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FINANCIAL ADMINISTRATION MEMORANDUM NO. 88-22   (II.G.1.)

To: Bureau Assistant Directors, Administration
         Director, Office of Management Services
         Bureau Finance Officers
         Chief, Division of Fiscal Services
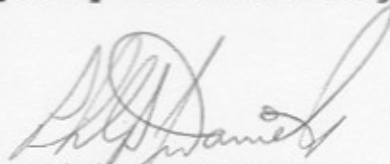
From: Chief, Division of Financial Administration
         Office of Financial Management

Subject: Employee Entitlement to Insurance Proceeds Provided
         in Connection With Official Travel

Attached is a copy of a Department of Labor, Office of Workers'
Compensation Programs letter which clarifies an employee's entitlement to
insurance coverage provided by certain Government sponsored travel programs.

Insurance proceeds from the coverage obtained as a result of purchasing common
carrier transportation services through a Travel Management Center (TMC),
contract travel agency or SATO, or charging the service on a contractor issued
charge card [including a Government Travel System Account (GTS)] are not
subject to offset against Federal Employees' Compensation Act benefits. A TMC
is not required to provide insurance coverage for employees traveling on
official business; therefore, insurance coverage may or may not be provided by
the servicing TMC. If the TMC provides insurance coverage, this coverage is in
addition to the coverage required by the General Services Administration
contract for charge cards and GTS accounts.

Please direct any questions you may have on this subject to Mr. Lesley Oden of
this Division on 343-5223.

Philip J. Daniels

Attachment

Prior Financial Administration
Memorandums on this Subject:

No. 88-18   (II.G.1.), March 2, 1988 - Active
No. 87-43   "   , July 17, 1987 - Canceled
No. 86-52   "   , September 29, 1986 - Canceled
No. 86-32   "   , April 26, 1986 - Canceled
No. 86-26   "   , March 14, 1986 - Canceled
No. 86-5   "   , January 28, 1986 - Canceled
No. 85-87   "   , October 31, 1985 - Canceled
No. 84-102   "   , June 24, 1984 - Canceled

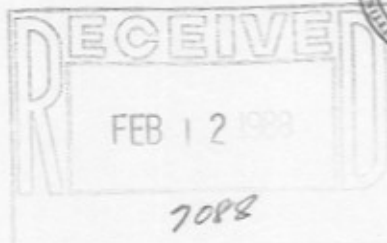FEB 9 1988

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William L. Kendig
Director of Financial Management
United States Department of the Interior
Office of the Secretary
Washington, D.C. 20240

Dear Mr. Kendig

We have reviewed your January 13, 1988, letter seeking a
determination on the effect on entitlement to benefits under the
Federal Employees' Compensation Act (FECA, 5 U.S.C. 8101, et
seq.) of certain insurance proceeds. Just as with other
insurance proceeds, payments under policies provided by the
Government Travel Service (GTS) program would not affect payment
of benefits under the FECA.

As you noted, proceeds from insurance policies provided by Diners
Club charge cards have no effect on eligibility for benefits
under the FECA. Similarly, proceeds from insurance policies
provided under the GTS program or by travel agencies when tickets
are purchased through them, would not be covered by the
limitations on the right to receive compensation found at section
8116 of the FECA.

You also asked what effect insurance proceeds may have on any
settlement an employee's estate might be awarded through a damage
suit against the government. This issue is not within the
purview of this office. As you may be aware, section 8116(c)
limits the liability of the United States with respect to an
injury or death of an employee to the benefits enumerated in the
FECA. Since the Justice Department handles suits under the
Federal Tort Claims Act, they would be the proper agency to
address the questions of whether an estate could sue the
government at all, and if so what effect insurance proceeds would
have on a recovery.

I hope this information meets your needs, and appreciate your
consideration in consulting us on this matter. If you have
further questions regarding the administration of the FECA,
please contact Mr. Thomas Markey, Associate Director for Federal
Employees' Compensation. He can be reached at 523-7552.

Sincerely,

LAWRENCE W. ROGERS
Director, Office of
Workers' Compensation Programs