

# Board of Contract Appeals

General Services Administration  
Washington, D.C. 20405

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September 8, 2003

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GSBCA 16176-RELO

In the Matter of GENE O.

Gene O., Elliott City, MD, Claimant.

Priscilla E., Department of Defense, Fort George G. Meade, MD, appearing for Department of Defense.

**DeGRAFF**, Board Judge.

Gene O. is employed by the Department of Defense (DoD). In mid-2002, DoD transferred Mr. O. from a permanent duty station in Washington State to a permanent duty station in Maryland. In connection with Mr. O.'s transfer, DoD authorized him to incur reimbursable real estate transaction expenses. Mr. O. purchased a house in Maryland, paid for owner's title insurance, and asked DoD to reimburse him for the cost of the insurance.

DoD explained to Mr. O. that according to its regulations, it could reimburse him for the cost of the owner's title insurance if the insurance was a prerequisite to financing or to the transfer of the property, or if the cost of the insurance was inseparable from the cost of other insurance which was a prerequisite to financing or to the transfer of the property. DoD told Mr. O. it could not pay his claim unless he provided documentation showing he met the requirements of the regulations. Mr. O. asks us to review DoD's decision and says it is standard practice for buyers to purchase such insurance in order to protect their interests.

DoD correctly decided to deny Mr. O.'s claim. The applicable regulations do not allow DoD to reimburse Mr. O. for the cost of owner's title insurance, even if it is a cost customarily paid by home buyers at his new duty station, unless the insurance was a prerequisite to financing or to the transfer of the property, or if the cost was inseparable from the cost of other insurance which was a prerequisite to financing or to the transfer of the property. The regulations do not allow DoD to reimburse an employee for the cost of owner's title insurance purchased solely for the protection of the employee. 41 CFR 302-11.200 (f)(9), -11.202(c) (2002); Joint Travel Regulations C14002-A.4.a(9), -A.4.b. We have previously considered similar claims and reached the same result we reach here. Jeffrey B. Hicks, GSBCA 15860-RELO, 03-1 BCA ¶ 32,083; Paula K. Fowler, GSBCA 15384-RELO, 01-1 BCA ¶ 31,281. Because Mr. O. has not established that the cost of the

insurance he purchased is reimbursable according to the regulations, DoD's decision to deny his claim was correct.

The claim is denied.

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MARTHA H. DeGRAFF  
Board Judge