cases, a contractor’s workers’ compensation insurance policy should contain a standard extra-statutory medical coverage endorsement.

(iv) Limits on occupational disease coverage and employers’ liability. Some workers’ compensation laws do not provide coverage for all occupational diseases. In such situations, a contractor’s workers’ compensation insurance policy should contain voluntary coverage for all occupational diseases.

(3) Contractor “employees’ benefit plan”—self-insurers. The policies and requirements set forth in paragraph (a)(2) of this section apply where management and operating contractors purchase workers’ compensation insurance. With respect to self-insured contractors, the objectives specified in paragraph (a)(2) also shall be met through primary or excess workers’ compensation and employers’ liability insurance policy(ies) or an approved combination thereof. “Employees’ benefit plans” which were established in prior years may be continued in contrast termination at existing benefit levels.

(b) Assignment of responsibilities. (1) Office of Resource Management, within the Headquarters procurement organization, other officials, and the Heads of Contracting Activities, consistent with their delegations of responsibility, shall assure management and operating contracts are consistent with the policies and requirements of paragraph (a) of this section.

(2) In discharging assigned responsibility, the Heads of Contracting Activities shall—

(i) Periodically review workers’ compensation insurance programs of management and operating contractors in the light of applicable workers’ compensation statutes to assure conformance with the requirements of paragraph (a) of this section.

(ii) Evaluate the adequacy of coverage of “self-insured” workers’ compensation programs;

(iii) Provide arrangements for the administration of any existing “employees’ benefit plans” until such plans are terminated; and

(iv) Submit to the Office of Resource Management, within the Headquarters procurement organization, all proposals for the modification of existing “employees’ benefit plans.”

(3) The Office of Resource Management, within the Headquarters procurement organization, is responsible for approving management and operating contractor “employees’ benefit plans.”


970.2803–2 Contract clause.

The contracting officer shall insert the clause at 970.5228–1, Insurance—Litigation and Claims, in all management and operating contracts. Paragraphs (h)(3) and (j)(2) of that clause apply to a nonprofit contractor only to the extent specifically provided in the individual contract.


Subpart 970.29—Taxes

970.2902 Federal excise taxes.

970.2902–3 Other Federal tax exemptions.

(a) The exemption respecting taxes on communication services or facilities has been held to extend to such services when furnished to Department of Energy (DOE) management and operating contractors who pay for such services or facilities from advances made to them by DOE under their contracts.

(b) Where it is considered that a request for an additional exemption in the performance of a management and operating contract would be justified, a recommendation that such a request be made should be forwarded to the Chief Financial Officer, Headquarters.

(c) Where tax exemption certificates are required in connection with the taxes cited in this section, the Head of the Contracting Activity will supply standard Government forms (SF 1094, U.S. Tax Exemption Certificate) on request.


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