

DEPARTMENT OF THE NAVY
BUREAU OF NAVAL PERSONNEL
WASHINGTON, D.C. 20370-5000

IN REPLY REFER TO

BUPERSINST 5890.1
Pers-65
25 JUN 1996

BUPERS INSTRUCTION 5890.1

From: Chief of Naval Personnel

Subj: BUREAU OF NAVAL PERSONNEL RISK MANAGEMENT MANUAL FOR NAVY
MORALE, WELFARE AND RECREATION NONAPPROPRIATED FUND
ACTIVITIES

Ref: (a) DoD 7000.14-R, Financial Management Regulation,
Volume 13, Nonappropriated Fund Policy and Procedures
(b) BUPERSINST 1710.11B, Navy Recreation Program
Operational Policies
(c) BUPERSINST 1710.13A, Navy, Club, Food, Beverage and Entertainment Operations
(d) Nonappropriated Fund Instrumentalities Act Extension
of the Longshore and Harbor Workers' Compensation Act
(5 U.S.C., Sec 8171 et seq.)
(e) OPNAVINST 1710.2E, Navy Flying Club Program
(f) OPNAVINST 1700.9D, Child Development Programs
(g) OPNAVINST 4060.4B, Establishment of Auxiliary Retail
Outlets
(h) OPNAVINST 5100.8G, Navy Safety and Occupational
Health Program
(i) Navy JAGINST 5890.1, Administrative Processing and
Consideration of Claims on Behalf of and Against the
United States

1. Purpose. To issue the Risk Management Manual which contains revised and updated policies and procedures relative to the operation of the Bureau of Naval Personnel's (BUPERS) Nonappropriated Fund (NAF) Risk Management Program. This is a complete revision and should be read in its entirety.

2. Cancellation. NAVMILPERSCOMINST 5890.1.

3. Discussion. References (a) through (c) require that NAF financial and property assets owned by Navy Morale, Welfare and Recreation (MWR) organizations, as well as their public liability responsibilities, be protected by appropriate commercial insurance or by a self-insurance program, as directed by the program manager. Reference (d) extends Workers' Compensation coverage under the Longshore and Harbor Workers' Compensation Act to NAF employees. The contents of the Risk Management Manual provide for the following:

a. MWR NAF property and financial assets are protected from the adverse financial consequences of covered losses.

b. The NAF financial integrity of MWR organizations and their authorized MWR programs are protected against the financial losses caused by third party general liability claims.

c. MWR NAF employees are protected from the financial consequences of work related injuries or illnesses.

4. Report and Forms

a. The reporting requirements contained in appendices A through I are exempt from reports control by SECNAVINST 5214.2B.

b. All Department of Labor (LS) forms required by the employer can be obtained by calling the third party administrator (Navy Contract Unit) at 1-800-743-2231. Samples of the forms listed below are included as appendixes to this instruction.

- | | | |
|-----|---------------------------------|---|
| (1) | Form LS-1
(Rev. 9-77) | Request for Examination
and/or Treatment |
| (2) | Form LS-242 (NF)
(Rev. 7-86) | Notice to Employees |
| (3) | Form LS-202
(Rev. 3-90) | Employer's First Report of
Injury or Occupational
Illness |
| (4) | Form LS-210
(Rev. 3-90) | Employer's Supplementary
Report of Accident or
Occupational Illness |

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25 JUN 1996

Bureau of Naval Personnel

RISK MANAGEMENT MANUAL

FOR

MORALE, WELFARE AND RECREATION
PROGRAMS

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CHAPTER 1

BUPERS NAF PROPERTY AND LIABILITY INSURANCE PROGRAM

101. Purpose. The BUPERS central insurance program provides financial protection for MWR organizations against:

a. Loss or damage to assets (including property, equipment, resale merchandise, supplies, and vehicles) which were originally purchased with MWR NAF funds;

b. Payment of third party liability claims arising out of MWR-sponsored activities, programs and events;

c. Financial consequences of on-the-job related injuries to MWR NAF employees.

d. Repairs to vehicles obtained through the Defense Reutilization Management Office (DRMO). To encourage safety and reuse of vehicles turned in to the DRMO, the central insurance program will assist in the repair of a vehicle obtained from DRMO when the repair of such vehicles is \$1500 or less, (i.e., the MWR organization would pay the \$500 deductible and the central insurance program would be responsible for the balance). However, if the depreciated blue book value of the vehicle is less than the cost of repair, the central insurance program will reimburse the MWR organization the lesser of the two amounts.

102. Coverage

a. The primary coverage under the BUPERS program includes all authorized Navy Military MWR organizations under the cognizance of BUPERS. The BUPERS (Pers-65) MWR Headquarters Division is also included under this program. Coverage includes NAF employees and authorized volunteers (excluding Workers' Compensation Benefits coverage) of MWR organizations or other covered organizations listed below while acting within the scope of their duties. (Note: For volunteers, an agreement should be completed for each individual volunteering to serve in an MWR organization. This agreement should detail when, where, and what the individual has volunteered to do for MWR with defined limitations. MWR volunteers should also receive job training by the MWR organization that includes a review of responsibilities and reporting requirements that will enable them to carry out their assigned duties. The agreement shall also state that the volunteer agrees that he/she will not receive any compensation for their duties. Appendix A is a sample agreement.

b. Billeting funds supporting Bachelor Quarters (BQs) activities are covered under the full BUPERS insurance program for losses arising from operating billeting funds. The program is managed on a cost reimbursable basis as coordinated between the MWR and BQ headquarters program managers.

c. Civilian MWR Associations and Civilian Cafeterias may be authorized for coverage under the BUPERS Self-Insurance Program if they apply for coverage in advance and pay the required premiums established by BUPERS (Pers-65).

d. Transient Family Accommodations' (TFA) funds and their NAF employees are only covered for workers' compensation on a headquarters cost reimbursable basis, as coordinated between the program managers.

e. Per reference (e), a central aircraft hull and liability insurance policy covering all individual Navy Flying Clubs (NFC) must be underwritten by a commercial aviation insurance company. This coverage is administered by BUPERS centrally and paid for by each NFC. Workers' compensation coverage for NAF employees of NFCs, is provided separately by BUPERS on a cost reimbursable basis, through the BUPERS Self-Insurance Program.

103. Exclusions

a. The Navy Family Child Care (FCC) liability insurance for FHC providers is commercially underwritten and must be purchased by each FHC provider in accordance with reference (f). It is not included under the BUPERS NAF Self-Insurance Program.

b. Liability insurance coverage for Child Development Center (CDC) operations is not covered under this program because it is provided from Appropriated Fund (APF) sources.

c. MWR operated automobile rental/leasing programs are not covered under the BUPERS Central Self-insurance program for liability. Nonappropriated Fund Instrumentalities (NAFI) operating such programs as approved by BUPERS (Pers-65) must purchase separate commercial liability insurance.

d. Auxiliary Resale Outlets (AROs) are not included for coverage under the BUPERS (Pers-65) NAF Self-Insurance Program. Per reference (g), each ARO must purchase its own commercial insurance policy.

e. Air show flying acts are excluded from coverage. APF should be used to obtain air show performers. If NAF contracts are used, BUPERS will obtain liability insurance coverage and bill the local activity.

f. Coverage is not provided for private organizations, contractors, or concessionaires, or any individual/organization not officially designated as being under the program management of MWR or BUPERS (Pers-65), or the other authorized organizations listed above.

g. The individual liability of third parties, specifically the liability of one patron to a third party is not the responsibility of the Navy and therefore is not included in this coverage. This program only covers liability for acts which occur in the scope of employment of MWR employees or volunteers.

104. Administration. The BUPERS Self-Insurance program is administered by the Head, NAF Insurance Section within Pers-65 who is the point of contact for information or assistance regarding the technical nature of insurance and claims relative to the BUPERS NAF Self-Insurance Program.

CHAPTER 2

STRUCTURE OF BUPERS RISK MANAGEMENT PROGRAM, LOSS
EXPOSURES, DIRECT AND INDIRECT LOSSES

201. Commercial Insurance Coverage and BUPERS NAF Self-insurance Coverage

a. BUPERS (Pers-65) is authorized to either purchase commercially underwritten insurance or to self-insure all potential loss exposures. Self-insurance means that BUPERS Central Funds are budgeted to pay both MWR NAF property and liability claims. The purchase of commercially underwritten insurance means that a premium is paid by Pers-65 to a commercial insurance company which writes an insurance policy contract for coverage to defend, adjust and pay valid MWR property and liability claims.

b. On a continuing basis, Pers-65 will determine the most cost-effective strategy of either purchasing commercial coverage and/or self-insuring against certain types of insurance exposures.

202. Types of Loss Exposures. There are two specific and distinct types of risk or loss exposures. They are direct exposures and indirect exposures. Both direct and indirect exposures may give rise to mishaps and accidents, which also may result in claims for damages.

a. Direct Losses. Direct losses pertain to the loss or damage of MWR organization-owned NAF property, regardless of the cause of the loss.

b. Indirect Losses. Indirect losses pertain to losses and claims attributable to negligence on the part of the MWR organization or its employees and volunteers that result in the bodily injury, death, or damage to the personal property owned by others. This type of claim is more commonly known as a liability claim.

203. Direct Losses Covered. Direct losses involving MWR organization-owned NAF property, equipment, supplies, stock, resale merchandise, NAF funds, NAF funded watercraft, and vehicles are covered for their loss, destruction, or damage. This "all risk" coverage, whether provided by the BUPERS NAF Self-insurance Program or by a commercial insurance policy, is a comprehensive program that provides coverage for these NAF assets owned by the MWR organization subject to certain conditions.

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a. Types of NAF Property Covered

(1) MWR organization-owned NAF property, including collateral equipment such as "non built-in" furniture, fixtures, and equipment. Also covered are supplies/stock, vehicles, watercraft, and resale merchandise purchased with NAF funds.

(2) Collateral property is NAF property and equipment contained within the building, facility, or MWR controlled outdoor property which is not physically attached or affixed to the structure.

(3) Inland Marine and Ocean Marine property insurance coverage. This type of coverage insures NAF property, equipment, supplies, stock, and resale merchandise ordered and paid for out of NAF funds that subsequently becomes lost or damaged in transit to the MWR organization. This coverage is provided to an aggregate limit of \$25,000 per MWR NAFI per fiscal year. Local activities are encouraged to purchase property insurance that is offered by most manufacturers and/or shippers to cover loss or damage of NAF property in transit, especially if the routine shipment of goods to their activity is subject to pilferage, or the value of property being shipped dictates the need for insurance.

(4) NAF money and securities are covered for theft, burglary, holdup, robbery and actual destruction, disappearance or wrongful removal. Fidelity coverage is also provided to insure against losses caused by the dishonesty of MWR NAF employees, such as the forgery of securities and negotiable instruments, and the embezzlement of NAFs. This coverage does not apply to forged or fraudulent documents submitted to an MWR organization that are relied upon to the organization's detriment.

(5) Physical damage coverage for NAF vehicles or special purpose equipment is also provided by the BUPERS Self-insurance Program. NAF vehicles, including trailers and boats, which are either owned or leased by the MWR organization are insured for collision and comprehensive damage coverages. MWR organization-owned NAF vehicles or special purpose equipment are identifiable by having a NAF 400000 series, USN registration number assigned to that vehicle. NAF vehicle registration numbers are available from BUPERS (Pers-656) upon written request. NOTE: APF vehicles picked up from Defense Re-utilization Management Officer (DRMO) or Defense Property Disposal Office (DPDO) by the MWR organization are insured up to the limits contained in

paragraph 101d and for automobile liability once NAF vehicle registration numbers have been issued by BUPERS.

b. Exclusions:

(1) Property, vehicles, and special purpose equipment purchased with or funded from appropriated funds.

(2) Plantings or landscaping including trees, plants, shrubs, lawns, and golf courses (including tees, fairways, sand traps, and greens).

(3) Pavement and fencing.

(4) NAF expended for the purchase or installation of built-in plant property. Built-in plant property is defined as equipment, furnishings, fixtures, including carpeting, electronic scoreboards, marques, etc., which are physically attached or built-in to and becomes part of a building infrastructure. Built-in plant property is considered APF property, and therefore not covered by the BUPERS NAF Self-funded Insurance Program even if purchased with NAF as collateral equipment.

(5) MWR related buildings constructed or renovated through the use of NAF funds, whether partially funded or fully funded, are considered to be plant property assets of the U. S. government when the building or facility is accepted for occupancy. Accordingly, the structure of an MWR building itself is excluded from coverage under the BUPERS Self-insurance Program.

(6) Losses due to ground subsidence (e.g. sinkholes), soil deterioration, or soil erosion.

(7) Gradual deterioration or wear and tear.

(8) Mysterious disappearance or shortage of supplies, stock, or merchandise that is disclosed by inventory.

(9) Loss or damage to electrical wiring, equipment, appliances, and computers caused by electrical disturbances, including power surges and outages, whether or not they occur or originate away from the MWR organization or the naval activity.

(10) Additional losses that result from the MWR organization neglecting to save and preserve NAF property following a covered loss.

(11) If reasonable steps are not taken to protect MWR organization-owned NAF property that is endangered by a covered peril, when sufficient time, resources, and personnel could have been used to prevent or reduce the extent of a loss.

(12) Mechanical breakdown.

(13) Business interruption or "loss of use" coverage, for the loss of earnings or profits during the time required to rebuild or repair property that has been damaged or destroyed.

(14) The "regular time" costs associated with an MWR organization which utilizes its own employees for the repair of NAF MWR-owned property.

(15) Losses caused by any type of pollution.

(16) Coverage for "rain outs" of concerts or special events.

204. Indirect Loss Coverage

a. Indirect losses are liability exposures which may arise out of MWR operations and basically include general and automobile related liability losses. They pertain to claims attributable to negligence on the part of MWR organizations, their NAF employees (while working in the course and scope of their employment) that cause bodily injury/death or damage to property owned by others. This includes the use of MWR organization owned NAF vehicles or special purpose equipment used in direct support of MWR (excluding rental vehicles). Liability claims for damages are submitted to the local Navy Legal Services Office (NLSO) and are filed by third parties under the Federal Torts Claim Act. All authorized MWR organizations are provided both comprehensive general liability coverage, and automobile liability coverage by BUPERS (Pers-65). This coverage can take the form of commercial insurance purchased locally or centrally, or provided by the BUPERS Self-insurance Program, or any combination determined to be most cost-effective by BUPERS (Pers-65).

b. Patron liability is not covered by the fund. Patrons must sign a waiver of liability and be given a patron notification that they are liable for their own negligence when operating MWR vehicles or equipment.

CHAPTER 3

PROCESSING MWR NAF PROPERTY CLAIMS

301. Filing MWR NAF Property Claims

a. The NAF Property Claim Form, (appendix B), must be completed, signed by the MWR Director and forwarded to BUPERS (Pers-653) within 30 days of the date that a NAF property loss has been discovered, in those instances where:

(1) The NAF property owned by the MWR organization was damaged, destroyed, or lost in shipment, and is of the type that is claimable as a covered loss (as outlined in chapter 2), and;

(2) The amount of the loss can be determined, by repair or replacement estimates, or by the current "book" value as reflected on MWR organization activity inventory records.

NOTE: If the value of the loss cannot be readily determined then the claim form should be completed and submitted to BUPERS (Pers-65) as a report of a loss. An addendum to this report should be submitted as the official claim, providing information regarding the value of the loss as soon as it becomes known.

(3) Proof of loss documentation can be provided to substantiate the loss (see appendix B).

(4) The amount of the loss exceeds the NAF property claim deductible amount of \$500.

b. Failure to provide BUPERS (Pers-65) with an initial written notice of a NAF property loss within 30 days may result in the claim being denied.

c. Claims Submission under Commercial Insurance Policy. In case of damage to NAF property which may be covered by commercial insurance, the individual MWR organization should phone or fax a basic assessment of damage to BUPERS (Pers-65) and ask for guidance before filing a claim. If the property damage is significant, the insurance company which is providing the coverage will usually require immediate notification of any damage.

302. The MWR Organization NAF Property Claim Deductible. MWR organizations are responsible for a deductible for each NAF property

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claim. The NAF property claim deductible which the individual MWR organizations must absorb is the first \$500 of each claimable NAF property loss. This claim deductible does not pertain to MWR related liability claims.

303. Valuation of MWR Organization-Owned Property Losses. Claims for the total loss or destruction of MWR organization-owned NAF property, equipment, stock, and supplies will be "adjusted" and paid by BUPERS (Pers-65) based on: a replacement cost minus depreciated value, the depreciated or "book" value of the property, or cost of repair, whichever is least.

a. If the damaged MWR organization-owned property is determined to be reparable based on repair estimates, the asset will not be classified as a total loss when the lowest estimated repair cost does not exceed the net book value of the asset.

b. BUPERS (Pers-65) will pay a NAF MWR property claim based on the lowest of at least two estimates submitted with the claim unless the supporting documentation provides sufficient justification as to why the lowest cost estimate should not be used as the basis for reimbursement.

c. Property replacement valuations and property repair estimates solicited from outside companies by MWR should be on company letterhead, and should contain full documentation regarding all related costs including towing, delivery or installation (where applicable), and a company point of contact and phone number.

d. Property replacement and repair estimates should exclude sales taxes.

304. Recovery from a Third Party for a NAF Property Claim. The NLSO can provide assistance to MWR in pursuing claims against third parties responsible for damage to NAF property. The MWR organization should request the assistance of their servicing NLSO in filing a claim for reimbursement. In the event that the activity has already been reimbursed for the loss by BUPERS and subsequently collects against a third party, MWR should reimburse itself first for the \$500 property claim deductible and return any balance to the BUPERS Self-insurance Program.

CHAPTER 4

PROCESSING MWR NAF LIABILITY CLAIMS

401. Filing MWR NAF Liability Claims. When an accident or incident may potentially give rise to a liability claim, the MWR organization should:

- a. Prepare a local installation accident or incident report or appendix B, or obtain a copy of the Police or Base Security accident report, if applicable.
- b. Obtain statements from eyewitnesses, including MWR personnel.
- c. Contact the Navy Claims Officer that processes and adjudicates NAF MWR related liability claims at the NLSO that supports the MWR organization.
- d. If contacted by a claimant or their legal representative, advise them to contact the Navy Claims Officer, at the NLSO, who will adjudicate their claim on behalf of the Navy and the MWR organization.
- e. MWR organization personnel should not admit liability regarding an accident or incident as it may result in a liability claim being brought against the Navy or MWR.
- f. Contact command safety officer to report accidents and incidents, or as required by local command instructions.
- g. Per reference (i), a claim not covered by the central self-insurance program that can be settled for \$1500 or less, may be adjudicated by the commanding officer of the activity concerned or the commanding officer's designee. The claim shall be paid out of local APF or NAF available to the commanding officer.

402. Claims Payment

- a. The NLSO will forward a request for payment to BUPERS (Pers-65) upon adjudication/settlement of the liability claim on behalf of the individual MWR organization where the claim originated.
- b. Coverage for liability claims is fully funded by BUPERS (Pers-65). No claim deductible amount is charged back to an

individual MWR organization with respect to the payment in settlement of liability claims.

403. Commercial Insurance Company Payments Made on Behalf of MWR. BUPERS may at times elect to purchase commercial insurance coverage for different exposures. If there is commercial insurance coverage in place for a particular type of exposure, BUPERS will provide information to MWR activities regarding the coverage and appropriate claims filing procedures. This information will either be provided subsequent to the start of policy coverage or individually to those individual MWR organizations that trigger claims under a commercial insurance policy after a loss occurs.

404. Additional Insurance Coverage Required for Special Events

a. If the MWR organization participates in a special event sponsored by the installation command, the U.S. Navy/or the Department of Defense such as an open-house, air show, hydrofest, concert, or special events open to the public, additional comprehensive liability insurance may be required to cover the MWR organization for its involvement. The MWR organization should provide complete information regarding the event to BUPERS (Pers-65), with as much lead time prior to the event as possible, but at least 60 days in advance. (Also see paragraph 803).

b. The magnitude of the potential exposures involved and whether the MWR organization is required to provide liability insurance coverage (and to what extent), as a prerequisite to their participation in the event, will determine whether additional or excess liability coverage will be necessary to protect the MWR organization.

c. BUPERS (Pers-65) may determine that additional liability insurance coverage is necessary to protect against the inordinate amount of risk to which the overall MWR program is being exposed. In that event, the local MWR activity may be required to obtain commercial liability insurance at local expense. As an alternative, BUPERS may arrange through its insurance broker to purchase commercial insurance subject to reimbursement for the premium from the local organization. A request for reimbursement of the insurance premium for this coverage will be passed to the individual naval installation sponsoring/co-sponsoring the event.

405. Liability Waiver. A liability waiver (also known as a hold harmless agreement) is an agreement where the legal liability of one party for damages is assumed by the other party to the agreement.

Appendix C is provided as an example. By signing the agreement, the adult MWR patron or guest, or a parent or guardian of a minor child reaffirms responsibility for all liability caused by the negligent acts of either party (i.e., the patron or MWR). Although these agreements do not necessarily prevent claims over injuries, they are useful in pointing out potential risks associated with an activity, service or event. Before utilizing appendix C, obtain approval of the waiver from the local Staff Judge Advocate's office, or other legal office responsible for providing legal advice to the command.

406. Recovery from Third Party of Payment by BUPERS of NAF Liability Claim

a. If MWR organization-owned NAF property, employees or patrons sustain either bodily injury or damage to their owned property, and the fault for that injury or loss is primarily the responsibility of someone other than an MWR organization employee, NLSO, on behalf of MWR, may pursue a claim against the responsible party, or their insurance company. Subrogation claims may also be assessed under the NAF MWR Workers' Compensation Program.

b. It is important to note that liability, or the degree thereof, is determined by the NLSO, whose duty is to defend the MWR organization and BUPERS in legal liability claims. They alone have cognizance over the determination of fault and the reasonable amount to award in settlement of liability claims. Based on their expertise, NLSO can make a determination as to whether MWR or BUPERS could potentially recover funds through a subrogation claim that they have paid to a claimant.

c. Activities should preserve as much of the evidence of the accident as is possible. Do not dispose of any evidence until approved by the NLSO handling the claim. In case of bodily injury to an MWR employee, also contact the BUPERS Workers' Compensation Unit (see chapter 5) for guidance as to disposal of evidence.

CHAPTER 5

WORKERS' COMPENSATION PROGRAM FOR MWR NAF EMPLOYEES

501. Background

a. Self-insurance. BUPERS self-insures a Workers' Compensation Insurance Program that covers all NAF MWR employees for any accidental injury or illness arising out of and in the course and scope of their employment. This Workers' Compensation Program was established in accordance with, and is governed under provisions set forth by the Nonappropriated Fund Instrumentalities Act (NAFIA), 5 U.S.C. 8171-8173), which extended the provisions of the Longshore and Harbor Workers' Compensation Act (LHWCA) (33 U.S.C. 901 et seq.) to NAF employees. The LHWCA pertains to NAF employees of the Federal Government, and is administered by the U.S. Department of Labor. The individual workers' compensation statutes that are administered by the various States, do not have jurisdiction over NAF employees of the Federal Government, including NAF MWR organization employees.

b. Provisions. The NAFIA does not require the employee to establish that the employer was at fault for the employee's accident, nor does the employee have to prove that he or she was entirely free from fault for their own accident and/or injury. The only requirement is that the injury arose out of, and occurred during the course and scope of employment. If so, the employer is liable for all valid workers' compensation claims without regard to fault.

c. Limitations/Requirements. The Workers' Compensation statute removes the employee's common law right against the employer and substitutes a remedy that requires the employer to pay specific benefits. This obligation on the employer to pay under this statute becomes an absolute or strict liability of the employer. In other words, the statute makes it mandatory that the employer pay benefits that accrue to all valid workers' compensation claims. However, it also prevents the employee from suing the employer for damages as a result of that employee's job-related injury or illness.

502. Applicability. Provisions of the NAFIA apply to benefits for disability or death resulting from job-related injury or occupational disease to:

- a. Employees of the NAF within the United States.

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b. United States citizens, or permanent residents of the United States or a territory or possession, employed by the NAF outside the United States.

503. Exclusions

a. Active Duty. Active duty military members including those employed during their off-duty hours are not eligible for NAF workers' compensation. Military members receive medical, dental and disability benefit coverages, due to their status, regardless of whether an injury or illness occurs while they are on or off-duty.

b. Foreign National Employees. MWR Directors at overseas activities must advise the Morale, Welfare and Recreation Support Activity (MWRSPACT) (Code MWP-W), 3044 Catlin Avenue, Quantico, VA, 22134-5099 (see paragraph 505), if they determine that they have any foreign nationals without workers' compensation coverage provided through local law, or addressed under a provision of a Status of Forces Agreement (SOFA), or some other provision that provides benefits to foreign national NAF employees of the MWR organization. This applied to third country foreign national employees working at MWR organizations at overseas locations. Third country foreign national employees are those employees without U. S. citizenship, who are citizens of a country other than the host country where the overseas naval installation is located. Details regarding work-related injuries to third country foreign nationals which may result in a workers' compensation claim for benefits should be reported to the MWRSPACT (Code MWR-W) by the most expeditious means possible. Coordination with the MWRSPACT (Code MWP-W) is recommended, with regard to third country foreign national workers' compensation claims, given that BUPERS could elect to purchase a separate commercial insurance policy which provides workers' compensation benefits for these employees.

504. Coverage. Compensation will be paid under the LHWCA for the disability or death of an employee arising out of and in the course of employment or be related to it. Compensation may be denied if the injury was due solely to intoxication or resulted from a willful intent to injure or kill himself or herself or another person. In broad terms, the LHWCA covers employees:

a. From the time they report for duty until the time they leave at the end of working hours.

b. While traveling away under orders of temporary duty or while traveling locally at the direction of the employer, unless the employee deviates from the course and scope of employment.

c. The LHWCA does not normally cover an employee while they are going to or from their place of work.

505. Third Party Administrator. Compensation for employees will be provided under a Self-Insured Workers' Compensation Program managed by the Marine Corps MWR Support Activity, Quantico, VA on behalf of BUPERS. A contract for claims adjudication will be procured in conjunction with the Marine Corps MWR Support Activity to manage workers' compensation claims for eligible NAF MWR employees. The third party claims administrator (listed in appendix D) will pay employees, as required by the NAFIA, from funds provided by BUPERS (Pers-65).

506. Benefits Authorized. Benefits are as stated in the LHWCA and NAFIA. A summary of these benefits are listed below:

a. Medical Care. NAF employees eligible for benefits are entitled to medical services (including required dental care), medicines and supplies, to the extent required by the nature and severity of their injury as required by the recovery and rehabilitation process, subject to the provisions of the LHWCA.

(1) Electing Treating Physician. An employee has the right to choose an attending physician authorized to provide care under the LHWCA. An employee may not change physicians after they have made their initial selection, unless the third party administrator has given prior consent for the change. When prompt treatment is needed and the employee is unable to choose a doctor, the NAF will select one.

(2) Forms Submission. The treating physician should, within 10 days after first treatment, send a medical report using Department of Labor (DoL) form (LS-1 Part B) to the Deputy Commissioner, the third party administrator and the employer (appendix E). Thereafter, the doctor should send supplemental reports at regular intervals on DoL form LS-204.

b. Disability Compensation

(1) Total Disability. Employees permanently or temporarily totally disabled because of an on-the-job injury or occupational disease may receive 66 2/3 percent of their average weekly wage (AWW), subject to a certain maximum and minimum rate. The AWW will not exceed an amount equal to 200 percent of the national AWW as determined by the Secretary of Labor, or be less than 50 percent of the national AWW as determined by the Secretary of Labor. Employees whose AWW is less than the minimum receive 100 percent of their AWW.

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(2) Partial Disability. Compensation for temporary or permanent partial disability is two-thirds of the difference between the AWW before the injury and the wage-earning capacity after the injury. In addition, employees who lose parts of the body (fingers, toes, hands, feet, arms, legs, and eyes) may be entitled to scheduled awards.

c. Death Benefits. The following benefits are payable if an injury results in a qualifying work-related death:

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

(2) Fifty percent of the employee's AWW is payable to the surviving spouse living with or dependent on the deceased at the time of death. Upon remarriage, 2-years' compensation will be paid in one lump sum.

(3) For each child (as defined by the LHWCA) $16 \frac{2}{3}$ percent of the employee's AWW. If the surviving spouse dies or remarries, 50 percent of the AWW will be paid to one child, and $66 \frac{2}{3}$ percent of the AWW will be paid to two or more children.

(4) Benefits are also payable to other persons who satisfy the term "dependent" as defined in the LHWCA.

d. Total Payments. Total compensation payable in all cases will not exceed $66 \frac{2}{3}$ percent of the employee's AWW. Payments are made bi-weekly.

507. Willful False Statements. Any claimant or claimant's representative who knowingly and willfully makes a false statement to obtain benefits under the Act is guilty of a felony and may be fined or imprisoned or both. Any person who knowingly and willfully makes a false statement for the purpose of reducing, denying or terminating benefits to an injured employee may be fined or imprisoned or both. In addition, employees found to have violated either of these requirements are subject to severe disciplinary action, including possible termination.

508. Fees to Representatives. All notices of representation must be approved by the Department of Labor. The Secretary of Labor will not approve payment of a fee to a claimant's representative who has been disqualified from representing claimants under the LHWCA.

509. Posting Notice of Coverage. Individual MWR organizations will post a notice to employees [DOL form LS-242 (NF)] in a place where it

can easily be seen by the employees. This notice states that MWR NAF employees have workers' compensation coverage under the LHWCA (appendix F).

510. Obtaining Forms. All Department of Labor LS forms required by the employer can be obtained from the third party administrator. LS forms required of the employee will be provided to the employee by the Department of Labor.

511. Workers' Compensation Claims Procedures. If the employee is injured, a co-worker, immediate supervisor, activity or department manager, or MWR organization director will:

a. Arrange for Prompt Medical Treatment at a military medical facility (in the case of an emergency), or by a civilian medical facility or civilian doctor. When an employee is injured and medical treatment is necessary, administrative leave may be granted for the initial first aid treatment on the date of the injury.

b. Complete Part A. Form LS-1, Request for Examination and/or Treatment, (appendix E). The employer must enter the name and address of the physician or medical facility authorized to provide medical service in Block #2, type of treatment authorized in Block #7, and the third party administrator in Block #13. This form is ONLY released once and it must have the name of the authorized physician or medical facility listed in Block #2. Do not release this form if the employee does not know where treatment will be rendered. The completed Part A of this form should be sent with the employee to the physician or medical facility, however, in emergencies, first arrange for emergency medical care. The physician should complete Part B and send the completed form as directed on Part A. Authorization (using the LS-1 form) can only be given once. Further medical authorization must be obtained from the third party administrator.

c. Complete LS-202 (Employer's First Report of Injury or Occupational Illness) (appendix G). The employer's first report of injury form LS-202 is required by federal law and must be fully completed by the employer and must be filed within 10 days from (1) the date of any injury or death; (Block #3 on the LS-202); or (2) the date that MWR first had knowledge of an employment-related injury, illness, occupational disease or infection. (Block #22 on the LS-202.) LS-202 forms will be prepared and signed by MWR directors or their designated representatives. Technical review will be provided by a MWR NAF Civilian Personnelist prior to signature and copies will

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be filed as shown below. If DOL form LS-202 is not filed within 10 days, from the time that the NAF had knowledge of an employment-related injury, illness, occupational disease or infection, the MWR organization will be liable for fines and/or penalties imposed by the Department of Labor, to a maximum amount of \$ 10,000. Note: The employer should inform the third party claims administrator of any doubtful aspects of the claim when filing. Any questions regarding claims processing or workers' compensation benefits should be addressed to the third party administrator or to the BUPERS Workers' Compensation Unit.

d. Complete Form LS-210, Employer's Supplementary Report of Accident or Occupational Illness (appendix H). This form must be completed to report any lost time. If the LS-202 Block #15 does not show a return-to-work date. This form must be completed each pay period when the employee continues to be disabled from performing their duties. Receipt of the LS-210 by the third party administrator provides confirmation that benefits should or should not continue to be paid to the employee, depending on whether the form indicates that the employee has returned to work or not.

e. Assist the third party administrator with claims servicing needs on any employee's claims with coordination through the MWR organization's NAF Personnel Office.

f. Send all items such as bills, reports, doctor or employee correspondence, to the third party administrator with coordination through the MWR organization's NAF Personnel Office.

512. Forms Submission. Pertinent forms should be submitted as laid out below:

a. Submit one copy of all LS forms, whether or not there is loss of time or medical expense involved with the claim to:

Department of the Navy/
BUPERS Workers' Compensation Unit
Code MWP-W
P.O. Box 250
Quantico, VA 22134-0250

b. Submit to the Department of Labor the original LS-202 only when the employee loses one or more work shifts. NOTE: In cases where the injury has not caused the loss of one work shift, the form must be

maintained at the local activity in the event that the employee loses additional time in the future due to the same injury.

c. Submit to the third party claims administrator copies of all completely filled out LS-202 forms, regardless of whether or not a claim happens to be an incident only, medical only, or a lost-time claim with related medical expenses.

513. Leave Status of Employees for Workers' Compensation Benefits

a. Sick Leave. An employee covered by workers' compensation (5 U.S.C. 8171) may be granted sick leave from the employee's accumulated sick leave balance in lieu of the workers' compensation benefit if the employee has signed the NAF Workers' Compensation Claim Benefit Options Form (appendix I). If the employee signs the Leave Option Form for the use of sick leave, the workers' compensation benefit payments from the third party administrator must be forwarded to the finance office for reinstatement of leave based upon the benefit payment received from the Workers' Compensation Program.

b. Leave without pay (LWOP) may be granted a regular employee who is covered by workers' compensation (5 U.S.C. 8171). If a regular employee does not sign a Leave Option Form they may remain in a LWOP status for up to 1 year while receiving workers' compensation benefits.

514. Use of Military Medical Facilities. Use of military medical facilities by NAF employees is normally limited to initial or emergency treatment only. In overseas areas or in remote areas of the United States, where there are no adequate civilian medical facilities for NAF employees, follow-up treatments or hospitalization in military facilities is authorized. The employee may be required to directly pay for military medical treatment. The receipts may be sent to the third party administrator for reimbursement.

CHAPTER 6

RISK CONTROL

601. Background. Risk Control is concerned with preventing, limiting and speeding the recovery from various kinds of losses, whether they involve bodily injury, illness, property damage, or liability.

602. Basic Risk Control Techniques

a. Loss Prevention is any measure that reduces the probability or frequency of a particular loss, but does not eliminate completely all possibility of that loss.

b. Loss Reduction measures reduce the severity of those losses that do occur. For any type of a loss, there are two broad categories of loss reduction measures, pre-loss and post-loss. Pre-loss efforts attempt to reduce the severity of a loss, and may serve to also reduce loss frequency. Post-loss measures typically focus on emergency procedures, salvage operations, rehabilitation activities, or legal defenses to halt the spread of a loss or to counter its adverse effects.

c. Exposure Avoidance makes the loss from a specific exposure impossible by either eliminating or deciding not to undertake a specific activity or asset.

603. Work Related Risk Control. There are two general types of hazardous situations in which job-related accidents and injuries to employees can occur:

a. Physical hazards to the employee resulting from deficiencies in the physical condition(s) of the work place. Risk controls over the physical condition of the work place or the work environment, include for example, hand guards on machines, providing adequate ventilation, doing necessary maintenance and housekeeping, and providing employees with personal protection equipment.

b. Procedural hazards resulting from any improper work procedures or practices used by an employee. Risk controls with regard to employee procedures and practices associated with each employee's job, include for example, changes in standard operating procedures, employee education, and additional employee job training.

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604. Job Safety Analysis. Managers should use "Job Safety Analysis" as a tool for assessing the hazards associated with a particular job. Job safety analysis refers to the procedure whereby the manager examines all the steps, or tasks in a particular job, and thereby identifies any hazards related to each step. The manager can then develop a procedure for performing each step in the safest way possible. This process is especially useful where there may be an unacceptable level of accidents or injuries associated with a particular job. The installation Safety Officer, Naval Safety Center, and Pers-65 can provide additional information and assistance in the area of safety and risk control.

605. Construction of New Structures or Renovations of Existing Structures. Any new facility construction or renovation must be built in accordance with the standards of the Life Safety Code of the National Fire Protection Association as specified by the Naval Facilities Engineering Command.

606. Non government-Owned MWR Organization Property. Property not owned by the government that is either leased from its owner for use by the MWR organization, or that is owned by a third party who gives it over to the MWR organization for storage or safekeeping.

a. If any non government-owned property is actually put into the care, custody, control, of the MWR organization, and MWR advertises that the property will be protected from loss, then MWR has assumed a duty for which it may become responsible, if a claim should arise. The MWR organization can also be found to be liable for the loss or damage of non-owned property if it can be determined that MWR was negligent or failed to provide reasonable care in protecting the property that was in its care, custody and control.

b. In the case of a MWR vehicle storage lot in which an agreement exists with the patron renting the space in which the patron accepts responsibility for any loss of property, MWR will not, absent an order from the local NLSO claims office, pay a claim for damages.

c. The MWR organization should not assume the responsibility for the safekeeping of property that is privately owned by contractors working in the MWR organization. Signs should be posted to warn club patrons that they are responsible for their personal property left in a club or stored in an unattended coat check room, should they suffer

a loss. The proper wording of these signs should be approved by the base judge advocate or other judge advocate activity responsible for providing legal services to the command.

607. Assumption of Liability Under Contract. The MWR organization, as a party in any contract, must not assume the liability of the other party in the contract. Under no circumstances shall the MWR organization relieve the other party to a contract of their legal liability, for which the other party would rightfully be responsible. It is recommended that all contracts which are binding on the MWR organization, be reviewed by the command's contracting officer.

608. MWR Organization-Owned Property or Funds Exposed to a Higher Probability of Theft or Vandalism Damage. The MWR organization should implement loss control measures to help prevent the theft of NAF MWR organization-owned property that has a high frequency of theft, or incidence of vandalism damage. Valuable MWR-owned NAF property, equipment (e.g., electronic equipment, boat motors), funds, and resale merchandise not on the sales floor should be secured at all times. NAF vehicles, golf carts, campers, boats, motors, and trailers must also be secured when not in use. In seeking reimbursement from Pers-653 for a loss of either NAF funds, property, or equipment, it will be necessary for the MWR organization to substantiate the measures that had been taken to prevent such a loss, and the security systems or locks which failed or were defeated during the burglary, larceny, or vandalism incident which occurred.

609. Cold Storage Areas. Activity managers should ensure that thermometers on cold storage areas are read and recorded at least once a day or more frequently as warranted, to prevent equipment breakdowns and the subsequent spoilage of cold foods. When deficiencies are detected, immediate corrective action should be taken by the MWR organization. Any insurance claim for food spoilage due to a freezer breakdown must show that all possible precautions were taken to prevent or reduce such a loss.

610. Shipment of NAF MWR Organization Owned or Ordered Property, Equipment and Supplies. To help protect the Self-insurance Program against claims for reimbursement of NAF property lost in transit to the MWR organization, it is recommended that commercial insurance offered by the vendor or shipper be purchased.

611. Recreational Equipment Rental. MWR organizations that operate a recreational equipment rental program should make certain that

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authorized patrons renting or using equipment are capable of safely using or operating it.

a. MWR personnel responsible for the rental of recreational equipment should provide reasonable instruction to the patron regarding the safe use and operation of the MWR equipment prior to the release of the MWR equipment into the patron's custody.

b. Patrons shall be informed via the rental agreement that they are responsible for the safekeeping (including the theft of, or property damage to MWR-owned property), and the safe operation of MWR organization-owned property rented to them, while it is in their custody, less normal wear and tear.

c. The MWR organization will issue to the renter a copy of a rental agreement which, in addition to showing the renter's personal information (name, address, phone numbers, unit, etc.), a description of the property, check-out and check-in times, rental rates, and other useful information, including warnings and instructions. The rental agreement should also contain the following provisions:

(1) Names of any other authorized persons, in addition to the renter, who will be using the equipment. In this portion of the agreement, depending on the type of equipment rented, the names, ages and addresses of any other authorized users must be noted.

(2) Renter agrees to indemnify and hold MWR harmless for any and all liability claims for bodily injury to any person(s) or third party property damage arising out of or caused by the renter's negligence or the negligence of other users granted permission to use the rented equipment.

(3) Renter agrees to return the rented equipment in the same condition as when it was checked out, excluding normal wear and tear. Otherwise, the renter will reimburse the MWR organization the replacement value cost for any loss or damage to the equipment.

d. Because of the variety of MWR-owned recreational property and equipment available for rental, and other considerations such as the location of the Naval installation, it is recommended that the rental agreement be reviewed locally by the legal office responsible for providing legal advice to the command.

612. Theft of Recreational Rental Property. MWR organizations which experience frequent losses resulting from the non-return of

recreational rental property, should ensure an adequate or substantial deposit is obtained for those types of items that historically tend not to be returned.

613. Immediate Medical Attention. Many liability claims can be avoided or the eventual claim settlement costs reduced by ensuring that the injured MWR patron or guest receives immediate initial medical or dental examination and/or treatment.

a. The NAF Central Self-insurance Fund will reimburse the MWR organization for costs incurred on behalf of injured MWR patrons and guests for emergency medical/dental care for injuries resulting from their participation in MWR organization NAF-sponsored programs, activities or events.

b. If someone is injured, and it appears that medical attention is needed, the MWR organization should make certain that immediate medical attention is provided. In those situations, where the injuries are not life-threatening, the injured person or their parent or guardian should be allowed to choose the care provider of their choice. In all other instances, the MWR employee, supervisor, or manager in charge at the scene should encourage the injured person or direct that the injured person, if they are unable to communicate their desires, be taken and treated at the closest medical facility.

614. MWR Motor Vehicle Accidents. MWR organizations should develop an easy to follow standard operating procedures guide. The following steps should be taken in the event of a MWR motor vehicle accident:

a. Seek immediate medical attention for anyone who is injured as a result of the accident.

b. Report the accident to the proper police (civilian and/or military) authorities. The MWR organization should also request a copy of the official police traffic accident report at the earliest practicable date.

c. Inform your Command Legal Officer, or SJA, and the Claims Attorney of the regional NLSO that supports your naval installation.

d. Obtain statements from the driver of the MWR vehicle, and those passengers that were on board the vehicle, and any witnesses to the accident. In any accident involving bodily injury or property damage to others, names and addresses of witnesses are to be recorded.

e. Submit any claims for losses in accordance with directions in chapters 3, 4, 5.

615. Loss Reduction Procedures after a Property Loss. The following procedures should be followed in regard to damage to buildings, facilities and their contents:

- a. Clean up the affected building or area.
- b. Separate contents by degree of damage - undamaged, repairable, salvageable, and totally destroyed.
- c. Safeguard the property and premises, and take appropriate measures to prevent further loss to the property, while it is out-of-service and awaiting repairs.
- d. Cordon off any unsafe areas and equipment to prevent access or use by MWR employees, patrons and guests, until repairs are completed.
- e. Make certain that organization business documents, assets, and other inventory records are preserved.
- f. Where possible, all evidence must be preserved as per the direction of the local command judge advocate or BUPERS (Pers-65). This is particularly important where it appears that liability may be with anyone not an MWR employee or volunteer. However, evidence must be preserved even if it may be used against MWR in a claim against the government. In cases involving death or bodily injury to an MWR employee, the BUPERS Workers' Compensation Unit should be informed of the accident and queried as to the disposition of possible evidence.

616. Repair Minor Damage. Repair minor damage to NAF property, equipment, vehicles, and special purpose vehicles before minor losses turn into serious accidents, and significant claims. Minor property losses are classified as less than the \$ 500 property claim deductible amount under the BUPERS Self-insurance Program.

617. Investigate Accident Causes. Investigate all accidents, incidents, and "close-calls" to determine causes and contributing factors. Identification of the causes of an accident will allow MWR organization personnel to take steps to eliminate them and thereby prevent similar accidents in the future.

618. Training for Emergencies. Proper training of MWR personnel and drills (e.g., fire drills) will greatly help in reducing the frequency and severity of a loss should an accident or emergency situation arise. MWR personnel should be instructed as to what they should do

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in the case of a fire or other emergency, with regard to the sounding of alarms, lifesaving and first-aid, evacuation and escape, the use of fire-fighting equipment, and the shut off of critical controls or systems, as practicable. This key training should be designed for each program/facility within the MWR organization.

CHAPTER 7

SAFETY PROGRAMS FOR MWR ORGANIZATIONS

701. MWR Safety Program Approach

a. Each MWR organization will institute its own program and participate in the installation's safety program. These programs work to reduce the frequency and severity of accidents and injuries to MWR employees, patrons, and guests. Each MWR organization shall work with their Command Safety Officer on establishing and monitoring an effective Safety Program. OPNAVINST 5100.25A (Recreation, Athletics and Home Safety Program), and the Naval Safety Center Recreation, Athletics and Home Safety checklists should be used as source documents in developing the installation's MWR safety program.

b. Safety inspections of MWR organization facilities shall be done on a regular basis to make certain that all NAF property, equipment, fixtures and vehicles are operating properly.

c. An active safety program is the most effective way to reduce losses and is the right thing to do. In addition, a reduction in the number and/or the severity of losses equates to a corresponding reduction in the cost of MWR NAF property and liability claims. A reduction in the amount of these claims costs means an increase in the amount of NAF funds available for other MWR programs and initiatives.

702. Objectives of MWR Safety Program. An effective MWR Organization Safety Program should meet the following objectives:

a. Provide a safe work environment for MWR organization employees.

b. Provide a safe environment for MWR patrons.

c. Reduce the risk of loss to which MWR nonappropriated fund assets are exposed.

d. Increase loss prevention awareness on the part of MWR employees, concerning both NAF property damage claims, and personal injuries to themselves and MWR patrons.

e. Encourage the development of safety standard operating procedures/checklists for all programs and facilities by the individual program manager. Include documented inspection of facilities and equipment.

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703. Common Features of Safety Program. The safety program should include the following features:

a. Active command, MWR director and program managers involvement.

b. A safety program coordinator for MWR organization who is responsible for the development, supervision and monitoring of the safety program. Each program manager should be appointed in writing as safety coordinator for their programs. Safety standard operating procedures should be developed for all MWR programs.

c. Scheduled and unscheduled inspections of all facilities, property, equipment, and vehicles owned by or under the care, custody and control of the MWR organization.

d. Identification, elimination or reduction of hazards to the greatest extent possible.

e. Provision of protective clothing, machine guards, and safety equipment to employees and patrons for their use where applicable. Procedures such as spot-checks should be established to assure compliance with directives requiring the use of such safety equipment.

f. Evaluation of accidents, incidents and "close-calls" to determine causation, so that loss prevention lessons can be learned to help prevent future mishaps.

g. Frequent safety meetings, and safety refresher training with employees as necessary.

h. Encouragement for MWR employees to practice good clean-up procedures to create a safer work environment.

i. We highly recommend that all MWR employees who actually meet the public be CPR qualified.

704. Loss Prevention. All MWR employees should be encouraged to provide information regarding safety hazards and loss exposures to the MWR Director, or the installation Safety Officer for action. If MWR needs assistance in identifying potential hazards, and/or information regarding how to reduce potential loss exposures, then they should seek the assistance of the installation Safety Officer. Loss prevention specialists/safety engineers can also be engaged upon request by BUPERS (Pers-653) on a cost reimbursable basis to conduct a local survey on behalf of the MWR organization.

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705. Safety Legislation. The provisions of the Occupational Safety and Health Act were made applicable to federal departments and agencies, including Navy NAF activities. Accordingly, it is essential that MWR Directors, and their managers become familiar with the provisions of reference (h).

CHAPTER 8

PROHIBITED MWR PROGRAMS, SERVICES AND SPECIAL EVENTS INSURANCE
COVERAGE

801. Prohibited MWR Programs. Insurance considerations alone normally do not drive the types of programs MWR organizations might sponsor. However, because of the inherent risk exposure associated with some recreational activities and the higher potential for losses occurring, MWR is prohibited from operating certain recreational activities. These prohibited recreational activities include:

- a. Rental of, sale of new or used, or the lending of self contained underwater breathing apparatus (SCUBA) equipment (limited to scuba tanks, regulators, hoses, and mouth pieces).
- b. The filling of scuba air tanks.
- c. Hang gliding and ultra-light aircraft flying.
- d. Sky diving or sport parachuting.
- e. Bungee cord jumping.
- f. Mountaineering, rock climbing, and spelunking.
- g. Drag race, funny cars, or other similar vehicles.
- h. The purchase or lease of mechanical bulls or surf, boogie and snow boards, unless the owner who is contracting with MWR to lease this type of equipment, provides at least a \$ 1 million dollar comprehensive general liability insurance policy. This coverage should be at no cost to the MWR organization, and must name the MWR organization and the U.S. Navy as additionally insured under the policy coverage. A "certificate of insurance" from the insurance company should be provided to the MWR organization to provide proof of coverage. The certificate should also state that this insurance is "primary" coverage, and it is not secondary to or contributory with another insurance policy.

802. Absolute Liability Generated by Hazardous Activities and Dangerous Materials

a. Absolute liability is imposed by law on those involved with dangerous materials, animals, and hazardous activities, events, or operations. Accordingly, those involved with such hazardous

activities or materials are strictly held liable for the damages of another, even if there was no negligence on their part. These hazardous activities and dangerous materials include:

- (1) The use of flames (other than tableside for cooking).
- (2) The use of fireworks.
- (3) The use of dangerous animals.

b. Individual MWR organizations may not themselves operate hazardous activities. However, the MWR organization may enter into an agreement with a contractor to conduct such hazardous activities under certain controls.

(1) In the event that an MWR organization contracts with a promoter and/or independent contractor to conduct a rodeo show or fireworks display, the promoter and/or contractor is required to provide proof of commercial liability insurance coverage.

(2) This coverage should provide at least a \$1 million dollar comprehensive general liability insurance policy.

(3) This coverage should be at no cost to MWR and must name the MWR organization and the U.S. Navy as additionally insured under the policy coverage.

(4) A "certificate of insurance" from the insurance company should be provided to the MWR organization to provide proof of coverage. The certificate should also state that this insurance is "primary" coverage, and it is not secondary to or contributory with another insurance policy.

(5) Include certification and reference check through the Better Business Bureau.

c. The operation of horse stables and riding programs by an MWR organization is permitted provided that both the stable facility and any riding programs are in compliance with applicable health and safety standards.

803. Additional Insurance Coverage Required for Special Events and Certain Activities

a. If the MWR organization participates in a special event sponsored by the installation, the U.S. Navy, or the Department of Defense such as an Open-House, Air Show, or Hydrofest, additional

comprehensive liability insurance may be required to cover the MWR organization for their involvement. (Also see paragraph 404). Insurance is also required to be purchased by anyone who operates a skeet or pistol range.

b. The MWR organization should provide complete information regarding the event to BUPERS (Pers-65), with as much lead-time as possible.

c. In determining whether additional or excess liability coverage will be necessary to protect the MWR organization for their participation in the event, BUPERS (Pers-65) will consider the magnitude of the event and the potential exposures involved.

d. If BUPERS (Pers-65) determines that additional liability insurance coverage is necessary to protect against an inordinate risk, then the activity may be required to purchase additional insurance. As an alternative, BUPERS (Pers-65) will arrange through its insurance broker to purchase the most cost effective commercial insurance available and pass along the cost for the insurance premium for this coverage to the Naval installation involved in the event.

e. If the MWR organization provides automobiles or other vehicular transportation to performers at Special Events such as pilots of air demonstration acts at air shows, the driver of a vehicle owned, leased, or provided to the MWR by commercial sponsorship or other arrangement or agreement, must provide proof of insurance in the amount of not less than \$100,000 per occurrence, \$300,000 aggregate, and \$50,000 property damage. The driver of the automobile will also sign a waiver of liability. See also paragraph 902 of this instruction for additional requirements.

804. High Risk Outdoor Adventure Programs

a. When contracting for these types of activities (e.g., white water rafting/canoeing, rock climbing, high ropes, etc.), the contractor must be certified by the appropriate national governing body.

b. The MWR organizations are encouraged to contract with certified concessionaires for these high adventure programs. The MWR organization is not authorized to provide these programs without properly certified leadership.

c.

CHAPTER 9

CONCESSIONAIRES, INDEPENDENT CONTRACTORS, PRIVATE ORGANIZATIONS,
AND SPECIAL INTEREST GROUPS

901. Background Information

a. Private organizations, concessionaires, and independent contractors (including service contract instructors) are neither U.S. Government employees nor are they employees of the MWR organization. Thus, they are responsible for their negligent actions, and acts of omission, while working under contract to the MWR organization.

b. Accordingly, commercial liability insurance coverage is required of private organizations, concessionaires, and independent contractors (hereafter collectively termed as "contractors"), to indemnify and protect the MWR organization and the Commanding Officer of the naval installation.

c. Prior to engaging a contractor, the MWR Director should determine how and to what extent potential loss exposures could be related to the products and services provided by the contractor, which might expose the MWR organization to claims.

902. Liability Insurance Requirements. To make certain that a contractor's insurance coverage will indemnify MWR and the Navy against liability claims, prospective contractors must meet all of the following insurance requirements as part of a written contract or agreement with the MWR organization.

a. The contractor must obtain a policy of Comprehensive General Liability (CGL) insurance, written by a commercial insurance company, which includes the MWR organization and the U.S. Navy as named insured under the insurance policy coverage. Automobile liability insurance coverage is also required of the contractor, if MWR determines that there is a need for the contractor to have such coverage, because of contractor owned vehicles that would be used during the period of the contract.

b. Such CGL and/or automobile liability insurance should be "primary" coverage (i.e., not secondary to or contributory with any other liability insurance policy).

c. As a minimum, CGL insurance policy limits of \$500,000 per person, with a \$1,000,000 total limit per occurrence for bodily injury or death, and a \$100,000 property damage (primarily for contractor

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caused damage to MWR owned property) limit per occurrence are required. Policy limits for automobile liability insurance shall at least meet minimum limits required in the state where the installation is located.

903. Workers' Compensation Benefits Required of a Contractor. It is mandatory that every contractor cover their employees for workers' compensation benefits, in accordance with state statutes. The cost of those benefits will be paid by the contractor. If a contractor does not have appropriate workers' compensation benefits and employer's liability insurance coverage, then MWR could potentially be made to pay benefits to an employee of the contractor in accordance with section 4(a) of the LHWCA.

904. Exemptions for Certain Service Contract Instructors

a. Instructors working under authorized service contracts who provide "low-risk" recreational instruction may be exempt from or have lower limits set on the above mentioned insurance requirement under the following conditions:

(1) If the MWR organization determines that an alternative, cost competitive insured contractor is not available; and

(2) The contract instructor is appropriately certified by a professional organization that sanctions and trains their members as instructors, as being qualified, and they have demonstrated their proficiency in the area in which they will instruct on behalf of the MWR organization, or can provide references which verify their proficiency as an instructor.

b. "Low-risk" classes of instruction include all MWR classes except hang-gliding, sport parachuting or sky-diving, ultra-light aircraft flying, high-rope courses, climbing walls, bungee-jumping, velcro-wall up, scuba diving, diving, skiing (both water and downhill snow), gymnastics (except floor exercises), martial arts (except where there is no physical contact between class participants, or class participants and the instructor).

c. Commanding Officers may grant written waivers to or a reduction in the liability insurance requirement for services contract instructors teaching recreational classes that involve low risk (as defined above) or little inherent risk of bodily injury or death to the participants of the class.

d. Because the government may not accept liability on behalf of a contractor, the BUPERS NAF Self-Insurance Program cannot pay claims for contract instructors that arise even if the insurance coverage requirement has been waived by the Commanding Officer. Contractors must be informed that even if the insurance coverage requirement is waived, the contractor's liability is not assumed by the local MWR or the central fund.

e. In those cases where a Navy attorney recommends that "hold harmless" agreements be signed by class participants or their legal guardians, it should be remembered that a "hold harmless" agreement is only as good as the financial solvency of the contractor. This is the main reason for requiring a commercial liability insurance policy to protect the contractor, the MWR organization, and the Navy.

f. It is recommended that, prior to making firm commitments with a contractor, the MWR Director should request the local staff judge advocate or office of general counsel attorney to review a potential contract for correctness.

905. Personal Property Owned by a Contractor. It should be made clear to the contractor that they are responsible for the loss, damage or destruction of their owned or leased property or equipment. Such equipment might include tools, special gear and musical instruments. Even if the contractor is given permission to store their owned or leased equipment on MWR premises, they must understand that they do so at their own risk. Claims for damages will be honored only when ordered by the local claims adjudicating authority.

906. Independent Private Organizations Located on Naval Installations whose Activities are Affiliated with MWR

a. As defined by both the DoDINST 1000.15 of 22 Sep 1978, and the NAVCOMPT Manual, section 075261, private organizations are generally self-sustaining, non-Federal entities, incorporated or not, operating aboard Navy installations, with the permission from the Commanding Officer of the installation.

b. The nature, function and objectives of the local private organization will be delineated in writing in the form of a charter, by-laws, or other authorization document, and submitted for the approval of the installation Commanding Officer.

c. These independent private organizations are established, operated, and controlled locally by common interest groups conducting specific activities that fulfill certain accepted needs or wants of

some members of the DoD family, who as individual members of the private organization are acting exclusively outside the scope of any official capacity as officers, employees, or agents of the Federal Government. There is also no official relationship between the activities of the private organization and those DoD personnel who are members or participants. Private organizations can be related to both elements of Federal and private sectors.

d. Private organizations are not NAFI's.

e. Adequate property and liability insurance coverage is required of private organizations to protect themselves and the U.S. Navy from claims arising from their activities. Private organizations must have appropriate comprehensive general liability insurance coverage to provide insurance protection to the Commanding Officer of the installation where the private organization is located, and the U.S. Navy. This is critical because private organizations are not NAFI's, and are not directly affiliated with MWR, and therefore not included for insurance coverage under the BUPERS Self-Insurance Program. Accordingly, private organizations are responsible for the procurement of, and expense associated with the procurement of the comprehensive general liability insurance, to the limits mentioned in paragraph 902.c.

f. Private organizations are not entitled to sovereign immunities and privileges accorded to other instrumentalities of the Federal Government.

g. A private organization can be discontinued or dissolved upon the determination of its membership, or upon the determination by the installation Commanding Officer to withdraw the authorization for the private organization to operate on board the installation.

h. Except for minimal logistical support such as providing organizational meeting space to private organizations, no direct financial assistance to private organizations is allowed. If the private organization has exclusive use of a facility or space on a full-time basis, written permission from the installation Commanding Officer is required.

i. Private organizations are generally self-sustaining and control their own funds. This is accomplished through dues, contributions, fees or the assessment of members.

j. In accordance with Department of Defense Instruction 1000.15, the installation Commanding Officer should require that periodic reviews of all private organizations be undertaken to ensure that they are in compliance with their constitution, charter or by-laws, as well as other instructions that guide their operations/activities.

907. Private Organization Liabilities

a. A private organization, if approved in writing by the commanding officer, may offer or participate in activities that are not sanctioned or sponsored through the MWR organization. A private organization is formed by and for those individuals that are interested in pursuing a specific activity, not offered by the MWR organization.

b. The private organization and its members are liable both jointly and severally (i.e., separately) for any liability claims that may arise as a result of their activities, or acts of omission that result in the wrongful death or injury of third parties (individuals who are not members or otherwise associated with the private organization).

c. The MWR organization and the U.S. Navy are not responsible for any liability claims associated with a private organization affiliated with any individual Naval Installation. To protect the members of a private organization, commanding officers, and the U.S. Navy from the adverse financial consequences of claims, private organizations must purchase comprehensive general liability insurance. Refer to paragraph 902.c. for amounts.

908. Special Interest Groups Located on Naval Installations whose Activities are Affiliated with MWR

a. Special interest groups are administered by the MWR organization located at the same installation as the individual special interest group. Accordingly, there is more extensive supervision exercised by the MWR organization over special interest groups.

b. Membership in special interest groups is governed by the prioritized listing of patron eligibility for inclusion in MWR organization recreation programs and services, or as authorized to use MWR facilities and equipment.

c. Special interest groups may not maintain their own bank accounts. Their financial matters are handled as part of the MWR operation.

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d. The MWR organization provides accounting/bookkeeping support to individual special interest groups.

e. Special interest groups must generally be self-sufficient financially.

f. The BUPERS Self-Insurance Program does provide insurance coverage for special interest groups relative to any liability claims that might arise out of their activities. However, depending on the risk involved with the special interest group activity, BUPERS (Pers-65) may require the special interest group to buy commercial insurance to cover the risk of their activity.

g. Special interest groups may not engage in program activities that are prohibited by section 801, (e.g., hang gliding, scuba, bungee jumping, etc.).

CHAPTER 10

MWR NAF EMPLOYEE PERSONNEL CLAIMS

1001. Adjudication of MWR NAF Employee Personnel Claims. MWR organization employee personnel claims for the loss or damage of their personal property incident to their employment shall be adjudicated by the appropriate NLSO that services the installation where the claimant is employed. NLSO determinations will be made in accordance with enclosure (5) of reference (i).

1002. Payment of MWR NAF Personnel Claims. After a NAF MWR personnel claim has been adjudicated, a request for payment to settle the claim from local available NAF funds should be forwarded to the MWR organization that employs that NAF employee. NAF MWR Personnel Claims Act claims are not included for coverage under the BUPERS Self-Insurance Program, and accordingly, each individual MWR organization is responsible for the payment of their own NAF employees' personnel claims.

1003. Claims by APF Employees. Personnel claims for the loss, damage, or destruction of personal property owned by APF employees incident to their employment are not paid out of NAF funds. If the MWR organization has been determined to be negligent, or responsible in some manner in causing the loss, then the claimant would file a liability claim, as described in chapter 4 of this instruction.

1004. Physical Damage to Privately-Owned Vehicles (POV's) Used by MWR Employees for Official Business

a. The Joint Federal Travel Regulations (JFTR) provide reimbursement for mileage to NAF MWR employees authorized to operate their POV's while they are in a Temporary Additional Duty (TAD) status. Mileage reimbursement under JTR for expenses related to the operation of a POV includes the cost of insurance as well as other costs related to the operation of a motor vehicle.

b. It is the responsibility of each MWR employee who is authorized to use their POV incident to their employment, while on Official Travel Orders, to ascertain that they have the proper insurance coverage or otherwise personally suffer the cost of any physical damage loss to their POV. Accordingly, MWR personnel authorized to use their POV's incident to their employment should be required to carry commercial automobile insurance that meets the minimum limits mandated by the Department of Motor Vehicles (DMV) in the state where that employee resides.

EXAMPLE
AGREEMENT FOR SERVICES OF VOLUNTEERS

This agreement made on this _____ day of _____, 19____, by and between the Naval Training Center, Morale, Welfare and Recreation (MWR) Department (Activity), and _____ hereinafter referred to as volunteer.

WITNESSETH:

Whereas, volunteer intends to donate his/her services to activity at the _____ and activity intends to accept the donation of volunteer's services.

NOW THEREFORE, in consideration of the mutual promises, the parties hereto agree as follows:

1. Volunteer agrees to donate his/her services to activity in the capacity of a(n)_____. Said services shall include, but not be limited to, the following:

2. It is mutually understood that the services of volunteer shall be donated and that volunteer shall receive no compensation from the activity.

3. Volunteer further understands that the activity is self-insured for liability and that the volunteer is exposed to personal liability by reason of his/her services which extend beyond the scope of this agreement.

4. Activity agrees to indemnify volunteer, his/her heirs, executor, or administrators for any and all sums that volunteer, his/her heirs, executors, or administrators, may be legally obligated to pay due to personal liability of volunteer arising from duties performed within the scope of this agreement.

5. It is understood and agreed to by Volunteer that the services of paragraph 4 shall apply only to the case of liability arising out of the ordinary negligence which occurred during the scope of the Volunteers services agreed to herein, and that in no way do any of

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these provisions apply for the benefit of Volunteer, his/her heirs, executors or administrators in any action arising out of gross negligence, willful misconduct, or any other conduct on the part of Volunteer which cause or may give rise to criminal liability.

6. Volunteer further agrees that volunteer will fully cooperate with activity and its agents in any investigation, lawsuit, arbitration, or any other legal, or quasi-legal proceeding which arises from activity which is covered by this agreement. Volunteer further agrees to notify the activity immediately of any incident which occurs or may occur within the knowledge of the volunteer, which gives or may give rise to liability on the part of all the volunteer or the activity.

Recreation Division Head
MWR Department

Volunteer

Dated

NAF PROPERTY AND LIABILITY CLAIM FORMAT

This format should be completed in either of the following instances:

1. NAF Property Claims - In the case where an MWR organization has suffered a loss of, or damage to their own MWR NAF property.
2. Potential Liability Claims against MWR - In the case where third parties such as patrons or guests of an MWR organization are involved in incidents, accidents, or mishaps arising out of MWR sponsored or authorized programs, activities, and events.
 - a. Date and time of day accident or incident occurred:
_____.
 - b. Location of accident or incident:

_____.
 - c. Persons involved and their relationship to the MWR Dept. Indicate whether each person involved was a NAF MWR employee, patron, guest, or contractor, etc.:
 1. _____
 2. _____
 3. _____
 - d. Vehicles involved (indicate whether NAF, APF, or POV, and identify Navy vehicles by USN registration number):
 1. _____
 2. _____
 3. _____
 - e. MWR facilities, property, equipment, or special purpose equipment and how these might have contributed to the incident or accident:
 1. _____
 2. _____
 3. _____
 - f. "Outside" organizations (not affiliated with or sponsored by MWR, such as independent contractors, private organizations, and concessionaires, and to what degree were they involved in the incident or accident: (if applicable)
 1. _____
 2. _____

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- g. Date that Navy Legal was notified, and provided with accident reports, such as Police or Base Security reports or eyewitness statements. Note: This applies only to those accidents and incidents where the possibility of a liability claim arising out of the mishap exists. _____

NOTE: Information concerning all accidents, incidents, and mishaps attributable to the MWR organization that involve the death or injury or damage to property belonging to third parties (patrons and guests of the MWR organization) shall be provided to the Claims Attorney at the regional Naval Legal Service Office (NLSO) that supports your activity, **as soon as it becomes known.** Similarly, notice should also be provided to your NLSO Claims Attorney if MWR organization property is damaged or MWR employees are injured as a result of the negligent acts of a third party. The MWR Director should request the NLSO Claims Attorney's assistance in pursuing a claim for the recovery of damages.

- h. Brief description of the accident, incident, or mishap.

- i. Include the following as enclosures:
 - 1. A copy of accident or incident report.
 - 2. A copy of current value (from asset list) of each item being claimed.
 - 3. Two estimates of repair.
 - 4. Point of contact with phone number, both commercial and DSN.

EXAMPLE
LIABILITY WAIVER (HOLD HARMLESS AGREEMENT)

NAVAL _____
(installation)

MWR _____
(recreational activity,
program or event)

For and in consideration of the use of or participation in the MWR sponsored recreation program, event, activity, or facility, herein described as _____, the undersigned does agree to, release, waive, indemnify, exonerate, hold harmless and defend the United States of America, the United States Navy, the Naval Air Station/Naval Station _____, and the MWR organization, NAS/NAVSTA _____, and their assigns for any claims, demands, and causes of action (including defense costs and attorney's fees) arising out of or pertaining to any loss, damage, injury or death sustained by the undersigned, the undersigned's children or family and caused by any negligent act or act of omission, or breach of duty related to the MWR recreational activity, program, or event identified above. This release and document applies whether or not any claim, demand, action, or suit is based on or alleged to be based on or in part, the negligent act or act of omission, or similar conduct of those parties hereby released and indemnified.

The undersigned does hereby assume all risks and hazards incident to or attendant with participation in the MWR recreational activity, program, or event identified above. The undersigned hereby acknowledges that they possess adequate personal/family medical and hospitalization insurance coverage in case of bodily injury.

Completion of this form is voluntary; however, your failure to execute this agreement may result in the possible inability of the MWR organization to perform or provide the service(s) requested or offered.

Patron's Signature

(on behalf of Minor Child,
if applicable)

Patron's Printed Name

Patron's Address

Date

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WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR

The current Administrator is:

Thomas Howell Group (Americas, Inc.)
P.O. Box 541328
Dallas, TX 75354-1328

Phone: (800) 743-2231

Fax: (800) 616-1389

When you call them on the telephone, ask for the Navy Contract
Unit.

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OMB Approval No. 44 R 1555

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

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, if 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. John Doe
100 Main Street
Anywhere, US 11111

3. Employee's name (Last, first, middle) Smith, Mary A.	4. Date of injury (Month, day, year) 7/1/95	5. Occupation Salesclerk
---	---	------------------------------------

6. How accident or illness occurred
Employee says she bent over to pick up a case of merchandise and felt pain in her back.

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) Jane Jones Supervisory Sales Clerk	9. Name and address of employer Morale, Welfare and Recreation (0120) 2034 Barnett Avenue Quantico, VA 22134
---	--

10. Telephone (Area code and local number) (703) 640-0000	11. Date authorized (Month, day, year) 7/1/95
---	---

12. Send one copy of your report to: U.S. DEPARTMENT OF LABOR EMPLOYMENT STANDARDS ADMINISTRATION OFFICE OF WORKERS' COMPENSATION PROGRAMS	11. Name and address of insurance carrier or self-insured employer to whom bill and copy of report are to be sent THOMAS HOWELL GROUP INC P O BOX 541328 DALLAS TX 75354-1328
---	---

HOW TO FILL OUT FORM LS-1

REQUEST FOR EXAMINATION AND/OR TREATMENT

Follow these special completion instructions for the preparation of Form LS-1 for all NAFIs. Prepare Form LS-1 according to the instructions on the form and the following: (Each number corresponds to the box on the form.)

- (1) Check box "C" only.
- (2) Enter the name and address of the doctor treating the employee.
- (3) Complete.
- (4) Complete.
- (5) Complete.
- (6) Completely describe how "the employee says" the accident happened; i.e., tell what the employee says he/she 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.
- (7) Complete.
- (8) To be completed by the person authorized to sign for the employer and the title of that person.
- (9) Enter the full name and mailing address of the employing activity. (Include the activity number after the name.)
- (10) Enter the telephone number of the employing activity.
- (11) Enter the date the Form LS-1 was signed.
- (12) Address for the Department of Labor office cognizant of your activity is provided in Points of Contact listing.
- (13) Enter the name and address of the current third party administrator which has been contracted to process the workers' compensation claims. Provided in the Points of Contacting listing.

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- (14) To be completed by the person authorized to sign for the employer and the title of that person.
- (15) Complete.
- (16) Enter the date the Form LS-210 was signed.

NOTICE TO EMPLOYEES
NONAPPROPRIATED FUND INSTRUMENTALITIES ACT

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

EMPLOYER

In accordance with the provisions of the NONAPPROPRIATED Fund Instrumentalities Act and the Regulations of the U.S. Department of Labor, Employment Standards Administration, Office of Workers' Compensation Programs, this employer has become a self-insurer under the Act and has made appropriate deposit of securities for the payment of workers' compensation benefits to employees and their dependents with respect to injuries and deaths that arise out of and in the course of employment.

NOTIFY YOUR EMPLOYER IMMEDIATELY. If possible, complete Form LS-201, Notice of Injury, available from your employer. You should give notice of injury to the following person(s).

MEDICAL TREATMENT. Request authority (Form LS-1) from your employer for treatment by the physician you choose. You may not select a physician that is not authorized by the Office of Workers' Compensation Programs to provide medical care under the Act. Your employer has a list of physicians who are not authorized. In an emergency or if unable to contact your employer, go to the nearest hospital or physician, but be sure let your employer know as soon as possible.

DISABILITY. If you are disabled more than 3 days, contact your employer indicated below for payment of compensation, payable 14 days after your employer has knowledge of injury.

IMPORTANT! The law requires you to give written notice of injury (Form LS-201) to your employer and to the Office of Workers' Compensation Programs within 30 days. Additional time may be allowed for certain hearing loss and occupational disease claims. The address of the Office of Workers' Compensation Programs District Office for this areas is:

SEE DEPT OF LABOR-DISTRICT OFFICE POINT OF CONTACT LIST

**WHAT
TO DO
WHEN
INJURED
AT WORK**

The Address of This Self-Insured Employer Is.

NAME AND ADDRESS OF LOCAL MWR ACTIVITY

Telephone

For Further Assistance and Information:
On request, the Office of Workers' Compensation Programs will explain benefits and proceedings under the above. Act in addition, the Office of Workers' Compensation Programs will inform employees receiving compensation about medical and vocational rehabilitation services, and will assist in obtaining such services.

Authorized Signature for the Employer Date Signed

THIS NOTICE MUST BE POSTED AND MAINTAINED IN A CONSPICUOUS PLACE IN AND ABOUT THE PLACE OF BUSINESS
(33 U.S.C. 934)

IMPORTANT NOTICE

Section 31 (a)(1) of the Longshore Act, as extended to the Nonappropriated Fund Instrumentalities Act, 33 U.S.C. 931 (a)(1), provides as follows: Any claimant or representative of a claimant who knowingly and willfully makes a false statement or representation for the purpose of obtaining a benefit or payment under this Act shall be guilty of felony, and on conviction thereof shall be punished by a fine not to exceed \$10,000, by imprisonment not to exceed five years, or by both.

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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



Date of Hire: 5/1/91		P.O.C.: Donna Dixon (703) 640-0020		OMB No. 1215-0031	
1. OWCP No.		2. Carrier's No.		3. Date and Time of Accident Mo. Day Yr. Hour 7 1 95 0830 AM	
4. Name of Injured/Deceased Employee (Type or print - first, M.I., last) Mary A. Smith			5. Employee's Address (no. street, city, state, ZIP code) 2000 Elm Street Fredericksburg, VA 22405		
6. Injury is Reported Under the Following Act (Mark one) A <input type="checkbox"/> Longshore and Harbor Workers' Compensation Act B <input type="checkbox"/> Defense Base Act C <input checked="" type="checkbox"/> Nonappropriated Fund Instrumentalities Act D <input type="checkbox"/> Outer Continental Shelf Lands Act			7. Indicate Where Injury Occurred (Longshore Act only) (Mark one) A <input type="checkbox"/> Aboard Vessel or Over Navigable Waters B <input type="checkbox"/> Pier/Wharf C <input type="checkbox"/> Dry Dock D <input type="checkbox"/> Marine Terminal E <input type="checkbox"/> Building Way F <input type="checkbox"/> Marine Railway G <input type="checkbox"/> Other Adjoining Area		
8. Sex <input type="checkbox"/> M <input checked="" type="checkbox"/> F			9. Date of Birth 12/20/57		
10. Social Security No. (See statement on reverse) 1 0 0 - 1 0 - 0 0 0 0			11. Did Injury Cause Death? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - If yes, skip to 16		
12. Did Injury Cause Loss of Time Beyond Day or Shift of Accident? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			13. Date and Hour Employee First Lost Time Because of Injury 7 1 95 0840 AM		
14. Did Employee Stop Work Immediately? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		15. Date and Hour Employee Returned to Work		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 Worked MWR Quantico (Exchange sales floor)		19. Occupation Sales clerk	
20. Date and Hour Pay Stopped Did not stop		21. Which Days Usually Worked Per Week? (Mark (X) days) S M T W T F S X X X X X		22. Date Employer or Foreman First Knew of Accident. 7/1/95	
23. Wages or Earnings (include overtime, allowances, etc.) a. Hourly \$ 5.50 b. Daily \$ c. Weekly \$ d. Yearly \$		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. Morale, Welfare and Recreation Bldg #3500 Quantico, VA 22134		25. How was Knowledge of Accident or Occupational Illness Gained? Employee verbally told supervisor	
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 says she bent over to pick up a case of merchandise and felt pain in back. (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. Back pain		28. Has Medical Attention Been Authorized? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		29. Enter Date of Authorization 7/1/95	
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			
32. Physician Dr. John Doe		Address - Enter Number, Street, City, State, ZIP Code 100 Main Street Anywhere, US 11111			
33. Hospital					
34. Insurance Carrier Thomas Howell Group, Inc.		P.O. Box 541328 Dallas, TX 75354-1328			
35. Employer Morale, Welfare and Recreation (0120)		2034 Barnett Avenue Quantico, VA 22134			
36. Nature of Employer's Business Nonappropriated Fund		37. Signature of Person Authorized to Sign for Employer Jane Jones			
38. Official Title of Person Signing This Report Supervisory Sales Clerk		(703) 640-0080		39. Date of This Report 7/2/95	

HOW TO FILL OUT FORM LS-202

EMPLOYER'S FIRST REPORT OF INJURY OR OCCUPATIONAL ILLNESS

Follow these special completion instructions for the preparation of Form LS-202 for all NAFIs.

Prepare Form LS-202 according to the instructions on the form and the following: (Each number corresponds to the box on the form.)

- (1) Leave blank. (For DOL use.)
- (2) Leave blank. (For DOL use.)
- (3) Complete with the date and time the employee states the accident took place.
- (4) Enter the injured employee's name as indicated and telephone number. If no home telephone number is available, then provide the employee's work number.
- (5) Complete.
- (6) Check box "C" only.
- (7) Leave blank.
- (8) Check the proper box to show the sex of the injured employee.
- (9) Enter the date of birth of the injured employee, using month/day/year.
- (10) Complete. Failure to submit the SSN will not result in the loss of any right or benefit. It may, however, slow OWCP's processing by making it harder to relate pieces of documentation.
- (11) Complete.
- (12) No - if employee returns to work same day or next day. Yes - if employee does not return to work next day.
- (13) Enter the first lost time date after the date of injury.
- (14) Complete.
- (15) If box 12 is checked "No," leave this box blank. If checked "Yes" enter the date (mo/day/yr) and time the employee first reported to work after the date of the injury. If the employee has not returned to work by the time this report is prepared and sent, leave the box blank. If the employee returns to work after this report has been sent, report the return-to-work date on a Form LS-210.
- (16) and (17) Complete.

- (18) Enter the name of the employing NAFI and in parentheses give the employee's work area (e.g., kitchen, bowling alley, office, sales floor).
- (19) Complete.
- (20) Enter the date (mo/day/yr) and time the injured employee's pay stopped. If it did not stop, write by the entry, "Did not stop." (Note: If the employee chooses Option I on the Leave Option Form and elects to receive advanced payment of temporary disability benefit via sick leave, then pay is not considered to have stopped.)
- (21) Complete.
- (22) Enter the date the employer was first informed the illness or injury was work-related. (Does not necessarily have to match the date in box #3. Sometimes employers are aware of employee's illnesses or injuries, but were not informed that the injury was work-related.)
- (23) Fill in subsection a, b, c, and d, as applicable.
- a. Enter the hourly rate at which compensated.
 - b. Enter daily salary.
 - c. Enter weekly salary.
 - d. Enter yearly salary.
- (24) Tell where the injury happened, give the complete description of the location, i.e., The Clubs at Quantico, 3017 Russell Road, Quantico, Virginia, 22134.
- (25) Tell how the employer or supervisor became aware of the work-related injury, i.e., employee's verbal report, employee's written notice, or by employee's agent.
- (26) Completely describe how "the employee says" (see example) the accident happened; i.e., tell what the employee says he/she 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, naming the part of the body affected, e.g., a fractured left leg, cut right thumb, or bruised left hand. If a part of the body was lost, describe fully.
- (28) Complete.
- (29) Enter the date (mo/day/yr) that the employer authorized medical care. Only when the LS-1 was completed and provided to the employee.

- (30) Complete.
- (31) By completing and forwarding this form to the third party administrator who has been contracted to process the workers' compensation claims, the answer should be "Yes."
- (32) Enter the name and address of the doctor who treated the employee.
- (33) Enter the name and address of the treating facility.
- (34) Enter the address of the current third party administrator which has been contracted to process the workers' compensation claims. Provided in the point of contact listing.
- (35) Enter the name and full correct mailing address of the employing NAFI. (Include the activity number after the name.)
- (36) Enter "Nonappropriated Funds," to describe type of employer's business.
- (37) To be signed by the person authorized to sign for the employer.
- (38) Enter the official title of the person who signed in box 37 and phone number.
- (39) Enter the date the report was signed.

ADDITIONAL INFORMATION

The following information is requested to be put on all LS-202's to expedite the processing of the claim:

Please enter the employee's date of hire on the line above box #1.
(See sample.)

Please enter a point of contact name and telephone number, if different than the supervisor, on the line above box #2. (See sample.)

If the employer doubts the validity of the claim, then a written statement may be attached to the LS-202.

Mail original LS-202 to the current TPA, a copy to MWRSPTACT for Marine Corps NAFI's or BUPERS for Navy MWR activities, and a copy to the DOL if more than three days of lost time.

25 JUN 1996

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.)

OMB No. 1215-0031	
For Office Use	
1. OWCP No.	
2. Carrier's No.	

3. Name of injured employee (First, middle initial, last) Mary A. Smith	4. Date of accident (Mo., day, yr.) 7/1/95
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5. Address of injured employee (Number and Street, City, State, ZIP code) 2000 Elm Street Fredericksburg, VA 22405	6. Name and address of your insurance carrier Thomas Howell Group, Inc. P.O. Box 541328 Dallas, TX 75354-1328
--	--

7. Initial Period of Disability (Use Inclusive Dates for a and b)		
a. From (Month, day, year) 7/2/95	b. To (Month, day, year) 7/7/95	c. Date returned to work (Month, day, year) 7/8/95

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.
1/1/95 - Dr. John Doe
100 Main Street
Anywhere, US 11111

b. No - Explain

10. Was employee treated by his or her choice of physician? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	11. Was form LS-1 given to employee when injury was reported to you? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
--	---

12. Name of employer (Firm Name) Morale, Welfare and Recreation (0120)	13. Employer's address (Number and Street, City, State, ZIP code) 2034 Barnett Avenue Quantico, VA 22134
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14. Signature of person authorized to sign for employer <i>Jane Jones</i>	15. Official title of person signing Supervisory Sales Clerk	16. Date of report (Month, day, year) 7/8/95
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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.

HOW TO FILL OUT FORM LS-210

EMPLOYER'S SUPPLEMENTARY REPORT OF ACCIDENT OR OCCUPATIONAL
ILLNESS

Follow these special completion instructions for the preparation of Form LS-210 for all NAFIs. Prepare Form LS-210 according to the instructions on the form and the following: (Each number corresponds to the box on the form.)

- (1) Leave blank.
- (2) Leave blank.
- (3) Complete.
- (4) Complete.
- (5) Complete.
- (6) Enter the name and address for the current third party administrator which has been contracted to process the workers' compensation claims.
- (7) a., b., and c. Enter the original time period that the employee lost time because of the work-related injury.

If the original time period extends beyond the pay period, then the date in 7.b. will reflect the last day of the pay period, and 7.c. will say "has not returned."

- (8) For each following pay period of lost time an LS-210 is filed until the employee returns to work. You may copy the original LS-210 and add each following pay period in the lines under 8.a. and 8.b.

8.c. will say "has not returned" until the employee's return-to-work date is entered.

- (9) When "Yes" - list names and addresses of treating physicians and hospitals.
When "No" - explain why employee did not receive medical treatment.
- (10) Complete.
- (11) Complete.
- (12) Complete with full name of employer. (Include the activity number.)
- (13) Complete with full address of employer.

NAVY MWR NONAPPROPRIATED FUND
WORKERS' COMPENSATION CLAIM BENEFIT OPTIONS

Workers' compensation benefits are provided to injured employees in accordance with the Longshore and Harbor Workers' Compensation Act.

Employees entitled to receive workers' compensation benefits for illness or injury may elect to accept one of the following options in accordance with the provisions of this instruction.

Option I. Receive workers' compensation disability benefits from the Third Party Administrator (TPA) supplemented with accrued 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 APPROPRIATED NUMBER OF HOURS BASED ON THE AMOUNT OF MY WORKERS' COMPENSATION TEMPORARY DISABILITY BENEFITS. I WILL ENDORSE THE CHECKS RECEIVED FROM THE TPA.

INJURED EMPLOYEE'S SIGNATURE

DATE

Option II. Receive only workers' compensation temporary disability benefits from the TPA.

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 LEAVE ACCRUED TO ME.

INJURED EMPLOYEE'S SIGNATURE

DATE