DECISION

THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C. 20548

60071

FILE: B-184623

DATE: OCT 21 1975

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MATTER OF: Maxwell H. Gifford - Reimbursement of Cost of Collision Damage Waiver Insurance

DIGEST:

Employee claims reimbursement of collision damage waiver insurance of $45 that he paid upon rental of automobile while on temporary duty. Claimant states that rental agent told him insurance fee would have to be paid before automobile could be released to him. Examination of rental contract supplied by claimant, however, indicates that collision damage waiver insurance was optional item and claimant could have elected to indemnify agency for collision damage not to exceed $100. Reimbursement of such insurance expenses is prohibited by section 3.2c, Standardized Government Travel Regulations, effective at time of rental, and claim may not be allowed.

This matter involves the reconsideration of a settlement (claim No. Z-2508638) issued by our Transportation and Claims Division on April 4, 1975, that disallowed the claim of Mr. Maxwell H. Gifford, a civilian employee of the Naval Air Station, Alameda, California, for reimbursement of $45, representing the cost of collision damage waiver insurance purchased by him on June 6, 1972, in connection with the rental of an automobile while on a temporary duty assignment in Honolulu, Hawaii.

Mr. Gifford's claim was disallowed in accordance with the provisions of section 3.2c, Standardized Government Travel Regulations (SGTR), effective October 10, 1971, which provided as follows:

"Damage waiver on rental automobiles. In connection with the rental of automobiles from commercial sources the Government will not pay nor will it reimburse employees for the cost of the collision damage waiver or collision damage insurance available in commerical rental contracts for an extra fee. The waiver or insurance referred to is the type offered a renter to release him from liability for damage to the

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> rented automobile in amounts up to the amount deductible (usually $100) on the insurance included as a part of the rental contract without additional charge. Under decisions of the Comptroller General the agency in appropriate circumstances is authorized to pay for damage to the rented automobile up to the deductible amount as contained in the rental contract should the rented automobile be damaged while being used for official business."

This same provision was included in 2 Joint Travel Regulations para. C6101-3 (change 74, December 1, 1971).

The claimant now contends that upon renting the automobile he was advised by a representative of the rental agency that he would have to pay the collision insurance fee before the car could be released. Mr. Gifford further contends that three co-workers rented automobiles at the same time and were required to pay the insurance fee and subsequently were reimbursed by their agency for such expenditures while his claim was disallowed.

Although the claimant may have been told at the time he rented the subject vehicle that he was required to pay the insurance fee, we are of the opinion that such verbal representations did not serve to modify the terms and conditions of the rental contract that he entered into with Kokio-U-Drive on June 6, 1972. Regarding collision insurance paragraph 7 on the reverse side of that contract provides, in part, as follows:

> "7. If the Renter elects not to pay an additional rental fee to be relieved of liability for collision damages to said vehicle, then Renter agrees to indemnify Kokio for any collision damages which may occur to the vehicle, but not to exceed the amount of $100. * * *"

From the foregoing, it appears that collision insurance coverage was an optional condition of the contract and the claimant was not obligated to buy collision insurance if he elected not to do so. Thus, under the provisions of section 3.2c, SGTR, quoted above, reimbursement of such expenditure is prohibited.

With regard to the claimant's allegation that his fellow workers, W. C. Cote, Thomas Kilgore, and Casey Black, were reimbursed such expense by the Navy Department, we informally contacted the Navy Regional Finance Center, Washington, D.C., concerning the claimant's assertion. We were informed that the Alameda Naval Air Station was unable to ascertain whether the alleged payments had been made inasmuch as the files covering the time frame of such claims had been retired and were not immediately available. However a representative of that installation stated that it was not its policy to pay claims of this nature because such payments are precluded by regulation. Therefore, we have formally requested the Navy Regional Finance Center to investigate the matter and take appropriate action if it should determine that erroneous payments have been made.

In any event, erroneous payments to similarly situated claimants would not serve as a basis for allowing Mr. Gifford's claim because payment is specifically prohibited by the above-quoted regulations. Accordingly, the settlement by our Transportation and Claims Division of April 4, 1975, that disallowed Mr. Gifford's claim, is hereby sustained.

R.F. KELLER
Deputy Comptroller General
of the United States