

Service Members and DoD Civilians Are Eligible for Full Replacement Value (FRV)

Effective in fall 2007, DoD Customers (Service Members and Department of Defense Civilians) will be eligible for Full Replacement Value (FRV) protection on most DoD funded personal property shipments. *This change includes Coast Guard service members and civilian employees.* FRV coverage will apply 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
- 1 March 2008 for Local Move / Direct Procurement Method (DPM) shipments

Under the FRV program, the Transportation Service Provider (TSP)/Carrier is liable for the greater of \$5,000 per shipment or \$4.00 times the net weight of the shipment (in pounds), up to \$50,000.

Providing prompt notice of loss and damage will still be an essential part of the process. The Customer must submit the DD Form 1840 (listing all damage discovered AT delivery) or the DD Form 1840R (listing all damage discovered AFTER delivery) to the TSP within 75 days of delivery. The TSP has the right to inspect the damaged items once the notice forms are received.

There is no additional cost to the Customer for FRV coverage, but the Customer must file the claim directly with the TSP within nine months of delivery by using the DD Form 1842 to receive FRV. The TSP will settle the claim by repairing or paying to repair damaged items. The TSP will pay FRV cost on items that need replacing or have been lost or destroyed. When the claim is filed directly with the TSP, the TSP will be responsible for obtaining all repair and replacement costs.

If the TSP 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 Military Claims Office (MCO). If a Customer files a claim with the TSP after nine months, but before the two year time limit for filing the claim, the TSP is only liable for depreciated value of lost or damaged items.

If the TSP does not respond to the claim within 30 days, or makes an offer that the Customer does not accept, the Customer may transfer the claim to the MCO within nine months of delivery. If the Customer transfers the claim, the MCO will only be responsible for depreciated replacement cost on the claims. The MCO will then attempt to recover FRV from the TSP. If the MCO recovers FRV, the MCO will then pay the member the difference between the depreciated cost already paid and the FRV cost.

The Military Surface Deployment and Distribution Command (SDDC) has published a detailed set of guidelines that governs FRV coverage on its website. DoD Customers can find the website at www.sddc.army.mil click "Full Replacement Value Protection". Also, more FRV information can be found on the various "Military Claims Offices" web pages.