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928.370 Service-type insurance policies.

(a) Service-type insurance policies are cost-reimbursement type contracts or subcontracts in which the insurer provides claim and loss adjustment services on a cost reimbursement basis, which satisfies state and Federal insurance requirements.

(b) Service-type insurance policies may be used with contracting officer approval, when one or more of the following conditions are present—

- (1) Pure risk commercial insurance is not available or, if available, cost is not considered reasonable;
- (2) Inherent risks in the contract are new and a part of the process of commercialization;
- (3) The service-type insurance is needed to implement jointly funded projects; or
- (4) The service-type insurance arrangement is considered in the Government's best interest.

Parent topic: [Subpart 928.3—Insurance](#)