

Why is Insurance Coverage Important?

In addition to direct costs necessary to complete the work of the grant you were awarded, the budget planning process involves continuous assessment of risks and identification of insurance coverage needs, as well as the development and implementation of effective risk management procedures. Each tribal entity must identify the appropriate insurance coverage based on an assessment of the needs of the entity, the grant award, and the requirements of the state/region.

Per [2 CFR 200.310](#), no matter what the individual needs are, every grantee is required to obtain and maintain insurance coverage for real property and equipment purchased or improved with federal funds. Grantees are also required to obtain and maintain any insurance required by tribal, federal or state law.

What are the most common types of insurance coverage?

- ◆ **General Liability Insurance** helps cover an entity against the costs of liability claims made for personal injury, property damage, and advertising injury. This type of policy may also include medical expense at a low limit, usually \$5,000 or \$10,000 per person, for “no-fault” bodily injury.
- ◆ **Vehicle Operation Insurance** helps protect an entity who uses vehicles as part of its work against liability if an accident should occur. Any vehicles used by an entity should be fully insured. If employees use their own cars, it is recommended the employee also maintain any necessary vehicle insurance, equal to the coverage the entity itself would maintain.
- ◆ **Property Insurance** helps cover equipment, signage, inventory, and furniture in the event of a fire, storm or theft. However, mass destruction events such as floods and earthquakes are generally not covered under standard property insurance policies. If your area is prone to these types of events, you may need to add additional coverage to meet your needs (such as flood insurance).
- ◆ **Workers Compensation/Occupational Safety Insurance** helps cover medical treatment, disability and death benefits if an employee is injured or dies as a result of his/her work with an entity. Even if employees are performing seemingly low-risk work, slip and fall injuries or medical conditions such as carpal tunnel syndrome could result in pricey claims.
- ◆ **Professional Liability Insurance** (also referred to as errors and omissions insurance) helps cover an entity against negligence claims resulting from mistakes or failure to perform.
- ◆ **Product Liability Insurance** helps protect an entity in a safety lawsuit due to damages caused by one or more of its products. This insurance is tailored to the type of product the entity produces and sells.

Please note this guide does not include all possible insurance coverage options. It is recommended you speak with a qualified representative in your area to determine the specific insurance coverage you may need as a grantee of federal funds.

Resources

- ◆ [DOJ Grants Financial Guide](#)
- ◆ [2 CFR §200.310 Insurance coverage.](#)
- ◆ [2 CFR §200.447 Insurance and indemnification.](#)



The **OVC Tribal Financial Management Center (OVC TFMC)** provides **training, technical assistance, and resources** to support American Indian and Alaska Native communities as they successfully manage the financial aspects of their federal awards. OVC TFMC also offers support via our Virtual Support Center (VSC) to Office for Victims of Crime (OVC) grantees and those seeking federal funding from OVC for the first time. **Email questions or requests for grant financial management technical assistance to TFMC@OVCTFMC.org** or call **703.462.6900**. Visit OVCTFMC.org for additional resources and information.

Feedback Requested

OVC TFMC will continually work to provide resources to support grantees as they successfully manage their OVC financial awards. Your feedback assists us in creating these resources to meet your needs. To help us provide the most useful resources, we would appreciate your feedback on this guide sheet. Please send any comments or suggestions to Evaluation@OVCTFMC.org.

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