

**FULL REPLACEMENT VALUE PROGRAM (FRV) CLAIMS  
INSTRUCTIONS  
(CHAPTER 11, AR 20-27)**

HOUSEHOLD GOODS CLAIMS – FULL REPLACEMENT VALUE PROGRAM

Service Members and Department of Defense Civilians now have the option of filing their Household Goods Claims directly with the carrier or the Government. FRV coverage applies to personal property shipments with a pickup date on or after: 1 October 2007 for International shipments (to / from OCONUS); 1 November 2007 for Domestic shipments (within CONUS); 1 March 2008 for Non-Temporary Storage (NTS) shipments; and 1 March 2008 for Local Move / Direct Procurement Method (DPM) shipments.

1. **FULL REPLACEMENT VALUE (FRV) FOR LOST OR DESTROYED ITEMS.** If you file your claim directly with the carrier within 9 months of delivery, the carrier is required to replace any item that is lost or destroyed with a new item, or pay you the cost of a new item of the same kind and quality, without deducting for depreciation. An item is destroyed if it cannot be repaired, or if the cost of repair would exceed the cost of a new item. The carrier is not required to replace items which can be repaired for less than the Full Replacement Value of the item. The carrier is only required to arrange for the repair of those items, or to pay for the cost of the repairs. Repair will be to the extent necessary to restore the item to its condition when it was received by the carrier. A few large items, such as pianos, organs, ATVs, personal watercraft, vehicles and motorcycles, as well as firearms and objects of art, are not covered by FRV. Likewise, the carrier cannot replace some missing items with new ones. These are items that have value because of their age, such as collectible figurines, antiques, collectible plates, baseball cards, comic books, and coin and stamp collections.

2. **NOTICE OF LOSS OR DAMAGE.** One aspect of the claims process that will not change, regardless of whether you file your claim directly with the carrier within nine months to get FRV or whether you file it with the military claims office, is the requirement to provide prompt notice of property loss and/or damage.

a. You must ensure the carrier's delivery agent lists all loss and damage discovered at delivery on the DD Form 1840, which you will also sign along with the driver. Three copies of this form will be left with you by the carrier. All loss or damage discovered after delivery must be listed on the DD Form 1840R (the reverse side of DD Form 1840), and either mailed directly to the carrier within 75 days of delivery (preferably by certified mail) or submitted to the Fort Sam Houston claims office within 70 days of delivery so that the claims office can dispatch it to the carrier for you within the 75 day limit. Submitting the DD Form 1840R merely gives the carrier notice that you may submit a claim, it is not the same as filing a claim.

b. The carrier has the right to inspect the damaged items once it receives the notice forms. Normally the carrier will arrange to inspect your goods within 45 days of receipt of the DD Form

1840R, but it has the right to inspect damaged items up until the claim is finally settled. Please cooperate with the carrier in arranging a time for such inspections.

### 3. CLAIM MUST BE FILED WITHIN 9 MONTHS TO RECEIVE FRV.

a. Again, submission of a DD Form 1840R does not constitute the filing of a claim. You must submit a written demand for a specific amount, listing the items lost or damaged, to the carrier within 9 months after the date of delivery. The carrier will provide instructions on how to file a claim. You do not need to obtain estimates of repair in order to file your claim. The carrier is responsible for obtaining estimates, if you file your claim directly with the carrier within 9 months of delivery. Do not delay filing your claim past the nine month deadline in order to get additional information you think the carrier may need. If your claim has been timely filed, additional information may be presented at a later time.

b. If you file your claim directly with the carrier more than nine months after delivery, the carrier will only pay the depreciated replacement cost or repair cost, whichever is less. Also, the carrier will not be responsible for obtaining repair or replacement estimates and the carrier will not pay more than \$1.25 times the weight of the shipment. For example, if you filed a claim on a 10,000 pound shipment ten months after delivery, the carrier would not be required to pay more than \$12,500.

c. Finally, if you file your claim directly with the carrier, you will have to file your claim by mail. You should send claims to the carrier by certified mail so that you have a record of the date on which you submitted the claim. You can also bring your claim to the Fort Sam Houston claims office, where we can fax the claim directly to your carrier and confirm receipt. Once the carrier receives your claim, it will have up to 60 days to pay, deny or make a final written offer. Once you have settled the claim, the carrier will have 30 days to make the payment.

### 4. LIMITS OF LIABILITY.

a. A carrier is liable for a minimum of \$5,000 on any shipment, regardless of the shipment's weight. For shipments that weigh more than 1,250 pounds, liability is limited to \$4.00 per pound times the weight of your shipment, up to a maximum of \$50,000. If the amount of your loss exceeds the carrier's maximum liability, you may file a claim with the Army for any loss in excess of the carrier's payment. However, the Army can only pay the depreciated replacement value or repair cost, whichever is less, for those items for which the carrier did not pay. Another option if you believe the full replacement value of your property is more than \$50,000, is that you may be able to obtain additional FRV coverage at your own expense from a private insurance company or from the carrier, if the carrier offers additional coverage.

### 5. FILING YOUR CLAIM WITH THE MILITARY CLAIMS OFFICE.

a. You may still file your claims directly with the Fort Sam Houston claims office. However, if you do, you will give up your right to have the carrier settle your claim on the basis of full replacement value. The Fort Sam Houston claims office will settle your claim by paying the

depreciated replacement or repair cost, whichever is less. In most cases you will be able to obtain more money for less work if you file directly with the carrier within nine months of delivery. Regardless, the Fort Sam Houston claims office is available to assist you in filing your claims and DD Forms 1840R with the carrier, and can advise you on whether an offer from the carrier is a fair offer.

b. If you choose to file your claim with the Military Claims Office, you must sign the Waiver Form for Claimants Wishing to Waive Their Right to Full Replacement Value (FRV) Coverage in Return for Immediate Army Adjudication attached to these instructions.

c. After submitting your claim to the carrier, you can transfer your claim to the Fort Sam Houston claims office in the event that the carrier 1) denies your claim, 2) makes an offer on the claim that is not acceptable, or 3) does not respond within 30 days. However, the Army cannot pay you the full replacement value immediately. On transferred FRV claims, the Army will pay you the depreciated replacement cost or repair cost, and then try and recover the full replacement value from the carrier. Once the Army has recovered the full replacement value from the carrier, the Army will then pay you the difference between what it recovered from the carrier and the amount it has already paid you.

Finally, regardless of whether you file directly with the carrier or with a military claims office, you must file your claim within two years of delivery. When your goods are delivered, the carrier will give you instructions on where to mail your claim if you want to file it directly with the carrier. The carrier will also tell you what information you must submit with your claim. The carriers will also use the DD Form 1844 to list each item that was lost or damaged. You may mail or take your claim to the Fort Sam Houston claims office, if you want to file directly with the military, or if you need assistance in filing with the carrier.

The Fort Sam Houston Claims Division is located in Building 153 and accepts walk-ins from 0800-1430 Monday through Friday. You can also call the Claims Division at (210) 221-1973 with any questions or concerns. The Claims Division is closed for Federal and Training Holidays. For additional information, and for answers to frequently asked questions (FAQs) related to filing a claim, please refer to the attached Claims For Full Replacement Value (FRV) Coverage Counseling Checklist and Member/Employee Information, and to the Fort Sam Houston Claims Division website at [http://www.samhouston.army.mil/sja/claims\\_div.asp](http://www.samhouston.army.mil/sja/claims_div.asp) and scroll to the bottom of the page.

**Waiver Form for Claimants Wishing to Waive Their Right to Full Replacement Value (FRV) Coverage in Return for Immediate Army Adjudication**

1. Under the new DOD program that makes carriers liable for full replacement value coverage (FRV), you may file your claim for shipping loss or damage with either a military claims service or directly with the carrier that is responsible for the shipment of your goods. In most cases, you should file directly with the carrier within 9 months of delivery, as the carrier will usually pay more money and you will have to do less work to establish the cost of repairing or replacing your goods.

2. The contract under which your household goods were shipped states that IF you file your claim directly with the carrier that transported your goods within 9 months of delivery, that carrier will be liable for the full replacement value (FRV) on any items that were lost or destroyed. That means that the carrier will have to replace old items that were lost or destroyed with new ones. If the carrier pays cash for those items, it may not depreciate the replacement cost. However, if you elect to file your claim directly with a military claims office, rather than directly with the carrier within 9 months, you give up your right to FRV coverage and you will not receive the full replacement value from either the military claims office or from the carrier.

3. Even if your items are only damaged and can be repaired, it may be better for you to file directly with the carrier within 9 months and have your claim settled under the FRV terms. If you file directly with a military claims office, we will not pay more for repairs than the depreciated value of a damaged item. For example, if you have a ten year old television with a depreciated value of \$100 that is damaged in transit, the Army will not pay more than \$100 for repairs. However, if the full replacement value for this television is \$300, the carrier would probably pay as much as \$295 for repairs, as that would be cheaper than replacing it.

4. In addition to paying more money, IF you file directly with the carrier within nine months of delivery, then the carrier is also responsible for obtaining estimates of repair and determining the replacement cost of any items that are lost or damaged.

I have read the information above and still wish to have the Fort Sam Houston claims office adjudicate and settle my household goods claim (including all lost or damaged items) in full. I hereby affirmatively waive my right to have my claim considered under the full replacement provision of the contract under which my household goods were shipped. I affirmatively elect to have the Army adjudicate and settle my claim based on the depreciated value of my goods. I understand that I will not be paid the full replacement value by either the Army or the carrier for any of my items that were lost or destroyed.

\_\_\_\_\_  
Claimant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Claims Personnel Signature

\_\_\_\_\_  
Date

Customer's Name: \_\_\_\_\_  
Origin/Destination \_\_\_\_\_  
Is the customer's shipment/storage covered under FRV? Yes \_\_\_ No \_\_\_  
Counselor's Printed Name/Date \_\_\_\_\_

## **CLAIMS FOR FULL REPLACEMENT VALUE (FRV) COVERAGE COUNSELING CHECKLIST AND MEMBER/EMPLOYEE INFORMATION**

FRV applies to shipments with a pick-up date on or after 1 October 2007 for International Household Goods (HHG) and Unaccompanied Baggage (UB) shipments, a pick-up date on or after 1 November 2007 for Domestic HHG, and a pick-up date on or after 1 March 2008 for Non-Temporary Storage (NTS), Direct Procurement Method (DPM) (local moves, intra-theater). Some domestic and international shipments may be moved under a non-FRV DPM contract between 1 October 2007 and 1 March 2008.

### **1. FRV For Lost or Destroyed Items.**

- To have your claim paid on the basis of FRV you MUST file your claim directly with the transportation service provider (TSP) within 9 months of delivery.
- If you file your claim with the (TSP) within 9 months of delivery, the TSP is REQUIRED to replace any item that is lost or destroyed with a new item, or pay the cost of a new item of the same kind and quality, without deducting for depreciation.
- The TSP is not required to replace items which can be repaired for less than the Full Replacement Value of the item.
- The TSP is only required to arrange for the repair of those items, or to pay for the cost of the repairs.
- Repair will be to the extent necessary to restore the item to its condition when it was received by the TSP.
- An item is considered destroyed if it cannot be repaired, or if the cost of repair would exceed the cost of a new item.

### **2. Timely Notice.**

- Loss or damage to an item MUST be reported to the TSP within 75 days of the date of delivery.
- The TSP MUST list all missing or damaged items that are discovered on the day of delivery on DD Form 1840, which you will also sign. Three (3) copies of this form will be left with you by the TSP.
- Items discovered missing or damaged AFTER delivery MUST be listed on the reverse side of the DD Form 1840, known as the DD Form 1840R, and faxed or mailed to the TSP within 75 days after delivery. If mailed, send it to the address in block 9 on the DD Form 1840 side of the form by certified mail. If faxed, keep a copy of the delivery message. Alternatively, the DD Form 1840R may be taken to the nearest military claims office (MCO) within 70 days after delivery and the military claims office will dispatch it to the TSP for you.

### **3. Claim Must Be Filed Within 9 Months to Receive FRV.**

- Submission of a DD Form 1840R does not constitute the filing of a claim. You MUST submit a written demand for a specific amount to the TSP within 9 months after the date of delivery. The claim MUST list each item that was lost or damaged and give a general description of the damage.
- The TSP will provide instructions on how to file a claim. Be sure to keep a copy of what you send to the TSP and send your claim by certified mail.
- You do not need to obtain estimates of repair in order to file your claim. The TSP is responsible for obtaining estimates, if you file your claim directly with the carrier within 9 months of delivery. You may not be reimbursed for any estimate fees on estimates you obtain without the TSP's express request for you to do so.
- Do not delay filing your claim past the nine month deadline in order to get additional information you think the TSP may need. If your claim has been timely filed, additional information may be presented at a later time.

### **4. Limits of Liability.**

- The TSP's maximum liability on a shipment is \$5,000 or \$4 per pound times the weight of the shipment, whichever is greater, but not more than \$50,000.
- If the amount of your loss exceeds the TSP's maximum liability, you may file a claim with a military claims office for any loss in excess of the carrier's payment. However, the military claims office can only pay the depreciated replacement value or repair cost, whichever is less, for those items for which the carrier did not pay. In the alternative, you may try to purchase FRV coverage from a private insurance company to cover potential losses in excess of \$50,000.
- A TSP is liable for only \$1.25 per pound times the weight of your shipment, if you do not file your claim with the TSP within 9 months of delivery.

### **5. Settlement of Loss and Damage Claims.**

- The TSP shall pay, deny, or make an offer within 60 days of receipt of a complete, substantiated claim.
- The TSP will complete payment to the owner within 30 days of receipt of notice that the owner has accepted a full or partial settlement.
- You may still file your claim directly with a military claims office, but if you do, you give up your right to FRV. The military claims offices do not have the authority to settle claims on the basis of FRV.
- You may transfer all or part of your claim to a military claims office if you are dissatisfied with the TSP's handling of your claim. However, you may not transfer your claim until the TSP has made a final offer, or more than 30 days have elapsed since you filed your claim.

### **6. Partial Settlements.**

- If you cannot reach a mutually acceptable settlement directly with the TSP on part of your claim, you can accept payment from the TSP on those items on which you and the TSP have reached agreement. The TSP will pay you on the items on which you have reached an agreement. You may transfer any unsettled portions of the claim to a military claims office.
- If you transfer your claim to the military claims office after filing directly with a TSP within nine months, the military claims office will pay your claim on the basis of depreciated replacement value or repair cost, whichever is less. The military claims office will then try to recover the FRV from the TSP. If the military claims office recovers more from the TSP than it paid you, the military claims office will send you the difference between what it paid you and what it recovered from the TSP.

## 7. Quick Claims.

- 1) The TSP may establish a quick claim settlement procedure to quickly resolve and pay claims for minor loss or damage discovered at the time of delivery.
- 1) Quick claims cover payment for less than \$500 with payment made within 5 days of delivery.
- 1) The process of settling and paying such claims will be left to the discretion of each TSP. The quick claim must specifically list the items and the damage for which payment is being made.
- 1) If you receive a quick claim settlement and then file an additional claim, the additional claim may not include items that were settled through the quick claim process.

## 8. Inspection of Items by the TSP.

- 1) The TSP may inspect the damaged items at any time prior to settlement of the claim, but may not deny a claim solely on the basis that it was unable to inspect any item.
- 1) If you repaired an item before the TSP inspection, you **MUST** provide the repair bill or some other evidence of the damage and repair cost to the TSP. If you disposed of a damaged item, you **MUST** give the TSP evidence that the item was damaged beyond economical repair.
- 1) Before a claim is filed, you may call the TSP and request an inspection, or permission to dispose of items. The TSP will, within two (2) business days of being contacted, notify you that either the items will be inspected or that you may dispose of the items.
- 1) When the TSP gives notice to inspect the items, the TSP will do so within 45 calendar days of being contacted by the owner unless the owner grants a further extension.

## 9. Salvage.

- 1) For shipments delivered within the United States or its territories, the TSP is entitled to take possession of and sell for salvage any damaged item on which it has paid either the depreciated or undepreciated replacement cost, or replaced the damaged item with a new item.
- 1) If a lost item is located after your claim has been paid, you may decide either to request or decline delivery of the item(s). If you elect to receive a found item, you **MUST** refund any amount paid on that item.
- 1) If the TSP locates an item within 60 days of receipt of notice of the loss, and a claim on that item has not yet been paid, you are obligated to accept delivery of the item in lieu of a claim, even if you have replaced the item.
- 1) If the TSP locates a lost item more than 60 days after receipt of notice of the loss, but the item has not been replaced, and a claim on the item has not been paid, you are obligated to accept delivery of the item in lieu of a claim.
- 1) If a lost item is later delivered with damage, the time limits for qualifying for FRV protection and for filing claims on that item will not commence until the delivery of that item.

## 10. Essential Items.

- 1) The TSP is responsible for promptly dealing with owners who have had essential items lost, destroyed or made unusable due to damage. You **MUST** notify the TSP, military claims office, or personal property shipping office of such a loss within 7 days of the date the goods were delivered.
- 1) Essential items include but are not limited to: (1) Refrigerators or other appliances necessary for the safe storage and preparation of food, (2) Necessary medical equipment and (3) Mattresses.
- 1) Upon notification of the loss of an essential item, within two (2) business days, the TSP shall either pay for such items, provide temporary or permanent replacements for them, or make other arrangements as agreed to by you.
- 1) Any payments made by the TSP shall be considered an advance on any claim and should not exceed the TSP's expected total liability. You are required to file a claim for the loss. Any advance payment will be deducted from your eventual award.

## 11. Catastrophic Loss Payments.

- 1) The TSP is responsible for identifying and making partial, advance payments to you for a catastrophic loss to relieve hardships associated with the loss of all or a majority of household goods or unaccompanied baggage. Catastrophic loss occurs when over 60% of the inventory line items in a given shipment are lost, damaged or destroyed.
- 1) The payments are an advance and will not exceed the expected total liability. You are required to file a claim. Any advance payment made will be deducted from your eventual award. Payments are subject to the same maximum liability and rules as all payments.
- 1) The TSP will make payment or come to an agreement on payment within 48 hours of contacting you.

## 12. High Value Items and High Risk Items.

- 1) High value items are limited to currency, coins, jewelry, silverware and silver service sets, crystal, figurines, furs, objects of art, computer software programs, manuscripts, comic books, baseball cards, stamps, and other collectable items or rare documents that have a value in excess of \$100 per pound. Individual CDs or DVDs with a value in excess of \$50 will be considered a high value item.
- 1) If you fail to inform the TSP that such items are included in the shipment after the TSP has asked you in writing to list any such items in the above categories that will be included in the shipment, the TSP liability for high value items that you do not list shall be limited to \$100 per pound of the article.
- 1) Items such as CDs, video tapes and DVDs, that do not qualify as high value items for purposes of this provision limiting liability, may be included on a high risk inventory.
- 1) Your responsibilities at delivery: You and the TSP **MUST** open all containers in which the high risk/high value items were packed; remove the items from the containers and physically inspect each item before you sign the high risk/high value inventory form.

Receipt Acknowledgement: Member/Employee Signature:

Date: \_\_\_\_\_

A member/employee should contact the closest Military Claims Office on FRV issues the member/employee and TSP cannot resolve.

Be sure to keep a copy of what you send to the TSP and send your claim by certified mail.

Instructions Prepared by the Staff Judge Advocate, Fort Sam Houston, Texas 78234-5000.  
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