


(Original Signature of Member)

112TH CONGRESS
2D SESSION

H. R. 5891

To amend the Defense Base Act to require the provision of insurance under that Act under a Government self-insurance program, and to require an implementation strategy for such self-insurance program.

IN THE HOUSE OF REPRESENTATIVES

Mr. CUMMINGS introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Defense Base Act to require the provision of insurance under that Act under a Government self-insurance program, and to require an implementation strategy for such self-insurance program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Defense Base Act In-
5 surance Improvement Act of 2012".

1 **SEC. 2. REQUIREMENT FOR USE OF GOVERNMENT SELF-IN-**
2 **SURANCE PROGRAM FOR INSURANCE UNDER**
3 **DEFENSE BASE ACT.**

4 Section 1 of the Defense Base Act (42 U.S.C. 1651)
5 is amended by adding at the end the following new sub-
6 section:

7 “(g) TRANSITION TO GOVERNMENT SELF-INSUR-
8 ANCE PROGRAM.—

9 “(1) IN GENERAL.—On the effective date of
10 this subsection, the requirements in paragraphs (1)
11 through (6) of subsection (a) imposed on contractors
12 to secure the payment of compensation and other
13 benefits under the provisions of this Act and to
14 maintain in full force and effect such security for
15 the payment of such compensation and benefits
16 shall, for injuries sustained after such effective date,
17 be satisfied through the Government Defense Base
18 Act self-insurance program.

19 “(2) GOVERNMENT DEFENSE BASE ACT SELF-
20 INSURANCE PROGRAM DEFINED.—In this subsection,
21 the term ‘Government Defense Base Act self-insur-
22 ance program’ means a self-insurance program de-
23 veloped in the implementation strategy required by
24 section 3 of the Defense Base Act Insurance Im-
25 provement Act of 2012 and under which—

1 “(A) compensation and benefits for inju-
2 ries sustained are satisfied directly by the Gov-
3 ernment, without action of the contractor (or
4 subcontractor or subordinate contractor with
5 respect to such contractor); and

6 “(B) compensation and benefits are funded
7 by the agencies whose contracts are affected.

8 “(3) EFFECTIVE DATE.—The effective date of
9 this subsection is the date occurring one year after
10 the date of the enactment of the Defense Base Act
11 Insurance Improvement Act of 2012.”.

12 **SEC. 3. IMPLEMENTATION STRATEGY FOR GOVERNMENT**
13 **DEFENSE BASE ACT SELF-INSURANCE PRO-**
14 **GRAM.**

15 (a) REQUIREMENT.—The Secretary of Defense and
16 the Secretary of Labor shall jointly develop and execute
17 an implementation strategy for a self-insurance program
18 for insurance required by the Defense Base Act (42
19 U.S.C. 1651 et seq.).

20 (b) MATTERS COVERED.—The implementation strat-
21 egy required under subsection (a) shall address and pro-
22 vide a plan for the following:

23 (1) Appropriate administration of the self-insur-
24 ance program, including appropriate program fi-
25 nancing.

1 (2) Appropriate procedures for claims proc-
2 essing, claims adjudication, and benefits delivery,
3 taking into consideration the unique circumstances
4 of insuring overseas contractors.

5 (3) A timeline and strategy to transfer existing
6 claims covered under the Defense Base Act (42
7 U.S.C. 1651 et seq.) and the War Hazards Com-
8 pensation Act (42 U.S.C. 1701 et seq.) by private
9 carriers to a Government self-insurance program.

10 (4) Recommendations for any additional statu-
11 tory revisions necessary to carry out the strategy.

12 (c) REPORT AND DEADLINE.—Not later than 180
13 days after the date of the enactment of this Act, the Sec-
14 retary of Defense and the Secretary of Labor shall jointly
15 prepare and submit to the appropriate congressional com-
16 mittees a report on the implementation strategy.

17 **SEC. 4. REPORT.**

18 (a) REPORT REQUIREMENT.—Not later than 2 years
19 after the date of the enactment of this Act, the Secretary
20 of Defense and the Secretary of Labor shall jointly pre-
21 pare a report on the implementation of this Act and the
22 amendment made by this Act.

23 (b) MATTERS COVERED.—The report shall cover, at
24 a minimum, the following with respect to the Government

1 Defense Base Act self-insurance program (as defined in
2 the amendment made by section 2):

3 (1) The cost savings from the use of the self-
4 insurance program.

5 (2) The quality of administration of the self-in-
6 surance program.

7 (3) Whether the delivery of benefits to injured
8 employees and their survivors (in the case of death)
9 has improved under the self-insurance program.

10 (4) Recommendations for improvement of the
11 self-insurance program.

12 (5) Such other matters as the Secretaries con-
13 sider appropriate.

14 **SEC. 5. DEFINITION OF CONGRESSIONAL COMMITTEES.**

15 In this Act, the term “appropriate congressional com-
16 mittees” means the following:

17 (1) The Committees on Armed Services of the
18 Senate and the House of Representatives.

19 (2) The Committee on Homeland Security and
20 Governmental Affairs of the Senate and the Com-
21 mittee on Oversight and Government Reform of the
22 House of Representatives.