CLAIMS FOR FULL REPLACEMENT VALUE COVERAGE

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.

2. **Timely Notice.** In order to be paid for an item, the loss or damage to the item must be reported to the carrier **within 75 days** of the date of delivery. The carrier's agent should list all missing or damaged items that are discovered on the day of delivery on a DD Form 1840, which you will also sign. Three copies of this form will be left with you by the carrier. Items discovered missing or damaged after delivery must be listed on the reverse side of the DD Form1840, known as the **DD Form 1840R**, and mailed to the carrier **within 75 days** after delivery. Alternatively, the DD Form 1840R may be brought to the nearest military claims office within 70 days, which will mail it for you.

3. **Claim Must Be Filed Within 9 Months to Receive FRV.** Submission of a DD Form 1840R <u>does not constitute</u> the filing of a claim. You must submit a written demand for a <u>specific amount</u>, 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.

4. **Limits of Liability.** 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.

5. **Filing a Claim with the Army.** You still have the right to file a claim with the Army, within two years after the date of delivery. However, if you do, you will only be paid depreciated value for lost or destroyed items. If you file with the carrier within 9 months, but are unwilling to accept the carrier's offer for certain items, you can file a claim for those items with the Army. The Army will then pay you their depreciated value, but will attempt to recover FRV from the carrier (if the carrier is liable for the item) and will pay you the difference between FRV and depreciated value when it is recovered.