

MILITARY MOVES AND THE FULL REPLACEMENT VALUE SYSTEM

If you have not moved in the past few years, you may not be aware that there is a new system in place for filing claims. Claims may now be filed under the Full Replacement Value (FRV) system, which was implemented in late 2007. The FRV system allows claimants to file claims directly against the Transportation Service Provider (TSP), rather than through the installation claims office.

Under the FRV system the TSP is required to replace any item that is lost or destroyed with a new item, or pay the replacement cost of a new item of the same kind and quality, without deducting for depreciation. Understand though, that the TSP is not required to replace items which can be repaired for less than the full replacement cost. If the item can be economically repaired, the TSP is only required to arrange for or pay for the repair. Repair will be to the extent necessary to restore the item to its condition when it was received by the TSP. That is, you should not expect to get a brand new item or an item repaired to a better condition than it was before the move. Full replacement value is an appropriate measure of loss only when the item cannot be repaired or when the cost of repair exceeds the cost of a new item.

To have your claim paid under the FRV system, you must comply with several requirements. First, you must put the TSP on notice of lost or damaged items within 75 days of the date of delivery. At the time of delivery, the TSP must list all missing or damaged items on a DD Form 1840, which you also sign. Later on, if you discover that there are other missing or damaged items, you must write these down on a DD Form 1840R and turn it in to the TSP within 75 days of the date of delivery. You may also take the DD Form 1840/1840R to the nearest military claims office within 70 days of the date of delivery. That office will dispatch it to the TSP for you. This is often the best way of handling the claim because your claims office is familiar with the process and can answer your questions.

Please be aware that turning in the DD 1840 / 1840R does not constitute filing a claim. To file a claim, you must submit a written demand for a specific amount to the TSP within 9 months after the delivery date. The claim must list each item that was lost or damaged and give a general description of the damage. Send the claim by certified mail and be sure to keep a copy. Do not obtain or include estimates of repair unless specifically instructed to do so by the TSP. Do not delay filing your claim past the nine month deadline. If your claim has been timely filed, additional information may be presented at a later time.

If you file under FRV and are not satisfied by the settlement offer, you may transfer your claim to the claims office. You may not transfer your claim until the TSP has made a final offer, or more than 30 days have elapsed since you filed your claim. Once transferred, the installation claims office will adjudicate your claim on the basis of depreciated value or repair cost. Your claim will then be forwarded to the United States Army Claims Service, which will try to recover the full replacement value from the TSP. If money is recovered from the TSP, it will be sent to you.

This article is not intended to provide a full explanation of the FRV system. If you have questions, please contact the Fort Carson Claims Office at 526-1355.