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**INSURANCE/PROTECTION OPTIONS FOR
MOVING & STORAGE CUSTOMERS - WASHINGTON STATE**

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Type of Protection	BILL OF LADING PROTECTION				INSURANCE
	\$.60 per lb.	\$1.25 per lb. (ACV)	ACV Valuation <i>Actual Cash</i>	RC Valuation <i>Replacement</i>	
Legal Liability	Legal Liability	Legal Liability	Legal Liability	Legal Liability	All Risk Trip Transit Insurance
Valuation	Limited	Limited - 1.25 x wt = value	Depreciated Value	Replacement Value	ACV/Replacement Value
Claim Trigger	Negligence/Direct Damage	Negligence/Direct Damage	Negligence/Direct Damage	Negligence/Direct Damage	Direct Damage
Customer Deductible	0	0	0	0	\$250+
Mover Deductible	\$500-\$2,500	\$500-\$2,500	\$500-\$2,500	\$500-\$2,500	0
Cost to Customer (Assuming 10,000 Lb. & \$30,000 ACV or \$50,000 RC)	0	\$93.75	\$225	\$425	\$165/\$275 + deductible
Total Loss Protection	\$6,000	\$12,500	\$30,000	\$50,000	\$30,000/\$50,000

BILL OF LADING PROTECTION				INSURANCE	
	\$.60 per lb.	\$1.25 per lb. (ACV)	ACV Valuation	RC Valuation	All Risk Trip Transit Insurance
Major Exclusions	Wear & Tear, Insects, Vermin, War, Civil Commotion, Acts of God, Breakage of China, Fragile Items; Atmosphere, Temperature Change	Same	Same	Same	Wear & Tear, Mold, Mildew, Temperature, dampness, Insects, Vermin, Latent Defect, Breakage of China, Fragile Items; Spoilage, War, Civil Commotion
Coinsurance Penalty *	None	None	None	None	Yes
% of Customer Choice	48%	2%	15%	20%	15%

* Penalty applied to claim payment to the consumer due to "under insurance"

Example: \$ 5,000 Insurance limit
 \$10,000 Total value shipped x \$2,000 claim = \$1,000 final claim payment

BOB MATSON

INSURANCE

ESTABLISHED 1953

A Generation of Commitment

Sprint Moving & Storage
6275 S. 143rd PL.
Tukwila, Wa 98168

James Alberton:

Per our conversation last week you wanted a recap of the insurance's you carry through our office.

GENERAL LIABILITY:

Scottsdale Insurance Company
Policy# CLS0546628
Limits: 1,000,000/2,000,000

This policy covers the insured when negligent acts and/or omissions result in bodily injury and/or property damage to a 3rd party on the premises of the business or in the general operation of the business.

CARGO

Underwriters at Lloyd's London
Policy# MM21670
Limits: 50,000

This policy covers lawful cargo in and/or on a truck in the insured's care, custody or control in the ordinary course of transit, including loading and unloading.

AUTO

Great Divide Insurance Company
Policy# CA012371
Limits: Liability 1,000,000
Medical Payments 5,000
Uninsured/Underinsured 1,00,000

This policy covers the insured vehicles and drivers when negligent acts and/or omissions result in bodily injury and/or property damage to a 3rd party.

Thank you,



Michele M Stonecipher
Account Administrator



*Kim
Mayflower*

INSURANCE versus VALUATION

It pays to know the difference!

Prepared By Mayflower Transit, Inc.

The Smiths were avid antique collectors, traveling from on estate auction to the next in search of rare finds. Over the years, the couple amassed an impressive collection of furniture and paintings. When faced with moving the antiques from New York to California, they began contacting moving companies.

A salesperson from the local Mayflower agency came to visit, and the Smiths discussed their concerns regarding the handling of their antiques. The salesperson explained the "replacement value insurance" the Smiths could purchase. He even included the charge for this "replacement value insurance" in his written estimate. Based on the salesperson's comments and the written estimate, the Smiths felt confident that Mayflower had them "covered." With their belongings adequately "insured," the Smiths proceeded with their Mayflower move.

What's wrong with this picture? Hopefully, you see that the salesperson repeatedly misused the term "insurance."

By using the term "insurance," the salesperson put his agency and Mayflower at risk. As a result, Mayflower could face legal costs, as well as exposure to damages, in defending a lawsuit based upon inaccurate statements made by the salesperson.

Mayflower provides customers with valuation options through its lawfully-filed tariff, interstate Bill of Lading, or contract of carriage agreements. Valuation protection is a tariff level of carrier liability, and referring to it as "insurance" is incorrect and misleading.

The concept of valuation is based upon transportation and carrier law. Historically, valuation was intended to enable the shipper to indicate the limit of liability a carrier was incurring and, in exchange, to allow the carrier to charge a higher rate when undertaking a greater limit of liability on a shipment. Therefore, a shipper could pay a lower transportation rate by not requiring the carrier to undertake as great a limit of liability for loss and damage.

To safeguard your agency and Mayflower, you should ensure that no written references to "insurance" exist in paperwork you present to customers. Further, avoid any references to "insurance" when speaking with customers about released value. However, before you can take these precautions, you need to

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understand the basic differences between "valuation" and "insurance" (see the box at right).

Originally, the released value for a shipment was established on a per pound basis. Today, the lowest level of protection for common carrier household goods shipments is \$.60 per pound per article. If a greater released value is declared by the customer, there is an additional charge above the basic transportation rate. Trip transit insurance, secured on a shipper's behalf from a third-party insurance company, is also not released value. Mayflower offers the following valuation options through its tariff:

Full Replacement Protection

"Plan A" has no deductible and protects the customer for the cost of repairs or the replacement cost of irreparably damaged items or items documented as missing from the shipment. Customers are protected from the first dollar of loss to a maximum settlement of the total released value.

"Plan B" is the same "Plan A" except that a \$300.00 deductible applies on damage claims.

Under either plan, Mayflower is liable for any repairs or the cost of repairs for transit-related damage to the extent necessary to restore an item to its original condition when received by Mayflower. The customer agrees that the declared or released value of the shipment shall be minimum value of \$3.50 per pound times the actual weight of the shipment or \$15,00. Whichever is greater.

"Declared Value Protection"

"Declared Value Protection" enables customers to declare a lump sum value on the shipment. Depreciation is considered by Mayflower when evaluating claims liability. The customer agrees that the declared or released value of the shipment will be the declared value or \$1.25 per pound times the weight of the shipment, whichever is greater.

"Carriers' Liability"

"Carriers' Liability," the most basic plan, provides a released value of \$.60 per pound per article at no additional charge to the customer. This type of valuation must be elected in writing by the customer on the Bill of Lading. Depreciation is also considered by Mayflower when determining settlement amounts.

Insurance was developed to spread the risk of loss. Typically, it involves a contract by which an insurance company agrees to indemnify its insured against loss from perils expressly stated in the insurance policy.

While a claim arising from interstate transportation is settled in accordance with federal regulations, the terms of a carrier's tariff and Bill of Lading, and the

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released value chosen by the customer, claims under insurance policies must often be settled in accordance with the provisions of the policy and the state's insurance laws.

For more information on the valuation options offered by Mayflower and the ways in which you can protect yourself and Mayflower, contact Mayflower's Customer Service department.

THE DIFFERENCE BETWEEN VALUATION AND INSURANCE

Valuation

- Has its basis in transportation law.
- Is a level of liability the carrier agrees to assume and, depending upon the level of protection requested by the customer, may result in higher transportation rates.
- No Co-valuation is applicable.
- Limits liability to the time in which the goods are in the care, custody and control of the carrier's actions or failure to act that are not excluded by the provisions of the Bill of Lading and tariff.
- Is regulated by the Department of Transportation (DOT).
- The methods of handling claims are specified in transportation rules and regulations, the carrier's Bill of Lading and tariffs. The shipper has nine months from the date of delivery to file a claim with the carrier, and two years from the date a claim was denied to file suit.

Insurance

- Was developed to spread the risk of loss.
- Is a contract in which the insurance company, for a premium, agrees to indemnify the shipper against loss from perils expressly stated in the policy.
- A co-insurance provision may be applicable.
- The insured is covered for listed perils and must show that a loss occurred and was listed peril.
- Is regulated by each state.
- There may be 50 different sets of regulations and laws which cover policy rates, claim procedures, statutes of limitations and policy limits.

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Wm C proposal

DECLARATION OF VALUE - LIABILITY LIMITATION

As used in this Tariff, the phrases "basic value", "declared value" and "value declared by the shipper" shall have the same meaning.

The carrier shall require shipper to state specifically in writing on the Bill of Lading the declared value of the shipment in cents per pound, or a lump sum value for the entire shipment, prior to the commencement of service.

The shipper shall have the following options for the declaration of value and the carrier's maximum liability shall be limited in accordance with the declared value:

(A) Basic Value Protection. Sixty (60) cents per pound per article for the actual weight of any lost or damaged article. The basic value must be entered on the Bill of Lading in the following form and must be completed by the person signing the Bill of Lading.

The shipment will move subject to the rules and conditions of the carrier's tariff. Shipper hereby releases the entire shipment to a value not exceeding:

(to be completed by the person signing below)

NOTICE: The shipper signing this contract must insert in the space above, in his own handwriting, either his declaration of the actual value of the shipment, or the words; "60 cents per pound per article", otherwise, the shipment will be deemed released to a maximum value equal to \$1.25 times the weight of the shipment in pounds.

(Shipper's Signature)

(Date)

(B) Depreciated Value Protection. \$2.00 times the actual weight (in pounds) of the shipment or the declared lump sum value of the shipment whichever is greater. When the shipper elects the Depreciated Value Protection option the following valuation charge shall apply:

For each \$100.00, or fraction thereof, of declared value at \$2.00 times the weight of the shipment in pounds or declared lump sum value, whichever is higher, the valuation charge shall be 70 cents per each \$100.00 of value.

NOTE: For shipments moving under hourly rates named in ITEMS 82 and 84, a lump sum value must be declared to comply with the provisions of this item.

Refer to last page for explanation of abbreviations and reference marks not explained on this page. _____

ISSUED: ? _____ EFFECTIVE: ? _____

Approved by WUTC, Olympia, Washington _____ Issued by WMC, Federal Way, Washington _____

(CONTINUED)

DECLARATION OF VALUE - LIABILITY LIMITATION

(C) Replacement Cost Protection. \$3.50 times the actual weight (in pounds) of the shipment or a value of \$10,000 or greater. When the shipper elects the Replacement Cost Protection option the following valuation charge shall apply:

For each \$100.00, or fraction thereof, of declared value at \$3.50 times the weight of the shipment in pounds or declared lump sum value, whichever is higher, the valuation charge shall be 85 cents per each \$100.00 of value.

NOTE: For shipments moving under hourly rates named in ITEMS 82 and 84, a lump sum value must be declared to comply with the provisions of this item.

(1) When Replacement Cost Protection is ordered in writing by the shipper, carrier will either replace the articles lost or damaged (while in carrier's custody), reimburse the shipper for full replacement cost or arrange satisfactory repairs.

(2) When Replacement Cost Protection is ordered, this item applies in addition to other items in this tariff. Where the provisions of this item conflict with other items in this tariff, provisions of this item will apply.

(3) Depreciation factor on claims for lost or damaged items will not apply when Replacement Cost protection is provided by the carrier.

(4) Replacement is defined as providing as good as, or equal in value to the lost or damaged item(s).

(5) Replacement Cost Protection will not apply to antiques, fine arts, paintings, statutory and similar articles, which by their inherent nature cannot be replaced with new articles. Also not applying are articles whose age or history contribute substantially to their value including but not limited to memorabilia, souvenirs and collectors items. Basis for valuations for these articles shall revert to a depreciated or fair market value basis.

(6) Items of the type listed in paragraph (C) (5), above, must be identified separately on an inventory to accompany the Bill of Lading.

If a shipper refuses to agree to a declared valuation in writing, the shipment may be refused.

If a shipper fails to state a declared value in writing, as required, and the shipment is accepted by the carrier, the shipment will be deemed released to an amount equal to \$2.00 times the actual weight of the shipment (in pounds). For shipments moving under hourly rates named in ITEMS 82 and 84, the released value of the shipment will be estimated calculating the weight of the shipment as 7 pounds per cubic foot of space utilized and then applying the \$2.00 times the estimated weight of the shipment. The minimum valuation declared must be \$5,000. The valuation charge named in Note (B), "Depreciated Value Protection", shall apply.

Refer to last page for explanation of abbreviations and reference marks not explained on this page.

ISSUED: ? EFFECTIVE: ?

Approved by WUTC, Olympia, Washington Issued by WMC, Federal Way, Washington

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DECLARATION OF VALUE - LIABILITY LIMITATION

The declared value and the carrier's maximum liability (whether or not loss or damage occurred from carrier negligence), as determined under this rule, shall apply to any claim resulting from the performance or failure to perform by the carrier of any service, including accessorial services, which the carrier has contracted to perform excluding damaged articles packed or unpacked by the owner (PBO).

On shipments which also involve storage-in-transit, the following valuation charge in addition to the charges named above shall apply:

For each storage period of 30 days or fraction thereof, a valuation rate of 15 cents per \$100 of valuation shall be assessed. For Replacement Cost Protection while in storage, a valuation rate of 20 cents per \$100 of valuation shall be assessed.

For shipments with a declared value of the Depreciation Value Protection Option, the value of items lost or damaged will be subject to depreciation.

Subject to the declared valuation, the carrier may elect to replace lost or damaged articles, reimburse the shipper for the loss, or make satisfactory repairs. If the carrier replaces or reimburses the shipper, the damaged articles become the property of the carrier.

In the event of loss or damage to a matched pair or set of items, the carrier's maximum liability will be limited to compensation for (as defined in Note C) the damaged or lost individual item only.

For shipments with a declared value of other than the Replacement Cost Protection Option, declared lump sum value means depreciated value of the maximum liability of the carrier for the total body of goods transported. For the Replacement Cost Protection, declared lump sum value means the value of the maximum liability of the carrier for the total body of goods transported.

ITEM 18

(RESERVED FOR FUTURE USE)

ITEM 20

DELAYS FOR CARRIERS' CONVENIENCE

Shipments weighing less than 5,000 pounds, and charged for at less than 5,000 pounds, may be delayed for availability of equipment or for consolidation with other shipments for a maximum period to be agreed upon between the shipper and the carrier. Such period, including time in transit, in no event will exceed 40 days. Shipper shall sign a statement on the bill of lading or shipping receipt substantially noted as follows:

Refer to last page for explanation of abbreviations and reference marks not explained on this page.

ISSUED: ?

EFFECTIVE: ?

Approved by WUTC, Olympia, Washington

Issued by WMC, Federal Way, Washington

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Used to be WAC 480-12-445

New section

WAC 480-15-xxx What information must I provide to each shipper?

You must provide each shipper a copy of the Commission's brochure "Your Rights and Responsibilities as a Moving Company Customer."

- (1) at the time you issue a written estimate;
- (2) at the time you issue a firm bid, or
- (3) prior to loading a shipment, if issue neither a written estimate of firm bid.

The brochure is available from the Commission and contains at least the information shown below. The Commission may choose to add information, to present it in a different format than shown below, or present the information in different formats for various media (printed materials, on-line materials, fact sheets, brochures, etc.).

GENERAL INFORMATION FOR SHIPPERS
OF HOUSEHOLD GOODS BY MOTOR CARRIERS
IN INTRASTATE COMMERCE

Important information: As a shipper of household goods, in Washington intrastate commerce, the Commission requires your carrier provide you with the following important information. Please take the time necessary to read it thoroughly before you. We will refer throughout the information to "carriers." For this informational document that term is understood to be the same as the term "mover" or "movers."

Name, address and phone number of the shipper: Some carriers perform the transportation themselves. Others act as agents for the carriers which do the actual hauling. In some instances, the transportation is arranged by brokers. You should be sure to obtain the complete and correct name, home address, and telephone number of the carrier which is to transport your shipment, and keep that carrier informed as to how and where you may be reached at all times until the shipment is delivered.

Before completing arrangements for the shipment of your household goods, you should carefully consider the following information:

Estimates. If you request it, movers will provide estimates of moving costs. Estimates must be written -- oral or telephone estimates are not permitted.

The accuracy of the estimate depends upon cooperation between the owner and the mover. It is your responsibility as the shipper to:

- (1) show the mover everything you want on the truck;

- (2) discuss all services you want performed;
- (3) completely and accurately describe conditions the mover will encounter at your destination location (stairs, narrow roads, etc.).

The carrier must provide you an additional (supplemental) estimate if there are additional items and services to be performed which were not covered by the original estimate, (i.e., services and items you may have intended to take care of yourself). Any services not included on the original estimate of charges must be listed on a supplement estimate and acknowledged in writing by the shipper prior to the performance of the additional services. Estimates are not binding on the mover. You are legally obligated to pay the transportation and other charges computed in accordance with the tariff published by the Washington utilities and transportation commission. However, if the charges exceed the original, and supplementary estimate, if any, the mover must at your request, deliver the shipment to you upon payment of not more than one hundred ten percent of the estimate. The balance of the charges shall be deferred for not more than thirty days following delivery of the shipment.

Tariffs. The tariff is published by the Washington utilities and transportation commission. It contains rates, rules, and charges governing the transportation of household goods. The tariff applies to all movers and all Washington movers have the same rates. The tariff is available for public inspection at the mover's office. Among the rules and regulations are special provisions for shipments picked up or delivered at more than one place; packing and marking, furnishing of boxes, carrying goods up and down steps.

Preparing articles for shipment. Some articles may require special servicing, including disconnection, to prepare them for being moved. These articles are usually large appliances, stereo sets, etc. If the carrier prepares these articles there will be an extra charge. If you wish to avoid extra per-hour charges, you should consider taking down drapes, blinds, window cornices, mirrors and any other articles attached to the walls. Carriers are not responsible for articles of extraordinary value. You should never pack the following items with your other belongings:

- jewelry;
- money;
- money;
- valuable papers;
- coins;
- valuable collections
- inflammables
- dangerous articles

COVERAGE BY THE MOVER IN CASE OF LOSS OR DAMAGE.

The dollar amount of responsibility your mover has for loss or damage to your household articles is up to you.

You should choose the dollar amount.

What the mover is or is not responsible for is printed on the back of the mover's standard moving contract (bill-of-lading).

Get a sample contract and read it before you move.

Your choices of coverage are:

Option 1. Replacement cost coverage.

- Under this option, no depreciation is applied to arrive at the amount you are paid for loss or damage.
- This coverage costs the most.

Option 2. Standard full value protection.

- Under this option, depreciation will be applied in arriving at the amount you are paid for loss or damage.
- This coverage costs less than replacement cost.

Option 3. Partial coverage/one dollar and twenty-five cents per pound.

- This is an arbitrary valuation.
- The actual weight of all you move will be multiplied by one dollar and twenty-five cents per pound, and the result used as the value of all your goods.
- One dollar and twenty-five cents per pound is a fraction of the value of the contents of the average home. Values much higher than one dollar and twenty-five cents per pound are common.
- You may not receive full payment for a major or total loss.
- This coverage costs less than full value protection.

Option 4. Almost no coverage/sixty cents per pound per item.

- This coverage can be totally inadequate in case of a major or total loss (as in the case of the moving truck being involved in an accident).
- For loss or damage you will be paid up to sixty cents per pound times the weight of any lost or damaged article. For a crushed five pound lamp shade you would be paid three dollars (five lbs. times sixty cents).
- There is no additional cost for this choice.

Customers moving from city to city/long distance (over 35 miles):

- All four options are available.
- If you make no choice between the options, the carrier will choose option number 3 (one dollar and twenty-five cents per pound) for you.

Customers moving within a local area (under 35 miles):

- You may choose between options 1, 2 and 4. Option 3 (one dollar and twenty-five cents

- per pound) is not available on local moves.
- If you make no choice, the mover will choose number 4 (sixty cents per lb.) for you.

Weights. For distance rated moving the transportation charge you will be assessed depends on the shipment's weight. While extra services (accessorial) and packing are important elements of the total, this paragraph deals with shipment weight. Ordinarily the carrier will weigh the vehicle before loading your goods as well as after loading. This determines the net weight of your shipment. If you request, the mover will notify you of the weight and the charges as soon as the weight is established. A mover will reweigh the shipment before delivery, if you request, providing reweighing practical. Reweighs cost extra, but only when the difference between the two net scale weights does not exceed certain parameters (one hundred pounds when the shipment is five thousand pounds or less, two percent of the lower net scale weight on shipments weighing over five thousand pounds).

Expedited service. Carriers do not have to make delivery at any definite time. However, at your request, a shipment will be delivered on or before the date specified. Such shipments may be subject to an extra charge.

Small shipments. The minimum weight for shipments in distance moves is five hundred pounds. If your shipment weighs in this area, you should consider using other means of transportation even if you have to pay for crating and packing. Movers frequently find it difficult to deliver small shipments in a reasonable time.

Temporary storage. You may request your goods be placed in temporary storage for a period not to exceed 180 days. You will be assessed additional charges for this service. If you do not remove the shipment from temporary storage within 180 days the shipment will revert to permanent storage and the carrier ceases to have liability as a carrier. His liability becomes that of a warehouseman and the Washington utilities and transportation commission has no further jurisdiction over the shipment.

Bill of lading contract. The bill of lading is the contract between you and the mover. Before your shipment leaves the point of origin you should obtain a copy of this document. You should sign the bill of lading before transportation begins and sign it as a receipt upon delivery of the goods at destination.

Payment of charges - freight bill. Carriers do not ordinarily deliver or relinquish possession of property until all tariff rates and charges have been paid in cash, certified check, or traveler's check. Some movers accept bank cards. Shippers should be prepared to make payment for the move when the shipment is delivered.

Bill of lading on distance shipments. When you make payment for distance shipments (more than 35 miles) your receipt for the charges should show:

- the gross and tare weights of the vehicle,
- the net weight of your shipment,
- the mileage,
- the rate per one hundred pounds for the transportation,
- the cost for additional protection and any other services performed.

Bill of lading on time-rated shipments. On time-rated shipments (35 miles or less) the

receipt should show:

- the time the vehicle left the mover's place of business and the time of return,
- the rate per hour and
- rates or charges for any accessorial services.

Loss and damage. In the event of loss or damage to your shipment ask the driver to acknowledge the facts on the freight bill. If the driver refuses, you should have a disinterested party inspect the damage in the driver's presence and report same in writing to the mover's home office.

Loss or damage claims. All claims for loss or damage must be filed with the carrier in writing. Ask the carrier for a claim form.

Claims should be filed within nine months from date of delivery preferably as soon as possible while memories are fresh. The Washington utilities and transportation commission cannot resolve or settle claims for loss and damage. If the carrier will not voluntarily settle a claim to the customer's satisfaction, the only recourse is the filing of a suit in a court of law.