the NAFI and not the expected resale price.

d. In the event of a loss, the fund manager is required to provide the date of original purchase, acquisition cost, and replacement cost for items destroyed or damaged. RIMP may elect to replace the damaged or destroyed property. If damaged property is sold for salvage, the salvage income is used to reduce the loss.

14-35. Perils insured

This program insures NAF buildings, improvements and betterments, and contents against all risks of direct physical loss or damage from any external cause subject to exclusions stated below.

14-36. Perils excluded

a. This program does not insure against loss or damage caused by or resulting from:

(1) Infidelity or dishonesty of an officer or employee of the NAFI or loss or damage resulting from the NAFI voluntarily parting with title or possession of any property if induced to do so by any fraudulent scheme, trick, device, or false pretense; any unexplained loss, mysterious disappearance, or loss or shortage disclosed on taking inventory;

(2) Errors or defects in design or specification, errors in processing or manufacture, faulty workmanship, or faulty materials, unless loss by a peril not excluded in this program ensues, and then RIMP is liable for only such ensuing loss.

(3) Explosion, rupture, bursting, cracking, burning, or bulging of steam boilers, steam turbines, steam engines, gas turbines, pressure vessels, or piping, or apparatus attached to and forming a part thereof, owned, operated, or controlled by the NAFI, except explosion of accumulated gases or unconsumed fuel within the firebox (or the combustion chamber) of any fired vessel, other than gas turbines, or within the flues or passages which conduct the gases of combustion therefrom;

(4) Electrical arcing, injury, or disturbance to electrical appliances, devices, fixtures, wiring, or other electrical equipment;

(5) Mechanical breakdown; malfunction; rupture or bursting

caused by centrifugal force, to property owned, operated, or controlled by the NAFI; however, liability is specifically assumed for any ensuing fire, and RIMP is liable for only such ensuing loss.

(6) Damage sustained to goods while they are actually being worked on and which results directly from such work. However, any damage to goods which ensues from any peril insured is covered by this program;

(7) Delay, loss of market, gradual deterioration, inherent vice, insects, vermin, ordinary wear and tear, latent defect;

(8) Contamination, dampness of atmosphere, extremes or changes of temperature, smog, shrinkage, evaporation, loss of weight, rust, corrosion, wet or dry rot, change in flavor or color or texture or finish, unless such loss or damage is caused directly by perils not otherwise excluded;

(9) Settling, bulging, cracking, shrinking, or expansion of foundations, walls, roofs, floors, or ceilings;

(10) Loss or damage resulting from freezing of plumbing or heating or fire protection systems in vacant or unoccupied buildings; unless at the time of loss, normal utility service including heating is maintained.

(11) Exposure to rain, sleet, snow, wind driven sand, or dust to personal property situated in the open;

(12) Direct or indirect enforcement of any ordinance, law, regulation or order pertaining to the manufacture, packaging, labeling, or distribution of goods, wares, merchandise, or other products by the NAFI;

(13) Loss caused by theft from an unattended vehicle unless all openings into the vehicle are closed and locked, entry is by force, and there are visible marks of forced entry on the outside of the vehicle.

(14) Asbestos material removal unless the asbestos is itself damaged by fire, lightning, aircraft impact, explosion, riot, civil commotion, smoke, vehicle impact, windstorm or hail, vandalism, malicious mischief, or leakage or accidental discharge from automatic fire protective systems. Further excluded are:

(a) Demolition or increased cost of reconstruction, repair, debris removal, or loss of use necessitated by the enforcement of any law or ordinance regulating asbestos material.

(b) Any Governmental direction or request declaring that asbestos material present in or part of or utilized on any undamaged portion of the insured's property can no longer be used for the purpose for which it was intended or installed and must be removed or modified.

(15) Pollution exclusion, against loss or damage caused by, resulting from, contributed to or made worse by actual, alleged or threatened release, discharge, escape, or dispersal of contaminants or pollutants, all whether direct or indirect, proximate or remote, or in whole or in part caused by, contributed to, or aggravated by any physical damage insured by this policy.

(16) Losses excluded by paragraph 14-26.

b. In the event of a conflict between this regulation and the commercial insurance policies, the conditions of the commercial insurance policies will take precedence.

14-37. Claims

Losses are reported as required in paragraph 14-27.

14-38. Limits of liability

a. For buildings and betterments and improvements, RIMP is not liable for more than the amount of insurance approved on DA Form 4316-R.

b. For contents, RIMP will pay the ACV of the asset at the time of the loss or the amount listed by the NAFI on the Review of Insured Exposures, whichever is less.

Section VIII Property Insurance—Other Exposures

14-39. Docks, wharves, and piers

a. *Eligibility for insurance.* Docks, floating docks, wharves, and piers may be insured under this section.

b. Coverage. Coverage for docks, floating docks, wharves, and piers insures against all risks of physical loss or damage from any external cause subject to the exclusions outlined below, the exclusions in paragraph 14–36, and the general exclusions in paragraph 14–26.

c. Exclusions. Excluded from coverage for docks, floating docks, wharves, and piers are losses caused by:

- (1) Freezing or thawing.
- (2) Impact of watercraft.
- (3) Pressure or weight of ice or water whether driven by wind or not.

(4) Losses excluded by paragraphs 14–26*a* and 14–36, and property limitations outlined in paragraph 14–26*b*.

d. Valuation. Valuation of docks, floating docks, wharves, and piers is the original cost. Requests for insurance for docks, floating docks, wharves, and piers must be submitted on DA Form 4316–R and approved by the RIMP.

14–40. Watercraft

a. Coverage. This program insures recreational watercraft (including inboard and outboard motors, sailing craft whether auxiliary powered or not, row boats, and canoes) against all risks of physical loss or damage from any external cause except as stated below.

b. Exclusions. Excluded from coverage are losses caused by:

- (1) Operating the insured watercraft in any official or unofficial race or speed test.
- (2) Transporting over land. However, watercraft under 23 feet long are covered for road transport within 250 miles of the watercraft's usual berth.
- (3) Ice or freezing.
- (4) Failure of the NAFI to maintain the watercraft in a seaworthy condition.
- (5) Losses excluded by paragraphs 14–26 and 14–36.

c. Valuation. Watercraft must be insured for ACV or market value of the watercraft. Watercraft and boat motors are separately identified on the Review of Insured Exposures, including the make, model, and serial number of the watercraft or motor. Watercraft accessories such as life jackets and other equipment are included in general contents values.

14–41. Recreational animals

This program insures animals of recreational activities against all risks of physical loss or damage from any external cause, subject to the exclusions outlined in paragraphs 14–26 and 14–36. Each animal cannot be insured for more than \$1,000. Description or name of the animal and value are listed on the Review of Insured Exposures.

14–42. Other insurance

a. RIMP is also able to assist NAFIs with other specialized coverages such as weather insurance for special events and coverage for special prizes such as bingo jackpots or hole-in-one prizes. A separate policy to cover golf courses is also available through RIMP. A separate request is required to obtain these coverages.

b. RIMP will assist NAFIs with other coverage needs upon request.

Section IX

Insurance for Information Systems

14–43. Property covered

a. Electronic equipment and component parts, including data processing systems and similar property of others in the care, custody, and control of the NAFI for which the NAFI is responsible.

b. Electronic media including converted data owned by the NAFI and similar property of others in the care, custody, and control of the NAFI for which the NAFI is responsible. Electronic media means all forms of data including computer instructions and programs converted to a form usable in computer operations. This includes the materials on which the data is recorded.

c. Reporting requirements:

(1) Computer values must be reported to RIMP to be insured. Newly acquired computer hardware and software must be reported to RIMP within 30 days. The fund manager must provide the item description, serial number, ACV, and building location for each piece of hardware and software to be insured.

(2) When reporting coverage on the Review of Insured Exposures, report separately computer hardware and software and show the total insured value for each building location. Attach a separate sheet itemizing hardware and software by building location.

d. Coverage will apply at locations listed on the Review of Insured Exposures and temporarily at other locations.

e. RIMP will cover duplicate and backup electronic media for up to \$50,000 at any one backup location. This coverage applies only to a separate storage location at least 100 feet from a location listed on the Review of Insured Exposures.

14–44. Property excluded

The following property is excluded:

a. Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, or other documents, except when such property is converted to data form and then only in that form.

b. Data or media which cannot be replaced with others of the same kind and quality, except when such property is listed for coverage on the Review of Insured Exposures and is specifically described.

c. Property loaned, leased, or rented to others while away from NAFI premises.

14–45. Perils insured

Risks of direct physical loss to covered property subject to the exclusions stated in paragraph 14–46 below and paragraphs 14–26 and 14–36.

14–46. Perils excluded

This program does not insure against loss caused by or resulting from:

a. Delay, loss of use, loss of market, or any other consequential loss.

b. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, depreciation; or insects, vermin, or rodents.

c. Dishonest, fraudulent, or criminal acts by employees whether acting alone or in collusion with other persons.

d. Any covered cause of loss for which the NAFI is not responsible under the terms of any lease or rental agreement.

e. Corrosion, rust, dampness, or dryness, cold or heat.

f. Interruption of electrical power supply, power surge, blackout, or brownout if the cause of such occurrence took place more than 1,000 feet from the premises.

g. Electrical or magnetic injury, disturbance, or erasure of electronic recordings, if the cause of such occurrence took place more than 1,000 feet from the premises.

h. Release, discharge, or dispersal of pollutants.

i. Seizure or destruction of property by order of governmental authority, except acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread.

j. Nuclear hazard:

(1) Any weapon employing atomic fission or fusion; or

(2) Nuclear reaction or radiation, or radioactive contamination from any cause. But direct "loss" caused by resulting fire is payable if the fire would be covered under this program.

k. War and military action:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any Government, sovereign, or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by Governmental authority in hindering or defending against any of these.

14-47. Limit of liability

a. Coverage applies for up to but not more than the amounts reported to RIMP for coverage.

b. RIMP will pay up to the ACV at the time of the loss of the damaged property, but no more than the cost of repairing or replacing the property with material of the same quality. In the event of loss, the value of property is determined as of the time of loss.

c. For electronic media, the value is the actual cost of reproducing the data and the cost of the media, as reported to RIMP, but no more than the insured value.

d. When the data is not reproduced, RIMP pays no more than the cost of blank discs, films, tapes, or similar electronic data processing media, of the same kind and quality.

14-48. Deductible

Each claim for loss or damage is adjusted separately and from the amount of each claim, the sum of \$100 is deducted.

Section X Property Program—Vehicles

14-49. Types of vehicles

This program covers all vehicles licensed for use on public roads, to include: automobiles, trucks, tractors, and mobile homes; trailers designed and intended for use with such vehicles; motorcycles, motor scooters, and mopeds; and unlicensed vehicles used in MWR programs, such as golf carts, self-propelled lawn mowers, forklifts, and snowmobiles. It also covers motor vehicles obtained from Defense Reutilization and Marketing Office (DRMO).

14-50. Vehicles insured

a. Insurance provided by this programs covers—

(1) Motor vehicles owned by a NAFI.

(2) Vehicles leased to a NAFI where the lease agreement requires the NAFI to insure against physical damage. A copy of the lease agreement or contract must be sent to RIMP for review.

b. Registration of a vehicle with RIMP as described in chapter 7 does not automatically provide physical damage insurance. The fund manager must request physical damage insurance and state the amount of coverage required.

c. Each vehicle requiring insurance is listed separately on the Review of Insured Exposures as explained in paragraph 14-6. Each entry must include the make, model, and vehicle identification number (VIN).

14-51. Limits of liability

a. Each vehicle is insured at ACV. Claims are settled on the basis of ACV or the current value listed in a national automobile valuation guide.

b. Liability is limited to the ACV declared on the Review of Insured Exposures or the national automobile valuation guide, whichever is less.

c. Because of the \$100 deductible, fund managers should consider the usefulness of insuring motor vehicles valued at \$200 or less.

14-52. Perils insured

a. Collision of the insured vehicle with another object.

b. Upset of the vehicle.

c. Comprehensive loss or damage. This includes—

(1) Breakage of glass.

(2) Losses caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, vandalism and malicious mischief, riot, and civil commotion.

(3) Collision with a bird or animal.

14-53. Perils excluded

In addition to the general exclusions listed in paragraph 14-26, this program does not insure against—

a. Damage due to and confined to wear and tear, freezing, or

mechanical or electrical breakdown or failure. Damage that is the result of other loss covered under this program is not excluded.

b. Loss of personal effects or clothing.

c. Loss to tires unless by fire or theft, or loss or damage at the same time and from the same cause as other loss covered under this program.

d. Loss or damage to any—

(1) Device or instrument designed to record or reproduce sound, unless permanently installed, including mobile phones.

(2) Tape, wire, record, disk, or other medium used with a sound recording or reproduction device or instrument.

Section XI Property—Aircraft Hull

14-54. Types of aircraft covered

This program covers all aircraft owned or leased by Army flying activities. It does not include Government-owned aircraft or aircraft owned, rented, or leased by private organizations authorized to operate on installations under provisions of DoD 1000.15.

14-55. Requirements

a. Aircraft purchased in whole or in part using a bank loan or other financing must be insured under this program until the loan or financing is paid in full.

b. Aircraft that are owned outright may be insured at the option of the fund manager. Considering the value of aircraft and the potential impact on the fund in the event of a loss, participation in the program is encouraged.

c. RIMP may insure leased aircraft when insurance is not provided by the lessor. Leases providing for insurance are structured to identify the portion of lease costs attributable to insurance.

14-56. Application

a. In addition to listing aircraft on the Review of Insured Exposures, fund managers must complete DA Form 4316-1-R for each aircraft to be insured.

b. A separate application is submitted for each aircraft.

c. Aircraft are insured by commercial insurance obtained by RIMP.

14-57. Valuation

a. Aircraft must be insured at ACV.

b. Present value is determined from generally accepted used aircraft price guides, such as the Aircraft Bluebook Price Digest. (This is an example of a valuation guide that may be used and is not intended as an endorsement.) Prices are adjusted as necessary to reflect the value of new or additional equipment installed in the aircraft.

c. The adjusted value is shown on DA Form 4316-1-R in block 13.

d. Losses to aircraft are adjusted based on ACV. Appraisals and price guides may be used in determining the extent of liability.

14-58. Perils insured

This program insures against all risks of loss, damage, or destruction except as specifically excluded.

14-59. Perils excluded

In addition to the general exclusions listed in paragraph 14-26, this program does not insure against:

a. Damage due to and confined to wear and tear.

b. Damage caused by freezing.

c. Damage caused by mechanical or electrical breakdown or failure except as otherwise covered.

d. Inflight losses attributable to:

(1) Violations of airworthiness or pilot certificates.

(2) Use of an aircraft for racing, hunting, or any flying that requires a Federal Aviation Administration (FAA) waiver.

(3) Knowingly operating an aircraft in violation of Federal Aviation Regulations or applicable Army regulations.

14-60. Property excluded

Coverage does not extend to:

- a. Property being transported within an aircraft.
- b. Flight information publications, such as maps and charts.
- c. Portable navigation equipment.
- d. Spare parts not installed on the airframe.
- e. Tires, unless loss or damage is caused by theft, vandalism or malicious mischief, or other covered risk.
- f. Aircraft valued at more than \$250,000.
- g. Any turbo-prop or turbo-jet aircraft.
- h. Rotary wing or water alighting.
- i. Any aircraft with seating for more than seven passengers.

14-61. Claims procedures

- a. Claims procedures explained in paragraph 14-27 apply for all claims involving aircraft.
- b. In addition to RIMP procedures in paragraph 14-27, requirements outlined in the Aviation Insurance Program Manual distributed to all IMWRFs are followed.
- c. Calls to RIMP or the insurer to report a loss are followed up in writing as stated in paragraph 14-27.
- d. If the loss results in bodily injury or damage to the property of others, RIMP and the commercial insurer are advised at the time the accident is reported. Resulting claims are investigated and adjusted by the commercial insurer. The local CJA is notified of the incident and of claims filed. The claims officer will offer assistance to the insurer as needed.
- e. In the event of conflict between the commercial aircraft policy and regulatory guidance, the terms of the commercial policy takes precedence.

14-62. Deductible

- a. When aircraft are lost or damaged all claims coming from the same event are adjusted separately. From the total of all the adjusted claims coming from the same event, \$500 is deducted.
- b. No deductible applies to loss caused by:
 - (1) Fire, explosion, lightning, theft, robbery, vandalism;
 - (2) Accidental damage to aircraft being transported after being dismantled.

Section XII

Property Program Fidelity Bonds

14-63. Applicable protection

Fidelity bonding protects NAF activities against losses of money or property caused by fraud, theft, embezzlement, larceny, or dishonesty by an employee. The amount of bond for each employee depends on the classification of the position.

14-64. Requirements

All employees must be bonded. Individual employees are not bonded as such. All employment positions, however, are bonded in the amounts described below.

14-65. Coverage

- a. Class 1 positions are bonded for \$20,000 and include—
 - (1) Fund managers, including permanently assigned military personnel and APF civilians.
 - (2) Area, installation, and branch club managers.
 - (3) All executive, administrative, and supervisory officials, department heads, and others who handle, receipt for, or have custody of money, checks, or securities, or are accountable for supplies or other property as a part of their assigned duties.
 - (4) Any person who has authority to approve or appropriate expenditures; approve, certify, or countersign checks or other disbursements; maintain or audit cash, checks, securities, time records, supplies, or other property; or take physical inventories.

b. Class 2 positions are bonded for \$5,000 and include all positions other than those listed in paragraph 14-65a, above, that are not responsible for money or property.

14-66. Limits of liability

- a. Liability is limited to the amount of the bond in effect for each position.
- b. Excess coverage, to a maximum of \$180,000, may be obtained for Class I positions. Applications are prepared in memorandum format and sent to USACFSC (CFSC-FM-I), 4700 King Street, Alexandria, Virginia 22302-4406.

14-67. Perils excluded

- In addition to the general exclusions listed in paragraph 14-26, fidelity bonds do not cover—
- a. Losses caused by any employee if the fund manager was made aware of any previous fraudulent or criminal act committed by the same employee prior to the loss.
 - b. Losses proved only by an inventory or profit loss computation and cashier shortages. Losses proved by evidence, wholly apart from inventory or profit and loss computations, and which result from fraudulent or dishonest acts of any employee are not excluded.

14-68. Claims procedures

- a. Claims procedures explained in paragraph 14-27 apply to all claims involving fidelity bonds. Notifications to the RIMP also will include—
 - (1) The title of the bonded position.
 - (2) The classification of the person assigned to the position.
 - (3) Proof that a loss occurred only through the acts of an employee; however, it is not necessary to name the employees who commits the larceny to recover under RIMP.

Section XIII

Property Program—Money and Securities Insurance

14-69. Money, securities, and collateral damage

The property program covers money and securities and collateral damage to buildings or facilities resulting from any actual or attempted burglary, robbery, or theft.

14-70. Coverage

This program covers any loss of money or securities—

- a. By actual destruction, disappearance, or wrongful taking within the NAFI premises, any banking premises, or safe deposit place.
- b. Or loss of other property by safe burglary, robbery, or theft (or attempt).
- c. Or loss of a locked cash drawer, cash box, or cash register by wrongful opening of the container or stealing the container from the premises (or attempt).
- d. Or loss or damage to the premises by safe burglary, robbery, or theft (or attempt).
 - (1) By the actual destruction, disappearance, or theft while a messenger or any armored motor vehicle company transports property. A messenger is any employee authorized custody of money or securities outside the premises.
 - (2) Or loss of other property by robbery (or attempt) while a messenger or armored motor vehicle company transports it.
 - (3) Due to accepting counterfeit paper currency in good faith, in the regular course of business.

14-71. Limits of liability

- a. Liability for money and securities claims is limited to \$50,000 per single loss.
- b. In addition to the standard \$50,000 coverage, excess coverage to a maximum of an additional \$50,000 per single loss may be requested by memorandum to RIMP (CFSC-FM-I). The maximum payable for any one loss is \$100,000.

14-72. Perils excluded

In addition to the general exclusion listed in paragraph 14-26, this program does not cover:

- a. Losses caused by any fraudulent, criminal, or dishonest act by any employee.
- b. The giving or yielding of money or securities for any fraudulent exchange or purchase of goods or services.
- c. Accounting or mathematical errors or omissions.
- d. Loss of manuscripts, account books, or records.
- e. Cash contained in coin-operated amusement or vending machines unless recorded by a continuous recording instrument within the machine.
- f. Losses caused by fire, whether or not caused by, contributed to, or arising from an insured hazard, except money and securities stored in a safe or vault.
- g. Loss of misplaced bags of cash.
- h. Losses caused by forgery.

Section XIV

Cargo Shipment Program

14-73. Coverage

The RIMP cargo program insures shipments of NAF cargo, including transshipments, anywhere in the world and by any route.

14-74. Requirements

- a. Cargo insurance is provided through a commercial master open cargo policy obtained by RIMP.
- b. Cargo insurance is required if:
 - (1) The annual value of cargo shipped is \$200,000 or more.
 - (2) The value of any single shipment is \$100,000 or more.
- c. Claims are subject to a \$100 deductible. Higher deductibles are available on request.
- d. The limit of liability is \$2,500,000 for any one conveyance or for any one place and time. Higher limits must be requested by message or telephone but RIMP must confirm prior to shipment.
- e. Where a conflict exists between provisions of this regulation and provisions of the master open cargo policy, the terms of the commercial insurance policy govern.

14-75. Perils insured

All goods shipped under this program are insured against all risks of physical loss or damage from any external cause, despite percentage of loss, except as specifically excluded. Coverage extends to cargos that are—

- a. Loaded on vessels, except sailing vessels of any kind.
- b. On docks, wharves, or elsewhere on shore.
- c. Being transported by overland common carriers, including rail and motor freight lines.
- d. Being transported on aircraft.
- e. In the custody of the Military Airlift Command or Military Sealift Command.
- f. Shipped through the mail or by parcel post.

14-76. Perils excluded

In addition to the general exclusions listed in paragraph 14-26, coverage excludes losses caused by:

- a. The absence, shortage, or withholding of power, fuel, or labor unrest, riot, or civil commotion.
- b. Changes in temperature or humidity caused by any strike, riot, or civil commotion.
- c. Inherent vice.
- d. Delay or loss of market.

14-77. Application procedures

Application for cargo insurance is a two-step process, completed as follows:

- a. *Application to RIMP.* NAFIs that are required or elect to participate in the cargo program must submit an initial application for RIMP approval. Application, in memorandum format, is sent to RIMP (CFSC-FM-I), 4700 King Street, Alexandria, Virginia

22302-4406, and must include the following information (exempt report, AR 335-15):

- (1) Name and address of the NAFI submitting the application.
 - (2) Standard NAF number (SNN) (app F).
 - (3) Nature of goods to be shipped.
 - (4) Itinerary, to include—
 - (a) Port of embarkation.
 - (b) Port of debarkation.
 - (c) Transshipment points and methods (motor freight, rail, or air).
 - (d) Final destination.
 - (5) Average value of a single shipment.
 - (6) Anticipated number of shipments per year.
 - (7) Packaging methods.
 - (8) Type of on board storage (on deck or in cargo hold) for ocean shipments.
 - (9) Deductible desired per shipment (such as \$100, \$500, or \$1,000).
 - (10) Desired effective date.
 - (11) Losses claimed in the last 3 calendar years (in dollars).
- b. *Reports to the commercial insurance carrier.*

(1) After confirmation of the initial application by RIMP, insured NAFs report the value of all cargo shipments on the Declaration of Insurance form to the commercial insurance carrier on a monthly basis (for exempt reports, see AR 335-15). Declaration forms are obtained from RIMP or American Phoenix, at the address below.

(2) The value of all shipments made each month must be reported within the first 10 calendar days of the following month to American Phoenix Corp., 217 E. Redwood Street, Suite 2100, Baltimore, MD 21202. Negative reports are not required.

(3) Shipments are valued at the total amount of the invoice, normally the cost of goods and freight, plus 10 percent. Where higher values are declared, the insured value is the value of the shipment. The value of shipments paid in foreign currency is converted to U.S. dollars based on the rate of exchange in New York City on the date of the invoice.

14-78. Claims procedures

a. *Actions at the point of delivery.*

(1) Note and describe the condition of the shipment on the delivery documents and obtain the driver's or shipping agent's signature confirming the count or exceptions.

(2) Obtain copies of all relevant delivery documents, such as bills of lading, freight bills, invoices, and packing lists.

(3) Preserve and protect the shipment in its original containers until inspected or surveyed by the insurance carrier's agent.

(4) Coordinate with RIMP to obtain the services of an insurance surveyor. A surveyor's functions are similar to those of a property and casualty adjuster and include determining the cause and extent of loss, arranging salvage, and recommending a settlement amount.

b. *Claim against the carrier or vendor.* Written claims will be filed against the carrier or vendor, as appropriate, as prescribed by the carrier or vendor, or using the sample format in figure 14-1.

c. *Notice of loss.*

(1) A notice of loss will be submitted within 60 days to the commercial insurance carrier at the address provided in paragraph 14-77b(2), above. Letter format notification will include the following information:

(a) Name and mailing address of the claiming NAFI.

(b) Name and commercial telephone number of the fund manager.

(c) Contract number on the Declaration of Insurance provided to American Phoenix.

(d) Month in which the shipment was reported for coverage.

(e) Description of goods lost or damaged.

(f) Date loss or damage was discovered.

(g) Brief statement of how damage was discovered.

(h) Description of damage and estimated value of goods lost.

(2) A copy of the claim against the carrier or vendor will be included.

d. *Proof of loss.* Proof of loss is normally established in one of the following ways:

(1) *Claims under \$3,000.* The following documents are provided in the Proof of Loss:

(a) The complete shipper's invoice, including packing specifications, if available.

(b) Ocean or airway bills of lading, freight bills, and delivery receipts or records.

(c) Carrier's or vendor's responses to initial claim.

(d) Repair estimates or invoices for replacement goods.

(e) Photographs of damaged goods, if available.

(f) Copy of carrier's written proof of short or missing shipments.

2. *Claims over \$3,000.* The written report of the insurance surveyor described in subparagraph (4), this paragraph, will be accepted as proof of loss. The surveyor's fees will be sent with the surveyor's report.

e. Concealed damages.

(1) Claims for concealed damages, or damages that are not detected until after a shipment is accepted, will follow the same claims procedure prescribed for other types of damage.

(2) Claims against the carrier or vendor are reported within 3 days after the shipment arrives at final destination.

Section XV Workers' Compensation

14-79. Recipients

Workers' compensation provides benefits to NAF employees who are disabled because of job-related illness or injury, or to surviving spouse and dependents in cases of death resulting from job-related causes.

14-80. Authority

Workers' compensation benefits are established under provisions of the Nonappropriated Fund Instrumentalities (NAFI) Act of 1958, (now 5 USC 8171-8173), which extends the provisions of the Longshore and Harbor Workers' Compensation Act (LHWCA) (33 USC 901 et seq.) to NAF employees.

14-81. Applicability

a. Benefits defined in this section apply to—

(1) Employees of NAFIs located within the United States.

(2) U.S. citizens or permanent residents of the United States or a territory, employed outside the U.S.

b. Benefits do not apply to:

(1) Active duty military employed by NAFIs.

(2) Local civilians employed by NAFIs overseas.

14-82. Coverage

a. Claims are adjudicated and paid by a commercial claims service contractor procured by the RIMP. Payments made by the contractor are derived from funds made available by the RIMP.

b. Administration is exercised by the U.S. Department of Labor District Offices, Office of Workers' Compensation Programs (OWCP). A listing of district offices is provided in table 14-4.

Table 14-4 Department of Labor district offices for Worker's Compensation Programs

District: 1

Title: District Director

Address: Department of Labor, OWCP, JFK Federal Bldg, rm E-260, Boston, MA 02203

Telephone: (617) 565-2103

Area of jurisdiction: (Northeast) Canada, East of 75 degrees W. Longitude; Newfoundland; Greenland; Connecticut; Maine; Massachusetts; New Hampshire; Rhode Island; and Vermont.

District: 2

Title: District Director

Address: Department of Labor, OWCP, P.O. Box 249, New York, NY 10014-0249

Telephone: (212) 337-2030, FAX (212) 337-2023

Area of jurisdiction: All overseas areas not assigned to another District

Table 14-4

Department of Labor district offices for Worker's Compensation Programs—Continued

Office (Europe, Middle East, Africa, South and Central America); Bermuda; Puerto Rico; Panama; Virgin Islands; New York; and New Jersey.

District: 3

Title: District Director

Address: Department of Labor, OWCP, P.O. Box 7336, Philadelphia, PA 19104

Telephone: (215) 596-5570 FAX (215) 596-4265

Area of jurisdiction: Delaware; Pennsylvania; and West Virginia.

District: 4

Title: District Director

Address: Department of Labor, OWCP, 300 W. Pratt St., Suite 240, Baltimore, MD 21201

Telephone: (410) 962-3677

Area of jurisdiction: District of Columbia; and Maryland, including the Potomac River.

District: 5

Title: District Director

Address: Department of Labor, OWCP, 200 Granby Mall, Federal Bldg., Room 212, Norfolk, VA 23510

Telephone: (804) 441-3071

Area of jurisdiction: Virginia, except the Potomac River.

District: 6

Title: District Director

Address: Department of Labor, OWCP, 214 North Hogan Street, Suite 1040, Jacksonville, FL 32202

Telephone: (904) 232-2881

Area of jurisdiction: Alabama; Florida; Georgia; Kentucky; Mississippi; North Carolina; South Carolina; and Tennessee.

District: 7

Title: District Director

Address: Department of Labor, OWCP, 701 Loyola Ave., Room 13032, New Orleans, LA 70113

Telephone: (504) 589-3664

Area of jurisdiction: Arkansas; and Louisiana.

District: 8

Title: District Director

Address: Department of Labor, OWCP, 8866 Gulf Freeway, Suite 140, Houston, TX 77034-4499

Telephone: (713) 943-1605

Area of jurisdiction: Texas; Oklahoma; and New Mexico.

District: 10

Title: District Director

Address: Department of Labor, OWCP, 230 S. Dearborn Street, Room 578 Chicago, IL 60604

Telephone: (312) 353-8883

Area of jurisdiction: Canada between 75 and 110 degrees W. Longitude; Minnesota; Wisconsin; Illinois; Indiana; Michigan; Ohio; Iowa; Nebraska; Kansas; and Missouri.

District: 13

Title: District Director

Address: Department of Labor, OWCP, 71 Stevenson Street, Suite 1705, Box 3770 San Francisco, CA 94119-3770

Telephone: (415) 744-6869

Area of jurisdiction: Arizona; Nevada; and California, except as noted in District 18.

District: 14

Title: District Director

Address: Department of Labor, OWCP, P.O. Box 21828, Seattle, WA 98111-3828

Telephone: (206) 553-4471

Area of jurisdiction: Canada, west of 110 degrees W. Longitude; Alaska; Idaho; Oregon; Washington; Utah; Colorado; Montana; Wyoming; North Dakota; and South Dakota.

District: 15

Title: District Director

Table 14-4
Department of Labor district offices for Worker's Compensation Programs—Continued

Address: Department of Labor, OWCP Box 50209, Room 5108, 300 Ala Moana Boulevard Honolulu, HI 96850

Telephone: (808) 541-1983

Area of jurisdiction: Hawaii and all land and water areas outside the continents of North and South America that are south of 45 degrees N. Latitude, west of 110 degrees W. Longitude, and east of 60 degrees E. Longitude (Indian Ocean; Indian subcontinent; Southwest Asia; China; Korea; Japan; and the North and South Pacific Oceans).

District: 18

Title: District Director

Address: Department of Labor, OWCP 401 E. Ocean Blvd., Suite 720, Long Beach, CA 90802

Telephone: (310) 980-3578

Area of jurisdiction: California, south of the northern boundaries of San Luis Obispo County, Kern County, and San Bernardino County.

c. Compensation is paid for disability or death arising out of, and in the course of, employment. Compensation is denied if an injury or death is due solely to intoxication of the employee or resulted from a willful intent to injure or kill oneself or another person.

d. In broad terms, compensation covers employees—

(1) From the time they report for duty until the time they leave at the end of working hours. It does not normally cover travel to and from work.

(2) While traveling under temporary duty orders, unless the employee deviates from the scope of employment.

e. Except for benefits described in paragraph 14-83, compensation is not paid for the first 3 days of disability unless the total duration of the disability exceeds 14 days.

f. Employees may receive workers' compensation disability benefits or accrued sick leave if an expressed agreement is signed per AR 215-3. An example is provided at figure 14-2. The total weekly payment cannot be more than the gross weekly wage at the time of injury.

g. The employee may request sick leave or annual leave in conjunction with workers' compensation disability payments. Policy in AR 215-3 applies.

h. Any claimant or claimant's representative who knowingly and willfully makes a false statement to obtain workers' compensation benefits is guilty of a felony that may result in a fine, imprisonment, or both.

i. Any person who knowingly and willfully makes a false statement to reduce, deny, or terminate benefits to an injured employee may be fined, imprisoned, or both.

j. All NAF activities will post a copy of Department of Labor Form LS-242(NF) (Notice of Workers' Compensation Benefits) in a place that is conspicuous and accessible to all NAF employees. This form states that the employing NAFI holds required workers' compensation coverage.

k. The RIMP workers' compensation contractor is Alexsis, Inc., P.O. Box 163968, Austin, TX 78716. All Department of Labor (LS) Forms (table 14-5) are obtained from Alexsis. (Table 14-5 is located at the end of this chapter.)

14-83. Benefits

a. *Medical care.* Includes medical treatment services, medicines, and supplies, subject to provisions of the LHWCA.

(1) An employee has the right to choose a physician authorized to provide medical care under the LHWCA, but then may not change physicians without prior approval of the claims service contractor.

(2) At the time of injury, the employing NAFI may select a physician when prompt treatment is needed and the employee is unable to choose.

(3) The Form LS-1 (Request for Examination and/or Treatment) is given to the employee only once. The treating physician should,

within 10 days after first treatment, send a medical report to the District Director, the claims service contractor, and the employer. Thereafter, the doctor should send reports at regular intervals.

b. *Disability.*

(1) Employees who become totally disabled, either temporarily or permanently, may receive up to two-thirds of their average weekly wage subject to, but not limited to, the following restrictions:

(a) The average weekly wage will not exceed 200 percent of the national average weekly wage, as determined by the Department of Labor.

(b) The average weekly wage will not be less than 50 percent of the national average weekly wage. An employee earning less than 50 percent of the national average may receive 100 percent of his or her average weekly wage.

(2) Employees who become partially disabled, either temporarily or permanently, may be entitled to, but not limited to, benefits as follows:

(a) Two-thirds of the difference between the average weekly wage before the injury and the actual wage earning capacity after the injury, for a period not to exceed 5 years.

(b) Awards may be allowed for loss of scheduled body parts (that is, hand, foot, eye) as stated in the law.

(c) The following death benefits are payable if the injury results in a qualifying work-related death:

1. Reasonable funeral expenses, not to exceed \$3,000.

2. 50 percent of the employee's average weekly wage payable to the surviving spouse living with or dependent on the deceased at the time of death. Upon remarriage, compensation totaling 2 years of payment is paid in one lump sum.

3. Sixteen and two-third (16 2/3) percent payable to each child, as defined in the LHWCA.

4. If the surviving spouse dies or remarries, half of the average weekly wage is paid to one child, and two-thirds to two or more children.

5. Benefits are also payable to other persons who satisfy the term "dependent," as defined in the LHWCA.

c. *Total payments.* Total compensation payable in all cases will not exceed two-thirds of the employee's average weekly wage. Payments are made bi-weekly.

14-84. First reports by employees

NAF employees or their agents must inform the employer of injury or death within 30 days.

14-85. First reports by employers

a. Employing NAFIs must notify the Department of Labor district office, RIMP, and the claims service contractor within 10 days of the date of injury or death or becoming aware of any injury, illness, or occupational disease or infection that results from the employee's employment.

b. Notification is made on Department of Labor Form LS-202 (Employer's First Report of Injury or Occupation Illness). Instructions for preparing this form and a sample completed form are provided in figure 14-3.

c. Completed forms are prepared and signed by the activity manager and reviewed by the servicing CPO.

d. Copies are submitted as follows:

(1) Two copies to the appropriate Department of Labor district office listed in table 14-4.

(2) One copy to the claims service contractor at the address listed in paragraph 14-82k.

(3) One copy to RIMP (CFSC-FM-I), 4700 King Street, Alexandria, Virginia 22302-4406.

e. Exceptions to Form LS-202 submissions requirements are as follows:

(1) Incidents that do not require medical attention or involve lost time require submission to RIMP only. Copies are not provided to the claims service contractor or Department of Labor district office.

(2) Incidents that require medical attention but do not involve

lost time require submission to RIMP and the claims service contractor. Copies are not provided to the Department of Labor district office.

f. Activity managers will notify the RIMP and claims service contractor of any doubtful aspects of any claim immediately.

g. NAFIs will keep records of all injuries as required by the LHWCA.

14-86. Claims procedures

Activity managers will ensure that the following procedures are implemented in the event of any injury:

a. Arrange for prompt treatment in an emergency, at the installation medical treatment facility or by a civilian physician.

b. Complete Part A, Department of Labor Form LS-1. A sample form is provided in figure 14-4. The following information, as a minimum, is included:

(1) Item 2: The name and address of the physician or medical treatment facility authorized to provide medical service.

(2) Item 12: The address of the servicing Department of Labor district office in table 14-4.

(3) Item 13: RIMP claims service contractor listed in paragraph 14-82k.

c. Send the completed Part A with the employee to the physician or medical facility whenever possible. In emergencies or where circumstance do not permit the employee to choose a physician, note on the LS-202 that LS-1 was not completed.

d. The doctor or medical treatment facility should send Part B to the Department of Labor district office and the claims service contractor. (Note: The medical authorization in Form LS-1 is valid only for initial treatment. Additional or continuing treatment is authorized only by the claims service contractor.)

e. Complete Form LS-202 as prescribed by paragraph 14-85. The NAFI is subject to Department of Labor fines if this report is not filed within 10 days.

f. Complete Department of Labor Form LS-210 (Employer's Supplementary Report of Accident or Occupational Illness) if the Form LS-202 described above does not show a return to work date. A sample LS Form 210 is shown in figure 14-5. A separate LS Form 210 is completed and sent to the claims service contractor:

(1) For every pay period the employee remains disabled from performing assigned duties.

(2) When the employee returns to work.

g. Assist the claims service contractor with coordination through the NAF CPO.

h. Send all related documents, such as bills, reports, and correspondence of any kind received from any injured employee, agent, doctor, or medical facility, to the claims service contractor with coordination through the NAF CPO.

14-87. Use of military medical facilities

a. Use of military medical facilities by NAF employees normally is limited to initial or emergency treatment only and is free of charge. In non-emergency cases and for all other treatment, employees must select a civilian doctor or medical facility, as explained in paragraph 14-83.

b. In overseas areas or in CONUS remote areas where no adequate civilian medical facilities exist, follow-up treatment or hospitalization is authorized at rates set by The Surgeon General of the Army. The employee must personally pay for military medical treatment. Itemized receipts, however, are sent to the claims service contractor for reimbursement.

c. The first reports explained in paragraphs 14-84 and 14-85 are filed regardless of the source of medical treatment.

14-88. Modified Duty/Return to Work Program

a. A modified duty/return to work program is one of the best ways to keep the costs of workers' compensation claims down. Every effort should be made to return the injured employee to work as soon as the employee is medically released.

b. When bringing an employee back into the workforce on modified duty, the following procedures are followed:

(1) The claims service contractor will notify the CPO when an injured employee is released to modified or full duty by the treating physician. A copy of the medical limitations or restrictions imposed by the medical physician is sent to the CPO.

(2) The CPO, in coordination with the employee's supervisor, will determine whether the employee, with reasonable accommodation, can return to his/her regular position. If the employee, with reasonable accommodation, cannot perform the essential functions of the position, the CPO will review all available openings at the installation to determine if another position exists which meets or can be modified to meet the physical restrictions of the employee. If a position is not identified for the returning employee, the claims service contractor is notified in writing.

(3) The identified position must be actual work with a proper job description, where the employee can accomplish a task beneficial to the overall workings of the installation—a made-up position is not acceptable.

(4) When the position is identified and the job description written indicating the modified duties of the position, the job description is provided to the claims service contractor for approval by the treating physician.

(5) After the physician approves the modified duties in the job description, a job offer letter is sent to the employee by certified mail/return receipt requested. If the employee declines the position, the claims service contractor is notified immediately. If the employee accepts the position, the employee is expected to report to the CPO on the date and time indicated. If the employee does not appear for work after accepting the position, the claims service contractor is notified immediately.

c. When the employee reports to work, the supervisor should explain exactly what duties are expected of the employee. Every effort is made for a smooth transition back to work.

14-89. Coverage for Korean Nationals

U.S. Army NAFIs operating in Korea provide death and disability benefits for Korean national NAF employees as required by the Republic of Korea Standard Labor Law No. 286 (the Labor Law). Required coverage is provided by a RIMP workers' compensation program that is similar to, but separate from, workers' compensation provided for NAF employees under the NAFI Act.

a. Coverage.

(1) Compensation described in this paragraph applies to disability or death resulting from injury or occupational disease sustained by Korean national NAF employees of the U.S. Army NAFs located in Korea that arise out of, are related to, or are in the course of employment.

(2) Coverage does not apply to active duty military employed on a part-time basis during off-duty hours by U.S. Army NAFIs located in Korea.

b. Benefits.

(1) *Medical.* Each Korean National NAF employee:

(a) Is entitled to compensation for medical expenses to the extent required for complete recovery.

(b) May receive medical care from any duly licensed and qualified physician, including surgeons and osteopaths.

(c) May select any hospital duly licensed by the Republic of Korea.

(2) *Disability.* Each Korean national employee who is unable to work is entitled to 60 percent of the average daily wage beginning on the date the disability was incurred.

(3) *Death benefits.* Survivors are entitled to:

(a) Funeral expenses equal to 90 days pay, based on the average daily wage.

(b) A lump sum benefit, in addition to funeral expenses, of 1,000 days pay based on the average daily wage.

c. *Reports.*

(1) Each employee or employee's agent must give written notice of death or disability to the NAF supervisor or other representative in the form prescribed by the labor law.

- (2) Each U.S. Army NAFI employer must—
- (a) Complete the reports required by the Labor Law.
 - (b) Provide copies of reports to the servicing CPO and RIMP.
 - (c) Inform RIMP of any doubtful aspects of any claim.

14-90. Coverage for other foreign nationals

a. Except for coverage of Korean nationals described in paragraph 14-89, RIMP does not provide workers' compensation benefits for local national employees of U.S. Army NAFIs.

b. The liability of U.S. Army NAFIs located overseas for death or injury to local national employees generally is determined by:

- (1) The local laws or customs of the host nation.
- (2) The provisions of any Status of Forces Agreement or other applicable agreement or treaty.

c. Where local laws, customs, treaties, or agreements require U.S. Army NAFIs to provide the equivalent of workers' compensation, required coverage is obtained by:

(1) Purchasing appropriate insurance from an authorized local commercial source as an exception to policy stated in paragraph 14-4c.

(2) Contributing to an applicable foreign government-managed compensation program.

**Section XVI
Unemployment Compensation**

14-91. Administration

The NAF Unemployment Compensation Program is administered by RIMP. RIMP will assess NAFIs for the cost of the program, act as liaison with the Department of Labor and State Employment Security agencies to verify benefit payments and quarterly billings and

assist in coordinating efforts between payroll offices and NAF civilian personnel offices.

14-92. Verification of benefit costs

a. Eligible former employees apply for unemployment compensation through any office of the State Employment Security Agency or equivalent.

b. The appropriate State agency:

(1) Sends Department of Labor Form ES-931 (Request for Wage and Separation Information) to the servicing NAF payroll office.

(2) Determines eligibility and pays authorized benefits directly to employees.

(3) Provides payment information to the Department of Labor.

c. The Department of Labor bills RIMP for appropriate amounts.

d. RIMP reimburses the Department of Labor from the ACIF Unemployment Compensation reserve.

e. Installations not serviced by a Central NAF Payroll office submit copies of completed ES-931 forms quarterly to RIMP.

f. The NAF Unemployment Compensation program is centrally managed by RIMP.

g. RIMP compares statements of charges for the State agencies and from the Department of Labor with Form ES-931 information to detect discrepancies and obtain appropriate credits.

h. RIMP will compile management reports to assist in identifying problem areas and make recommendations for improvements.

14-93. Assessment of costs to NAFIs

To provide funds to pay the cost of Unemployment Compensation benefits, RIMP will assess each NAFI a percentage of the NAF U.S. civilian payroll. The percentage charged is based on experience and projected costs to generate funds to cover the cost of the program. The assessment is billed to each NAFI quarterly. RIMP will review the assessment policy and procedure annually.

**Table 14-1
Depreciation guide**

This depreciation guide has been compiled from information provided by the U.S. Army Claims Service, Fort Meade, MD, and is the primary reference used by the ACIF in adjusting claims. Because other factors may affect the actual depreciation rate in specific cases, it should be used only for general information. Fund managers may also use these depreciation factors when valuing NAF assets for insurance purposes.

No.	Item	Percent of depreciation			Remarks
		Per year	Flat rate	Maximum	
1	Air conditioners				See No. 10, electrical and gas appliances
2	Automobile tires	30		75	Compute depreciation based on miles used/30,000 miles or miles used/milage guarantee ratio if known; otherwise use 30 percent per year.
3	Boats and motors (Including out-board motors)	Varies			Use local boat retail values.
4	Boating equipment and supplies (exclusive of motors)	20		75	
5	Bric-a-brac (all types)		10		Includes inexpensive figurines, sculptures, and ornamental or sentimental items, as distinguished from expensive objects of art.
6	Camping equipment and supplies (including tents, sleeping bags, backpacks, shovels, and other tools, lanterns, etc).	10		75	Camping cutlery is included. Camping clothing is not included.
7	Computers	20		75	
	Peripherals, Software, and accessories	10		75	
8	Crockery (dishes, pottery, and glassware)		10		Do not include fine china, crystal, or expensive cut glass.
	Plasticware	10		75	
9	Drapes	10		75	
	Curtain rods, Venetian blinds	5		75	

Table 14-1
Depreciation guide—Continued

This depreciation guide has been compiled from information provided by the U.S. Army Claims Service, Fort Meade, MD, and is the primary reference used by the ACIF in adjusting claims. Because other factors may affect the actual depreciation rate in specific cases, it should be used only for general information. Fund managers may also use these depreciation factors when valuing NAF assets for insurance purposes.

No.	Item	Percent of depreciation			Remarks
		Per year	Flat rate	Maximum	
10	Electrical and gas appliances				See item 23 for stereo systems and tape recorders. See item 29 for video recorders.
	–Minor—\$200 or less	10			
	–Major—over \$200, except as listed below.	5		75	
	–Televisions, washers, dryers, hot tubs, electronic games, pinball machines, dishwashers, spas.	10		75	Depreciate televisions picture tubes 10 percent per year for the first 3 years and 5 percent per year thereafter, up to a maximum of 75 percent.
11	Furniture (including beds).	5		50	Take no depreciation on antique furniture or expensive, solid wood furniture such as cherry, walnut, teak, rosewood, oak, etc., except for replacement of fabric. Do not confuse solid wood with finishes, stains, veneers, etc. Kitchen table and chair sets are considered one item. Consider each wall unit as one item.
	Infant, lawn, and patio furniture.	10		75	Includes cribs, childrens beds, etc.
12	Game equipment		25		Includes poker chips, chess, backgammon, and similar sets, as distinguished from children's toys and games.
13	Garden equipment (all implements needed for lawns and yards including lawn mowers).	10		75	See item 11 for lawn furniture.
14	Kitchen utensils				All long-lasting kitchen tools should be considered in the 5 percent/50 percent category. Items such as potato peelers, cooling racks, ice picks, bowl scrapers, or other items described in advertisements as "kitchen gadgets" should be considered in the 20 percent/75 percent category.
	–Heavy aluminum, copper, corningware, cast iron, stainless steel, etc.	5		50	
	–Other items	20		75	
15	Lamps (including sunlamps)				The higher rate applies when lamp shades are claimed separately.
	–Lamps	5		75	However, if shades are made of glass of any type, apply the 5 percent depreciation.
16	Musical instruments				Also includes amplifiers and accessories.
	–Pianos, organs, player pianos	5		75	
	–Other musical instruments under \$100	20		75	
	–Other musical instruments \$100–\$250	10		75	
	–Other musical instruments over \$250	5		75	
17	Office furnishings	10		75	Includes calculators, radios, paintings, plants, etc.
18	Painting and pictures (including photographic portraits, etchings, hand reproduced pictures, lithographic prints, etc.)	10			Take no depreciation on paintings valued in excess of \$750.
19	Phonograph records	10		50	See item 24 for tapes.
20	Photographic equipment (cameras, screens, lenses, projectors, etc.)				See item 29 for video cameras and accessories.
	–Inexpensive, \$100 or less	10		75	
	–Expensive, over \$100	5		75	
21	Rugs				
	–Under \$500	10		75	
	–\$500–\$999	5		50	
	–\$1,000 or more	2		25	

Table 14-1
Depreciation guide—Continued

This depreciation guide has been compiled from information provided by the U.S. Army Claims Service, Fort Meade, MD, and is the primary reference used by the ACIF in adjusting claims. Because other factors may affect the actual depreciation rate in specific cases, it should be used only for general information. Fund managers may also use these depreciation factors when valuing NAF assets for insurance purposes.

No.	Item	Percent of depreciation			Remarks
		Per year	Flat rate	Maximum	
22	Sports equipment and supplies (including uniforms and riding togs as well as basketball, baseball, football, croquet, bowling, badminton, volleyball, skiing, tennis, scuba, golf, and other equipment).	10		75	Take no depreciation on unopened or unused boxes of golf balls or canisters of tennis balls. See item 6 for camping equipment.
23	Stereo items and accessories	5		75	Includes styli, dust covers, tape recorders, speakers, amplifiers, turntables, etc. See item 24 for tapes and item 29 for video recorders.
24	Tapes, blank or commercially recorded				
	–Audio	10		75	
	–Video	10		50	
25	Television sets				See item 10 for electrical and gas appliances.
26	Telephones and telephone answering equipment	10		75	
27	Tools, tool chests, and tool boxes not stored in a vehicle				
	–Manual tools	5		50	
	–Power tools	10		75	
	–Tool chests	5		75	
28	Typewriters	5		75	
29	Video recorders, video cameras and accessory equipment	5		75	See item 24 for video tapes.

Table 14-5
Worker's Compensation Claims Forms

Form number	Preparer	Disposition	Remarks
LS-1 Request for Examination or Treatment	Part A, Activity manager with coordination of the NAF CPO (original and 2 copies). This form must be signed by the activity manager. Part B, Doctor. This form must give the name of the physician or medical facility.	Give to the employee. Authorization is given only once. If more than one authorization is given to the employee, the NAFI will be liable for the expense occurred. Send original to the district office and a copy to the claims service contractor.	Part A—authorizes doctors to treat the employee and the claims services contract to pay the bill.
LS-202 Employer's First Report of Injury or Occupational Illness.	Employer, after injury or death whether by the employer's written notice or from other sources (original and 4 copies).	File 2 copies with the district office, send 1 copy to the claims service contractor, 1 copy to the ACIF, and retain 1 copy.	The LS-202 must be fully completed by the activity manager and filed within 10 days.
LS-204 Attending Physician Supplementary Report	Doctor. These are sent after the first report (Part B, LS-1).	Send to the district office and the claims service contractor.	Updates treatment record. A physician's report will be acceptable instead of the LS-204.
LS-206 Payment of Compensation Without Award	The claims service contractor when compensation is begun and eligibility is not questioned.	Sent to the district office and to injured employee with first check by the claims service contractor.	Starts disability payments.
LS-207 Notice to District Director Right to Compensation is Controverted	The claims service contractor, when employer advises employee was not injured on the job, is not eligible for compensation, or a question of compensability arises.	Sent to the district office by the claims service contractor only.	Benefits will not be paid until the Deputy Commissioner investigates and makes a determination of compensability.
LS-208 Compensation Payment Stopped or Suspended	The claim service contractor, when employee has returned to work or payments have been completed.	Sent to the district office and employee by the claims service contractor.	Stops disability payments.

**Table 14-5
Worker's Compensation Claims Forms—Continued**

Form number	Preparer	Disposition	Remarks
LS-210 Supplementary Report of Accident or Occupational Illness	Employer completes every pay period when employee loses time due to an on- the-job incident.	Send to the claims service contractor.	Documents lost time due to on-the-job injury.
LS-222 Carrier's or Self-Insurer's Report on Rehabilitation to Deputy Commissioner	The claims service contractor, after an employee has been continuously disabled for 60 days or more.		
LS-242 (NF) Notice Employee		ACIF send to NAFI.	A printed poster which should be clearly displayed in the workplace. It advises em- ployees that compensation for on-the-job injuries is avail- able through the employer under LHWCA.
LS-555 Privacy Act Notice		Give to employee with LS-1.	

Notes:

Forms are available from the claims service contractor at: ALEXSIS, Inc., P.O. Box 16368, Austin, TX 78716, Telephone: (512) 327-6185; FAX: (512) 327-8525.

(Date)

(Name of carrier, vendor, or agent)
(Address)
(City, State, Zip Code)

Gentlemen:

This letter is a formal notice of claim in connection with the shipment described below that (briefly describe reason for claim, such as nondelivery, short shipment, or damaged goods) and was discovered on (date damage was discovered or exceptions noted).

Identifying and related information is provided as follows:

- a. Cosignor: (Name and address of the entity that originated the shipment).
- b. Consignee: (Name and shipping address of the NAF activity or other entity to which the shipment was addressed).
- c. Bill of Lading Number: (Include the complete bill of lading number as indicated on shipping documents.)
- d. References: (Purchase order number; contract number; invoice number; or other ordering information that can be used to identify the shipment).
- e. Date of shipment: (Date the goods were actually shipped by the consignor, if known).
- f. Description: (Describe the goods that were lost, damaged, or destroyed in broad terms, such as electronic equipment, athletic equipment, sportswear).
- g. Origin: (Identify the place from which the goods were shipped).
- h. Destination: (Identify the point of delivery).
- i. Number of pieces: (Identify the total number of pieces comprising the shipment, such as six boxes, eight cartons, two rolls.)
- j. Name of carrier: (Identify the name of the commercial carrier or vessel that transported the shipment).

Figure 14-1. Sample notice of claim.

k. Total weight: (State and total weight of the shipment as received).

l. Estimated damages: (State and estimated amount of damages in U.S. dollars sustained by the shipment).

This notice of claim is provided in accordance with the terms and conditions of the contract of carriage. Detailed information, to include a final damage estimate and supporting document, will be provided as they become available.

Very truly yours,

(Signature of fund manager or
designated representative)

Figure 14-1. Sample notice of claim—continued.

US ARMY NONAPPROPRIATED FUND

WORKERS' COMPENSATION CLAIM BENEFIT OPTIONS

Workers' compensation benefits are provided to injured employees per Army Regulation 215-1, chapter 14.

Employees entitled to receive workers' compensation benefits for illness or injury may elect to accept one of the following options per AR 215-3.

OPTION I. Receive workers' compensation disability benefits from the claims administration service contractor supplemented with accrued or advanced sick leave up to an amount not exceeding your basic salary. This is accomplished by the payment of full sick leave benefits to the employee, with partial reimbursement (about 2/3) of the sick leave used through the employee's assignment of all workers' compensation temporary disability benefits.

I ELECT TO RECEIVE FULL SICK LEAVE BENEFITS AND HEREBY REQUEST THAT ALL WORKERS' COMPENSATION TEMPORARY DISABILITY BENEFITS BE MAILED TO ME AT:

NONAPPROPRIATED FUND CIVILIAN PERSONNEL OFFICE ADDRESS

I UNDERSTAND THAT MY SICK LEAVE BALANCE WILL BE CREDITED WITH THE APPROPRIATE NUMBER OF HOURS BASED ON THE AMOUNT OF MY WORKERS' COMPENSATION TEMPORARY DISABILITY BENEFITS. I WILL ENDORSE THE CHECKS RECEIVED FROM THE CLAIMS SERVICE CONTRACTOR.

INJURED EMPLOYEE'S SIGNATURE

DATE

OPTION II. Receive only workers' compensation temporary disability benefits from the claims service contractor.

I ELECT TO BE PLACED ON LEAVE WITHOUT PAY FOR THE ENTIRE PERIOD OF ABSENCE DUE TO INJURY. I UNDERSTAND THAT IF COMPENSATION IS DENIED, I MAY BE PAID ON THE BASIS OF SICK OR ANNUAL LEAVE ACCRUED TO ME.

INJURED EMPLOYEE'S SIGNATURE

DATE

Figure 14-2. Sample Workers' compensation claim benefit options statement.

Employer's First Report of Injury
or Occupational Illness

(See instructions on reverse - leave Items 1 and 2 blank)

U.S. Department of Labor
Employment Standards Administration
Office of Workers' Compensation Programs



OMB No. 1215-0031

1. OWCP No.		2. Carrier's No. Standard NAFI No. TV1		3. Date and Time of Accident Mo. Day Yr. Hour MM PM 01 15 94 2:15 PM			
4. Name of Injured/Deceased Employee (Type or print - first, M.I., last) John S. Doe				5. Employee's Address (No., street, city, state, Zip code) 123 Cache Road Lawton, OK 73505			
6. Injury is Reported Under the Following Act (Mark one)		7. Indicate Where Injury Occurred (Longshore Act only) (Mark one)		8. Sex <input checked="" type="checkbox"/> M <input type="checkbox"/> F		9. Date of Birth 4-11-48	
A <input type="checkbox"/> Longshore and Harbor Workers' Compensation Act		A <input type="checkbox"/> Aboard Vessel or Over Navigable Waters		10. Social Security No. (See statement on reverse) 0 1 0 1 0 1 0 0 1			
B <input type="checkbox"/> Defense Base Act		B <input type="checkbox"/> Pier/Wharf		11. Did Injury Cause Death? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - If yes, skip to 16			
C <input checked="" type="checkbox"/> Nonappropriated Fund Instrumentalities Act		C <input type="checkbox"/> Dry Dock		12. Did Injury Cause Loss of Time Beyond Day or Shift of Accident? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
D <input type="checkbox"/> Outer Continental Shelf Lands Act		D <input type="checkbox"/> Marine Terminal		13. Date and Hour Employee First Lost Time Because of Injury Mo. Day Yr. Hour MM PM 01 15 94 2:15 PM			
E <input type="checkbox"/> Building Way		E <input type="checkbox"/> Building Way		14. Did Employee Stop Work Immediately? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
F <input type="checkbox"/> Marine Railway		F <input type="checkbox"/> Marine Railway		15. Date and Hour Employee Returned to Work Has not returned			
G <input type="checkbox"/> Other Adjoining Area		G <input type="checkbox"/> Other Adjoining Area		16. Was Employee Doing Usual Work When Injured/Killed? (If no, explain in Item 26) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
17. Did Injury/Death Occur on Employer's Premises? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		18. Dept. in Which Employee Normally Works(ed) Officers' Club (Kitchen)		19. Occupation Dishwasher			
20. Date and Hour Pay Stopped 01-16-94		21. Which Days Usually Worked Per Week? (Mark (X) days) S M T W T F S Flexible (Intermittent, on-call)		22. Date Employer or Foreman First Knew of Accident. 01-15-94			
23. Wages or Earnings (Include overtime, allowances, etc.)		24. Exact Place Where Accident Occurred (See instructions on reverse). This item should specify area if accident was in maritime employment and occurred in area adjoining navigable waters. Officers' Club Fort Sill, OK 78503		25. How was Knowledge of Accident or Occupational Illness Gained? Employee's Oral Report			
a. Hourly \$ 4.50							
b. Daily \$ 18.00							
c. Weekly \$ 54.00							
d. Yearly \$ 2808.00							
26. Describe in full how the accident occurred (Relate the events which resulted in the injury or occupational disease. Tell what the injured was doing at the time of the accident. Tell what happened and how it happened. Name any objects or substances involved and tell how they were involved). Give full details on all factors which led or contributed to the accident. Employee states he slipped on wet floor while washing dishes (Use additional sheet(s) if required and attach to this report)							
27. Nature of Injury (Name part of body affected - fractured left leg, bruised right thumb, etc.) if there was amputation of a member of the body, describe. Broken left index finger							
28. Has Medical Attention Been Authorized? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		29. Enter Date of Authorization 01-15-94		30. Was First Treating Physician Chosen by Employee? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		31. Has insurance Carrier Been Notified? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Name				Address - Enter Number, Street, City, State, ZIP Code			
32. Physician Dr. William Ross				111 Sheridan Road, Lawton, OK 73505			
33. Hospital Reynolds AMC				Fort Sill, OK 73503			
34. Insurance Carrier ALEXSI, Inc.				P.O. Box 163986, Austin, TX 78716			
35. Employer Officers' Club				Fort Sill, OK 73503			
36. Nature of Employer's Business NAF Instrumentality Department of Army,				37. Signature of Person Authorized to Sign for Employer			
38. Official Title of Person Signing This Report Manager, Officers' Club (405)123-4557						39. Date of This Report 01-17-94	

Form LS-202
Rev. Mar. 1990

Figure 14-3 (PAGE 1). Sample completed Department of Labor Form LS-202.

This report is to be filed in duplicate with the Deputy Commissioner in the appropriate district office of the Office of Workers' Compensation Programs. File form within 10 days from the date of injury or death or from the date the employer first has knowledge of an injury or death. Under the law all medical treatment and compensation must be furnished by the employer or its insurance company. Treatment must be by a

physician chosen by the employee unless the physician is on a list of physicians currently not authorized by the Department of Labor to render medical care under the Act. Compensation payments become due and are payable on the 14th day after the employer first has knowledge of the injury or death. Penalties may be charged for failure to comply with provisions of the law.

REPORTABLE INJURY - Any accidental injury which causes loss of one or more shifts of work or death allegedly arising out of and in the course of employment, including any occupational disease or infection believed or alleged to have arisen naturally out of such employment, or as a natural or unavoidable result from an accidental injury. If the employer controverts the right to compensation it must also file a notice of controversy with the Deputy Commissioner within 14 days after it has knowledge of the alleged injury or death.

Item 6 - A. Longshore and Harbor Workers' Compensation Act covers employees injured while engaged in maritime employment upon the navigable waters of the United States (including any adjoining pier, wharf, dry dock, terminal, building way, marine railway, or other adjoining area customarily used by an employer in loading, unloading, repairing, or building a vessel); -employees injured upon the navigable waters of the United States and other described areas who at the time of injury were engaged in maritime employment and are not otherwise specifically excluded under the Act (33 U.S.C. 902):

B. Defense Base Act covers any employment (1) at military, air, and naval bases acquired by the United States from foreign countries; (2) on lands occupied or used by the United States for military or naval purposes outside the continental limits of the United States; (3) upon any public work in any Territory or possession outside the continental United States under a contract of a contractor with the United States; (4) under a contract entered into with the United States where such contract is to be performed outside the continental United States and at places not within the areas described in (1), (2), and (3) above for the purpose of engaging in public work; (5) under certain contracts approved and financed by the United States under the Mutual Security Act of 1954, as amended; and (6) in the service of American employers providing welfare or similar services for the benefit of the Armed Forces outside the Continental United States.

C. Nonappropriated Fund Instrumentalities Act covers employees of nonappropriated fund instrumentalities of the Armed Forces, e.g., post exchanges, motion picture service, etc.

D. Outer Continental Shelf Lands Act covers employees of private employers engaged in operations conducted on the Outer Continental Shelf for the purpose of exploring for, developing, removing, or transporting by pipeline the natural resources of submerged lands.

Item 10 - Failure to submit the social security number will not result in the loss of any right or benefit. It may, however, slow OWCP's processing of the case by making it more difficult to associate related pieces of the case documentation.

Item 24 - "Exact place where accident occurred" requires the nearest street address, city and town. In addition -

- If on a vessel,
Give place on vessel where injury happened (Deck, hold, tweendeck, engine room, etc.) Name of vessel
- If either on an adjoining pier, wharf, dry dock, terminal, building way, marine railway, or other area customarily used in loading, unloading, repairing, or building a vessel

Name or number of pier, dry dock, marine railway, etc.
Name of the terminal or shipyard
Nearest street address - City and State
- If on military or Defense Base,

Give exact place on base where injury happened
Name of base
Location of base - town or country
- If on the Outer Continental Shelf,

Give drilling site and block number
Area name (e.g. West Delta Area)
Federal Lease Number, State Lease Number
Distance from and name of nearest land,
name of State

NOTE: FILING THIS FORM DOES NOT CONSTITUTE AN ADMISSION OF LIABILITY UNDER THE COMPENSATION ACT. Any employer, insurance carrier, or self-insured employer who knowingly and willfully fails to submit this report when required or knowingly or willfully make a false statement or misrepresentation in this report shall be subject to a civil penalty not to exceed \$10,000 for each such failure, refusal, false statement, or misrepresentation. [33 U.S.C. 930(e)] This report shall not be evidence of any fact stated herein in any proceeding in respect to any such injury or death on account of which the report is made. [33 U.S.C. 930(c)]

Public Burden Statement

We estimate that it will take an average of 15 minutes to complete this collection of information, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding these estimates or any other aspect of this collection of information, including suggestions for reducing this burden, send them to the Office of Information Management, U.S. Department of Labor, Room N1301, 200 Constitution Avenue, N.W., Washington, D.C. 20210; and to the Office of Management and Budget, Paperwork Reduction Project (1215-0031), Washington, D.C. 20503.

Figure 14-3 (PAGE 2). Sample completed Department of Labor Form LS-202—continued.

Legend:

Completion instructions for Department of Labor Form LS-202:

Item No.

- (1) Leave blank.
- (2) Standard NAF number (app F).
- (3) Complete as shown.
- (4) Enter the injured employee's name (first, middle initial, and last) and telephone number.
- (5) Complete as shown.
- (6) Check Box C only.
- (7) Leave blank.
- (8) Check proper box.
- (9) Enter the age or date of birth of the injured employee. When giving date of birth, use month, date, and year.
- (10) Complete as shown. Failure to submit the SSN will not result in the loss of any right or benefit. It may, however, slow processing by making it harder to relate pieces of documentation.
- (11) through (14) Complete as shown.
- (15) If item 12 is checked "No," leave this item blank. If checked "Yes," enter the date (month-day-year) and time that the employee first reported for work after the day of the injury. If the employee has not returned to work by the time this report is prepared and sent, leave the item blank. If the employee returns to work after this report has been sent, report the return-to-work on a Form LS 210.
- (16) and (17) Complete as shown.
- (18) Enter the name of the employing NAF, and in parentheses, give the employee's work area (e.g., kitchen, bowling alley, or office).
- (19) Complete as shown.
- (20) Enter the date (month-day-year) and time that the injured employee's pay stopped. If it did not stop, enter "Did not stop."
- (21) and (22) Complete as shown.
- (23) Fill in subsection a, b, c, or d, as applicable. Only one of these subsections should contain an entry. If the injured employee is part-time or intermittent, determine average weekly wage by taking the total salary for the 13 weeks before the injury and dividing by 13.
 - a. If the worker is paid hourly, enter the hourly rate at which compensated. (Include tip credits taken in compensating a tipped employee; also, if the conditions of employment provide for the employer to furnish a meal during a normal daily shift, include credit for a pro rata share of the cost of the meal to the employer.) To determine this pro rata cost, divide the

cost of the meal by the number of hours the employee works per shift and add the result to the normal hourly age.

b. If wage is a daily rate, enter rate in this section. Include tips and meals.

c. If wage is a weekly rate, enter rate in this section. Include tips and meals.

d. If salary is yearly, enter the salary in this section. Include tips and meals.

(24) Tell where the injury happened, give a complete description of the location, such as—

Officers' Club, Bldg #4

Fort Meade, MD 20755-5360

(25) Tell how the employer or supervisor became aware of an on-the-job injury; whether by the employee's oral report or written notice by an employee agent on Form LS 201.

(26) Completely describe how the accident happened. Tell what the employee was doing at the time of the accident, what happened, and how it happened. Name any objects or substances involved and tell how they were involved.

(27) Enter the type of injury, such as fractured left leg, cut right thumb, or bruised left hand.

(28) Enter the date (month-day-year) that the employing fund authorized medical care. If medical care was not granted on the date of the injury, explain why.

(29) and (30) Complete as shown.

(31) Enter the date (month-day-year) that the claim service contractor was informed. (This date should normally be the same date that Form LS 202 was mailed to addressee listed in item 34, and the date that is recorded in item 39.)

(32) Enter the name and address of the doctor who treated the employee.

(33) If the employee was treated at a hospital, give the name and address of the hospital.

(34) Enter the address of the claims service contractor.

(35) Enter the name and correct mailing address of the NAFI.

(36) Enter "Nonappropriated Fund," to describe the type of the employer's business.

(37) To be signed by fund manager or designated representative.

(38) Enter the official title and telephone number of the person who signed in item 37.

(39) Enter the date the report was signed.

**REQUEST FOR EXAMINATION
 AND/OR TREATMENT**

PART A - AUTHORIZATION

INSTRUCTIONS TO EMPLOYER. This side of the form must be completed in full, and authorizes a physician of the *employee's choice* (* See item 2 below) to examine and/or treat an employee, covered by the Federal workers' compensation act marked in the box at right, for accidental injury, illness or disease arising out of and in the course of employment.

Mark either box A or B in item 7. The original and at least two copies of this form are to be given to the physician. The physician is to complete the medical report and his initial bill on the reverse, sending within ten days the original of the report to the Deputy Commissioner and copies to the insurance company or employer named in item 13. Subsequent and regular follow-up reports should be submitted by the physician on Form LS-204 and/or in narrative reports, or whenever requested.

1. THIS AUTHORIZATION IS FOR EXAMINATION AND/OR TREATMENT UNDER THE WORKERS' COMPENSATION ACT MARKED BELOW:

- A Longshoremen's and Harbor Workers' Compensation Act
- B Defense Base Act
- C Nonappropriated Fund Instrumentalities Act
- D Outer Continental Shelf Lands Act
- E District of Columbia Compensation Act

2. Name and address of physician or medical facility authorized to provide medical service
 * (The term "physician" includes doctors of medicine (MD), surgeons, podiatrists, dentists, clinical psychologists, optometrists, osteopathic practitioners, and chiropractors. Payment for chiropractic services is limited to charges for physical examinations, related laboratory tests, x-rays to diagnose a subluxation of the spine, and treatment consisting of manipulation of the spine to correct a subluxation demonstrated by x-ray. See 20 CFR 702.404)

Dr. William Ross
 111 Sheridan Road
 Lawton, OK 73505

3. Employee's name (Last, first, middle)

DOE, John S.

4. Date of injury (Month, day, year)

01-15-94

5. Occupation

Dishwasher

6. How accident or illness occurred

Employee states he slipped on wet floor

7. You are authorized to provide medical services to the employee as follows:

- A If you believe the condition is related to the injury, or the employee's occupation, furnish office and/or hospital treatment as necessary for the effects of this injury.
- B If you are in doubt as to whether the condition(s) found on examination is related to the injury, you are authorized to examine the employee, using indicated non-surgical diagnostic studies, and should promptly advise those listed in item 13 whether you believe the disability is due to the alleged injury. Pending further advice you may provide necessary conservative treatment.

YOU ARE REQUESTED TO SUBMIT A WRITTEN REPORT OF FIRST TREATMENT WITHIN 10 DAYS TO THE DEPUTY COMMISSIONER AT THE OFFICE NAMED IN ITEM 12 BELOW (See back of this form for instructions as to medical report and the submission of your charges).

8. Signature and title of authorizing official (Sign all copies)

Manager

9. Name and address of employer

Officers' Club
 Fort Sill, OK 73503

10. Telephone (Area code and local number)

(405)123-4557

11. Date authorized (Month, day, year)

01-16-94

12. Send one copy of your report to:

U.S. DEPARTMENT OF LABOR
 EMPLOYMENT STANDARDS ADMINISTRATION
 OFFICE OF WORKERS' COMPENSATION PROGRAMS

(See Figure 14-2 for OWCP Address)

11. Name and address of insurance carrier or self-insured employer to whom bill and copy of report are to be sent

Alexsis

P.O. Box 163986
 Austin, Texas 78716

Form LS-1

Figure 14-4 (PAGE 1). Sample completed Department of Labor Form LS-1.

PART B - ATTENDING PHYSICIAN'S REPORT OF INJURY AND TREATMENT

INSTRUCTIONS TO PHYSICIAN: This initial report should be completed and submitted within 10 days. Mail the original to the Deputy Commissioner (see item 12 for address), and a copy to the company listed in item 13. Subsequent reports should be made regularly on form LS-204 and/or in narrative form while the employee is in your care. Please read item 7 on the front of this form. Your Social Security Number is voluntary and is used for identification purposes only; its submission is authorized by Sec. 7(e) of the Longshore and Harbor Workers' Compensation Act.

14. What history of injury or disease did employee give you?						
15. Is there any history or evidence of pre-existing injury, disease, or physical impairment? <input type="checkbox"/> No <input type="checkbox"/> Yes - Please describe						
16. What are your findings (include results of x-rays, laboratory tests, etc.)?			17. What is your diagnosis?			
18. Do you believe the condition found was caused or aggravated by the employment activity described? (Please explain your answer if there is doubt.) <input type="checkbox"/> Yes <input type="checkbox"/> No						
19a. Did injury require hospitalization? <input type="checkbox"/> No <input type="checkbox"/> Yes			20. Is additional hospitalization required? <input type="checkbox"/> Yes <input type="checkbox"/> No			
b. Name of hospital						
c. Date admitted (Month, day, year)						
d. Date discharged						
21. Surgery (If any, describe type)			22. Date surgery performed (Month, day, year)			
23. What type of treatment did you provide other than hospitalization or surgery?			24. What permanent effects of the injury, if any, do you anticipate?			
25. Date of first examination (Month, day, year)		26. Date(s) of treatment (Month, day, year)		27. Date of discharge from treatment (Month, day, year)		
28. Period of disability (If termination date unknown - so indicate) (Month, day, year) Total disability: From _____ To _____ Partial disability: From _____ To _____			29. Date employee able to resume work (Month, day, year) <input type="checkbox"/> To light work _____ <input type="checkbox"/> To regular work _____			
30. If employee is able to resume work, has he/she been advised? <input type="checkbox"/> No <input type="checkbox"/> Yes - Furnish date advised (Month, day, year)						
31. If employee is able to resume only light work, indicate physical limitations and the type of work which can reasonable be performed with these limitations.						
32. Remarks and recommendation for future care, if indicated.						
33. Do you specialize? <input type="checkbox"/> No <input type="checkbox"/> Yes - State specialty						
34. Signature and typed name of physician		35. Address (No., street, city, state, ZIP code)		36. Physician's social security number		
				37. Date of this report (Month, day, year)		
38. Medical bill (Charges for your services may be presented in the space below or on your billheaded stationery).						
Date or period of treatment	Services and supplies must be itemized	Qty. or No.	Unit price		Amount	
			Cost	Per	\$	¢

SAMPLE
NOT TO BE USED FOR
REPRO PURPOSES

SAMPLE
NOT TO BE USED FOR
REPRO PURPOSES

Form LS-1
Rev. Sept. 1977

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402
Stock No. 020-016-00053-4

*U.S. GOVERNMENT PRINTING OFFICE: 1979 O 311 417/651

Figure 14-4 (PAGE 2). Sample completed Department of Labor Form LS-1—continued.

EMPLOYER'S SUPPLEMENTARY REPORT OF ACCIDENT OR OCCUPATIONAL ILLNESS

U.S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
OFFICE OF WORKERS' COMPENSATION PROGRAMS

NOTICE: This Report must be filed promptly with the Deputy Commissioner in every case in which (1) Form LS-202 does not show date injured employee returned to work, and (2) each time injured employee has returned to work and later becomes disabled for work. If the employee was disabled for work more than 3 days, compensation payments should be reported on Forms LS-206 and LS-208. Medical reports must be sent to the Deputy Commissioner promptly following first treatment and thereafter while treatment continues. Please type or print all information. *(If additional space is needed, use back of form.)*

FOR OFFICE USE

1. OWCP No.

2. Carrier's No.

Standard NAFL No.

3. Name of injured employee *(First, middle initial, last)*

John S. Doe

4. Date of Accident *(Mo., day, yr.)*

01-15-94

5. Address of injured employee *(Number and Street, City, State, ZIP code)*

123 Cache Road
Lawton, OK 73505

6. Name and address of your insurance carrier

Alexsis®

7. INITIAL PERIOD OF DISABILITY *(Use Inclusive Dates for a. and b.)*

a. From *(Month, day, year)*

01-16-94

b. To *(Month, day, year)*

01-21-94

c. Date returned to work *(Month, day, year)*

01-22-94

8. *If this report covers a period of disability after the date shown in item 7c. state each subsequent period of disability. Use inclusive dates for a. and b.*

a. From *(Month, day, year)*

b. To *(Month, day, year)*

c. Date returned to work *(Month, day, year)*

9. Did employee receive medical attention?

a. Yes — Give dates, names and addresses of doctors and hospitals providing treatment.

Dr. William Ross
111 Sheridan Road
Lawton, OK 73505

b. No — Explain

10. Was employee treated by his or her choice of physician?

Yes No

11. Was form LS-1 given to employee when injury was reported to you?

Yes No

12. Name of employer *(Firm Name)*

Department of the Army
FortSill Officers' Club

13. Employer's address *(Number and Street, City, State, ZIP code)*

Fort Sill, OK 73503

14. Signature of person authorized to sign for employer

15. Official title of person signing

Manager, Officers' Club

16. Date of report *(Month, day, year)*

01-22-94

Form LS-210
Rev. March 1989

Figure 14-5. Sample Employer's Supplementary Report (Form LS 210).