

32815

Wood  
PL-II



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

OFFICE OF GENERAL COUNSEL

B-220943

November 21, 1985

Ms. Margaret A. Willis  
FAR Secretariat  
General Services Administration

Dear Ms. Willis:

This responds to your letter of October 24, 1985, requesting our comments on a proposal to add Federal Acquisition Regulation (FAR) § 31.205-19(a)(5) to the FAR's contract cost principles. The proposed addition would state that premiums for retroactive or backdated insurance written to cover occurred and known losses are not allowable as costs that may be recovered under government contracts. This is FAR case No. 85-48.

We have no objection to the proposed addition.

Sincerely yours,

*Harry R. Van Cleve*  
Harry R. Van Cleve  
General Counsel

033828 / 128460

32815