

## Property and Liability Property Insurance - Do You Need It?

Insurance? I thought that I didn't need insurance. Doesn't the military claims system cover loss or damage to my property that occurs on post? Unfortunately, I have heard such questions from claimants after the denial of their claims, and the answer is that the military claims system is more limited than many believe. The military claims system provides limited coverage for limited types of losses. Unfortunately, military members and civilian employees may be underinsured because they do not fully understand the coverage limitations of the Personnel Claims Act (PCA).

The PCA provides special protections for on post property losses of service members and employees, including losses due to theft, vandalism, fire, flood or other "unusual occurrence" from on post quarters or place of duty. It does not cover every type of loss and is not intended to replace private insurance. An "unusual occurrence" involves risks outside the normal risks of day-to-day living and working. Some of the losses not covered by the PCA can result in hardship to service members and their families. Don't be a victim! Consider the limitations of the PCA, as well as your current insurance coverage, to assess your needs for property and liability insurance.

Residents of privatized housing on Fort Belvoir are required to carry and pay for private insurance taken out to cover against risk of liability and personal loss, resulting from their residence on Fort Belvoir. Residents should check of their policies to assess their need for additional coverage.

The PCA may not cover the following types of losses:

- ***Damage or loss to quarters.*** Service members may be held financially liable for fire or flood damage to on post quarters caused by their negligence, including the negligence of family members. Service members or employees can be held financially responsible for fire, flood or catastrophic damage to their quarters and need to check the terms of their renter's or homeowner's insurance policies to determine if coverage is adequate.
- ***Damage or loss resulting from negligence of the service member or family members.*** Have you ever left keys in the front door, items unsecured, candles burning, or forgotten to turn off the stove after cooking? Simple mistakes may cause damage or loss to our own personal property, or may result in personal injury or property damage or loss to others. The potential consequences of such mistakes can be financially devastating. The PCA does not allow payment of claims caused by such momentary lapses of attention or care.
- ***Hit-and-run incidents/minor collisions.*** Minor accidents may include bicycles, car doors, shopping carts, or stray balls hitting a parked car. A deer darting across a Fort Belvoir street or Highway 1 is not an unusual occurrence. Claims for damages arising out of such incidents and hit-and-run collisions may be paid only when the personal vehicle was being used under written orders for the convenience of the Government.

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- ***Normal hazards of day-to-day living and working.*** Acorns and branches dropping from the trees of Fort Belvoir are not unusual occurrences. Hail damage during severe thunderstorms is generally not considered an unusual occurrence. Water, snow, and ice, combine with heavy traffic to frequently form potholes on Fort Belvoir. Damage caused by potholes is not payable under the PCA. If you believe that a pothole poses a hazard to motorists, call the Fort Belvoir Directorate of Public Works to provide the location and description of the pothole to allow repair.
- ***Unusable airline tickets.*** A claim for the loss of a non-refundable airline ticket, because of the cancellation of leave or change of orders, is not payable. Trip cancellation insurance is generally available from tour operators or independent sources.
- ***Full replacement cost for used property.*** The PCA is intended to compensate claimants for only the actual value of property at the time of its loss. It is not intended to compensate claimants for new replacement cost when used property is destroyed or lost even during a PCS move. Military claims personnel are required to use the Depreciation Guide to adjudicate losses. This normally results in a payment that is lower than what it costs to replace the destroyed or missing item. Insurance companies offer policies that allow the policyholder to purchase insurance for the replacement value of destroyed or missing items. Members may purchase Option 2 insurance (Full Replacement Value) through transportation for moves within the United States. The implementation of Families First may also allow members to claim directly against the carrier for full replacement cost.

The limitations just mentioned do not list all restrictions of coverage under the PCA, but illustrate some of the most common occurrences. Because the PCA does not provide full insurance protection, soldiers and civilian employees should consider the purchase of adequate insurance to protect against personal liability as well as the risk of loss to quarters and their personal property.

If you have questions concerning reimbursement for personal property damage or loss, please contact your nearest military claims office.