

Question:**What is Full Replacement Value and why is it important to Service Members?****Answer:**

Full Replacement Value (FRV) is an important new benefit to Service Members and DOD Civilians who have to move or store their personal property as part of a DOD-sponsored move. In the past, if a Transportation Service Provider (TSP) lost or destroyed something during a move, the Service Member would only be paid the depreciated value of the item, regardless of whether they filed their claim with a Military Claims Office (MCO) or directly with the TSP. In other words, say a Member has a 5-year-old television damaged beyond repair; the TSP was only liable to pay the value of a 5-year-old television. While the Member could buy a used item, most people prefer to replace common household items, furniture, clothes, and so on, with new items. Often that meant that the Service Member had to pay money out of pocket to replace the item. With FRV, if a Member files a claim directly with the TSP within nine months of delivery, the TSP must repair damaged items and replace lost or destroyed items with a like item of the same quality. In the situation described above, under FRV the Service Member would be eligible to receive a new television from the TSP similar to the one that was destroyed.

Question:**What are the TSP's liability limits for Loss or Damage with Full Replacement Value?****Answer:**

Under the FRV program, the TSP can be liable for up to \$5,000 per shipment or \$4.00 times the net weight of the shipment (gross weight for unaccompanied baggage) up to \$50,000, whichever is greater. In other words, the shipment weight does not actually factor in until the shipment is over the \$5,000 threshold [i.e. 1,250 pounds x \$4.00]. A 100 pound shipment is still protected up to \$5,000. Before FRV the TSP was only liable for \$1.25 a pound with no minimum or maximum limit, so the TSP would only be liable for \$625 on a 500-pound unaccompanied baggage shipment. The low liability limit was not usually a problem for Members, because the MCO would pay the member the full depreciated value of what was lost, destroyed, or damaged, and then recover up to the \$1.25 limit from the TSP. But now that Service Members will be filing most of their claims directly with the TSPs, the FRV limits ensure that Members will receive full compensation on losses from lower weight shipments.

Question:**What is the history of Full Replacement Value?****Answer:**

Congress enacted the Full Replacement Value Act of 2003 on November 26, 2003 and amended it with the Defense Authorizations Act for FY 2007. The original law allowed the Government to include FRV in contracts with Transportation Service Providers (TSP) for household goods. The amendment made it mandatory that the DOD include FRV

coverage in all contracts for shipment of household goods not later than March 1st of 2008. The cost of FRV is included in contracts with movers.

Question:

Will FRV present an additional cost to DOD Members?

Answer:

Service Members and civilians will not face any additional charge for this coverage.

Question:

How does a DOD Member receive FRV? Is there a change from the current program?

Answer:

The benefit is already in place. The Service Member doesn't have to apply or ask for it, the only new part is how he or she files the claim. To receive FRV, the DOD Member files his or her claim directly with the TSP that makes the final delivery. The Member must file the claim within nine months of delivery. In the past, most Members filed their claims through the Military Claims Office (MCO), but that is no longer the case under FRV. What does not change is that the Member must complete the DD1840 or 1840R Forms to report loss and damage he or she finds at or after delivery. The member **MUST** submit these forms to the TSP within 75 days. That means that the forms must be postmarked within 75 days. If a Service Member still chooses to submit the form through his or her local MCO, the Member may; but he or she must bring it to the claims office within 70 days, so that the MCO has time to dispatch it to the TSP in his or her behalf. The TSP then has the right to come out and inspect the damage.

If the Member misses the nine month filing deadline he or she will not be eligible for FRV, but will still be eligible for depreciated value, as in the current Military claims program, for up to two years from delivery. After 2 years, except in specific circumstances, the Member is not entitled to any payment from either the TSP or the Military claims office. Meeting these deadlines and filing the claim is in the Members' hands.

Question:

When will Full Replacement Value protection be available to DOD Members?

Answer:

It depends on the origin and destination of the shipments. The dates are different because of the different contracts and rate schedules the DOD has with TSPs. Also the dates refer to the date that the TSP picks up a Member's shipment. If the Member's origin or destination is outside the continental US, shipments picked up on or after October 1st 2007 are eligible for FRV. If the origin and destination are both inside the US, shipments picked up on or after November 1st are eligible. Non-Temporary Storage, Local Move and Direct Procurement shipments are eligible on March 1st 2008.

Question:

What type of information must a Member include on his or her claim?

Answer:

The notice provided on the DD Form 1840 and 1840R is **not a claim**. A claim must identify the property owner or DOD Member. The Member should include any facts he or she can provide to identify the shipment. The claim must list each item for which the Member is seeking payment, state whether it is missing or damaged, and specify the extent of any damage. The claim must also demand a specific amount of money. However, if the Member files the claim directly with the TSP within nine months of delivery, he or she does not have to obtain repair or replacement estimates and submit them as part of the claim. If the basic information about the items is provided, then it is the responsibility of the TSP to get the repair estimates and determine the cost of a new replacement item.

Question:

What happens if the TSP denies the Customer's claim? Who can advocate for a Service Member when difficulties arise with a claim?

Answer:

If the TSP denies the Customer's claim, or it makes an offer on the claim that the Member doesn't accept, or the TSP does not respond to the claim within 30 days, the Customer would then transfer the claim to the Military Claims Office (MCO). Once the MCO gets the claim, the MCO generally will pay depreciated value to the Member and then go after the TSP for the rest of the claim. Once the MCO recovers the full claim, he or she will send the Member the difference between the depreciated value that he has already paid and the full replacement value.

Each branch of Service has a MCO that serves as an advocate for the Service Member. SDDC also serves as an advocate for the Member and ensures that the TSPs follow regulations and guidelines.

Question:

How can a Service Member or DOD Civilian find more detail about FRV?

Answer:

The best place to start is the Surface Deployment and Distribution Command (SDDC) website at www.sddc.army.mil. The website includes detailed business rules, a press release, as well as printable flyers and posters. The site has information for Service Members, TSPs, Transportation Officers and Claims Officers. The SDDC home page features a banner link that takes the user directly to the section with FRV information. Also, even though Members no longer file claims through the MCO, the Member's Claims Office or Transportation Office can provide advice and details on the program. Each Service Branch website will have information about FRV as well.

Question:

How quickly does the system recognize a trend in poor customer satisfaction responses?

Answer:

SDDC maintains a program called the Total Quality Assurance Program to monitor quality control over TSP performance. Each installation Transportation Office maintains a TSP performance file for each TSP qualified to serve the installation. SDDC HQ may disqualify a TSP on its own, or on a TO's recommendation for a single issue. If there is a recurring problem, SDDC may disqualify the TSP from participation in the Personal Property program for as long as two years.

The TO can issue a Letter of warning, issue a Regular Suspension, issue an Immediate Suspension or recommend the TSP's disqualification to SDDC. A Letter of Suspension notifies the TSP that they have to improve service in 30 days or face suspension. The TSP earns a Regular Suspension when it repeatedly violates any provision of the Tender of Service or other rules and regulations three or more times during a 180 day period. An Immediate Suspension is imposed when the TSP's performance on a single shipment is such that the continued participation in the program is unacceptable.