

**DECISION****THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D. C. 20548FILE: B-185488  
MATTER OF:

DATE: JUN 28 1976

61016  
98409**Payment of Insurance Premiums****DIGEST:**

Under long-standing policy of the Government that it is self-insurer and will not purchase commercial insurance against loss or damage to its own property, insurance should not have been purchased on a NASA exhibit loaned to a unit of the Air Force for display purposes. However, since self-insurance principle is one of policy rather than positive law and instant insurance coverage was issued in good faith, premium may be paid.

A decision has been requested by the Accounting and Finance Officer, 94th Tactical Airlift Wing (TAW), Dobbins Air Force Base, Georgia, as to the legality of payment of a \$100 premium on a commercial insurance policy in the amount of \$16,300 to insure certain items loaned to the TAW by the National Aeronautics and Space Administration (NASA) for purposes of display at an open house conducted September 7, 1975. The items are described as (1) 1/3 Scale Appolo Lunar Module exhibit, valued for insurance purposes at \$7,500; (2) 1/40th scale rotating space shuttle model in self-contained shipping exhibit container valued at \$4,300 for insurance purposes; and (3) a lunar rock display valued at \$4,500 for insurance purposes. The submission states that:

"Insurance was procured because NASA required it to cover the loan of its exhibit and would not consent to the loan to the Air Force without the Marine Floater Insurance Policy coverage."

As was stated in our decision B-175096, May 16, 1972--

"\* \* \* it is the settled policy of the United States to assume its own risks of loss in both tort matters and damage to its own property and, hence, the Government does not ordinarily purchase insurance. This policy is based upon the theory that the magnitude of the Government's resources makes it more advantageous for the Government to carry its own risks than to have them assumed by private insurers at rates sufficient to cover all losses, to pay their operating expenses, and to leave such insurers a profit. Thus, it has been held consistently that appropriated moneys are not available for the payment

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of insurance premiums on Government-owned property in the absence of specific statutory authority for the payment of such premiums. 39 Comp. Gen. 145 (1959); 21 Comp. Gen. 928 (1942), and cases cited therein."

We believe that the policy of self-insurance was applicable in the present case, involving the loan of property from one Federal agency to another, and that commercial insurance coverage should not have been procured. However, this policy of self-insurance is not based on positive law, and no law or regulation affirmatively prohibits the purchase of insurance in the circumstances described here. B-175086, supra. Therefore, and since the insurance was apparently procured and issued in good faith, no objection will be made to payment of the voucher, if otherwise correct. In the future, commercial insurance should not be procured under similar circumstances.

R.F. KELLER

Deputy

Comptroller General  
of the United States