

## NOTICE

### THE FULL REPLACEMENT VALUE PROGRAM IS HERE!

This fiscal year brought significant changes to the claims system. These changes were effective 1 Oct 2007 for most international shipments and 1 Nov 2007 for domestic shipments.\*

### THE BOTTOM LINE

Your Transportation Service Provider (TSP) – your carrier, mover, or storage company - is now required to provide Full Replacement Value (FRV) coverage for your move, at no cost to you, provided you provide timely notice of the damage and file with the TSP within 9 months of delivery. You will be eligible for FRV if, and only if, you file your claim against the TSP. Timely notice means giving the TSP written notice of any damaged to or lost items within 75 days of delivery. Use the pink form to provide notice (DD form 1840/1840R).

You may still choose to file with a Military Claims Office (MCO). However, MCOs are required to adjudicate your claim using the fair market or depreciated value of your loss. This can, but will not always, make a significant difference in the amount of your compensation payment.

### FAQ:

#### **Why should I file with the TSP?**

The choice is completely up to the claimant. However, you may wish to consider the potential advantages to TSP filing before you decide. Filing with the TSP does have potential advantages:

You may be eligible for higher compensation – Full Replacement Value (FRV) – the cost of a brand new item. Your MCO can only use depreciated value – the market value of a similar used item. This issue is discussed in more length below.

It may be easier for you. In most cases, the TSP is required to obtain and pay for estimates of repair. This may mean less running around for you.

You retain the safety net of being able to transfer the claim back to your MCO if you are unhappy with the TSP's offer or handling of your claim.

#### **When am I eligible for Full Replacement Value (FRV) compensation?**

You may receive FRV from your TSP for items which are lost or totally destroyed (defined as not economically repairable).

Example 1: Your two-year-old grandfather clock was damaged in shipment. The replacement cost of that clock is \$1000.00. That is FRV. Depreciated value is \$900. The cost of repairing your old clock is \$550.00. You are entitled to repair costs, not FRV or Replacement Cost.

Example 2: Your two-year-old grandfather clock was damaged in shipment. The cost of a new clock is \$1000.00. That is FRV. Depreciated value is \$900. The cost of repairing your old clock is \$950.00. As that is less than FRV, the TSP should give you \$950.00 or repair your clock. The MCO will give you the depreciated value, \$900.00.

Example 3: Your two-year-old grandfather clock was damaged in shipment. The cost of a new clock is \$1000.00. That is FRV. Depreciated value is \$900. The cost of repairing your old clock is \$1200.00. The TSP should give you FRV, \$1000.00. The MCO will give you \$900, the depreciated value.

*Note: Different types of property depreciate at different rates. These rates are based on market value. For example, clothing wears out (or goes out of style) more rapidly than furniture. Therefore, it depreciates more rapidly. In that event, you will see a greater difference between FRV and depreciated cost.*

### **How do I file with the TSP?**

Each TSP has set up its own program for filing claims. However, the following facts are true for all TSPs.

- 1) **TIMELY NOTICE IS STILL ESSENTIAL!** The claims process always starts with timely notice of lost or damaged items. This notice can be given on the day of delivery by noting the damage on the front side of the DD1840 (pink form) in the presence of the TSP's agent – the people that delivered your furniture. Additionally, you have 75 days from the date of delivery to notify the TSP of missing or damaged items. Do this by listing these items, with a description of the damage, on back of the pink form (DD 1840R). (Don't forget to turn the carbon paper around.) You may do this through your MCO. However, as the TSP must receive the notice within 75 days, bring the pink form to your MCO within 70 days to ensure timely notice to the TSP. Lack of timely notice will normally result in a denial of compensation for any late reported damaged or lost items. This is true whether you file with the TSP or with the MCO.
- 2) The claims forms will include the DD1844 – available from your MCO or online at <https://www.infantry.army.mil/SJA/claims.html> (click on Household goods link on the left of the website).
- 3) Start by calling the TSP to ask how to file the claim. The address and telephone numbers of all TSPs are available through transportation or your MCO.
- 4) The TSP is required to obtain all repair estimates unless you, the claimant, agree to get these estimates.

### **What are my options if I do not believe the offer made by the TSP is fair?**

- 1) You must allow the TSP 30 days to resolve the claim. After 30 days, you may choose to transfer your claim to the MCO.
- 2) You may transfer the entire claim or, under certain limited conditions, specific line items of your claim. No item for which partial payment has been made may be transferred. Transferring a line item is not a guarantee of more favorable treatment, but does ensure that the issue is examined by the Government for fairness.

**If I transfer my claim to the MCO, have I wasted my time filing against the TSP?**

- 1) No, there are advantages to having filed with the TSP even if, after 30 days, you transfer your entire claim to the MCO. The MCO will take advantage of any work you or the TSP have already put into the claim, not start the claim from scratch. Additionally, you will have preserved the possibility of obtaining FRV.
- 2) The MCO will obtain any estimates of repair or other supporting documentation already completed from the TSP. However, you may be asked to obtain additional documentation if there are unresolved issues of substantiation.
- 3) The MCO will still initially use depreciated cost for items which are lost, destroyed or not-economically repairable in adjudicating the claim.
- 4) However, since you made a good faith effort to collect directly from the TSP, the MCO can now assert a claim against the TSP for FRV. If the MCO is successful in obtaining FRV from the TSP, *the MCO will pass the additional recovery on to the claimant.*
- 5) If you do not assert a claim against the TSP, the MCO has no authority to asset a claim for FRV. It can only recoup the payment actually made.

\* Local moves and shipments from non-temporary storage are being added to the program. To find out if your local move is under the new FRV program, contact your transportation office.

**NOTE: THIS PROGRAM DOES NOT APPLY TO POV SHIPMENTS!**