



Full Replacement Value

Most household goods shipments are now eligible for Full Replacement Value (FRV) protection. This means claims for lost or destroyed items will be paid replacement cost, not depreciated cost.

FRV coverage is automatic and applies to personal-property shipments picked up on or after October 1, 2007 for international shipments to and from OCONUS. To receive FRV, service members must file their claim directly with the Transportation Service Provider (TSP) instead of the Military Claims Office (MCO).

The first step in the claims process is to note lost or damaged items on DD Forms 1840 or 1840R. These forms must be submitted to the TSP within 75 days of delivery. Once the forms are received, the provider has the right to inspect the damaged items.

The second step is filing the claim with the TSP within nine months of delivery. This is typically done by completing DD Form 1844 (or other form provided by the TSP) and sending it to the TSP.

Once the claim is filed, the TSP should settle the claim within 30 days. The TSP is responsible for obtaining repair and replacement costs. The provider will also pay FRV cost on items that need replacing or have been lost or destroyed.

If the provider denies the customer's full claim, makes an offer on the claim that is not acceptable, or does not respond within 30 days, the customer may transfer the claim to the MCO.

Claims transferred to the MCO Claims transferred to the MCO within nine months of delivery will be paid depreciated replacement cost only. The MCO, however, will attempt to recover FRV from the provider. If successful, the claims office will pay the difference between the amount paid and the amount recovered to the claimant.

Claims may still be filed with directly with the MCO if the nine month deadline is missed; however, the claim will only be paid depreciated value. Claims filed more than two years after delivery cannot be paid.

CLAIMS ADVICE FOR DEPARTING PERSONNEL

PCS moves are an inevitable part of life for military personnel and their families. Shipment of household goods can be one of the more difficult parts of those moves. Taking a few precautions before the movies arrive at your home can help alleviate some of the anxiety

and ensure you will be fairly compensated if your property is lost or damaged.

Document Your Property Before the Move. Before the movers arrive, take a few simple steps to document what you own. Collect receipts and appraisals for valuable items. Take photographs of your property, or better yet, take a videotape of everything in your home. This will help you show not only what you own, but what condition it was in before the move. If you have a large CD collection, be sure to take pictures not only of the CD jackets but also the CDs themselves. Ensure that your receipts, appraisal, photos and videotapes are NOT shipped with your property; leave them with a relative or mail them separately from your household goods.

Consider Your Insurance Options. If your property is lost or destroyed, the Army claims office will only be able to pay you the depreciated value of your property. This is calculated by taking the cost of replacing your property and then depreciating this value by a set percentage per year. The Army claims office also has maximum amounts that it can pay for certain items. For example, the maximum amount payable for stereo equipment is \$1,000 per item and \$4,000 per shipment. If this is not adequate, you may want to consider obtaining private insurance. Although movers offer such insurance for shipments in the United States, this service is generally not available for overseas shipments. Some private insurance companies offer coverage for household goods. Before you purchase such coverage, ensure that it will apply to your specific situation.

Set Aside Items You Do Not Want Shipped. Before the movers arrive, ensure that you have set aside any items that you do not want shipped. You should plan on hand carrying small valuable items such as jewelry. Cash or coin collections should never be shipped: you will not be able to recover anything if they are lost or stolen. Receipts and other documentation of what you own should be left with a relative or mailed separately. Items you do not want shipped should be locked in a car or other location where the movers cannot get to them.

Supervise the Movers. When the movers arrive, be sure to watch how they are packing your property. Pay attention to the inventory. Ensure that electronic and valuable items are properly listed. The movers will list preexisting damage to your furniture using a special code that is explained at the top of the inventory. For example, "BR 2" may indicate that the bottom of a piece of furniture is broken. If you disagree with the description of damage, annotate your disagreement at the bottom of the inventory. Do not sign the inventory until you have carefully reviewed it.

After the Move. When your household goods arrive at your new duty station, inspect your shipment carefully. If you notice any lost boxes or damaged items during delivery, be sure to annotate this on the front of the DD Form 1840, a pink form the movers will give you before they depart. After delivery, you have an additional 70 days to report any loss or damage that you discover once the movers leave: annotate this on the BACK of the pink form, which is labeled "DD Form 1840-R." Turn the form in to your nearest claims office as soon as possible. Once you turn in your pink form, the claims office will give you instructions for filing your claim. You have two years to file your claim, but this time period begins on the day of delivery, NOT the day you turn in your pink form. It is best to file your claim as soon as possible; failure to file within the two year time period may prevent you from recovering anything for your loss or damage.

Taking a few precautions before your move can save you a great deal of aggravation later. If you have any questions about the rules described above, you can contact our claims office. The claims office is located in Building 101, Room CE209. You can reach us by telephone at DSN 263-4698.

Full Replacement Value is distributed by the Camp Zama Claims Office, located in Building 101, Room CE 209. Our office hours are 08:30 to 12:00 and 13:00 to 16:30 Monday through Friday, except Thursday 13:00 to 15:00. You may call for an appointment at DSN 263-4698.