



ON THE MOVE STATESIDE

By Ryan Squirrell, account executive at Reason Global

With more than seven million Americans moving interstate each year, the removals industry is big business. To help safeguard consumers in cases of loss or damage, changes to regulations were introduced a year ago by the Surface Transportation Board, which requires companies to offer the option of two levels of protection for goods while in their care.

Movers must give customers the option of either full value protection or released value. Under the former, firms are liable for the replacement of lost or damaged goods at the value stated by the customer. Released value – the most economical option – provides minimal protection. It bases compensation on the weight of the item, not its actual value. It means a firm is liable for no more than 60 cents per lb weight, per item.

Before the changes, the option of full value protection was not always made clear to the customer. This often led to people making claims for loss or damage, only to discover that they did not have the necessary level of cover. Now, companies are required to include a quote for full value protection on the customer’s estimate, in a minimum 12-point typesize.

If someone opts for full value protection, but does not provide a valuation of goods, then liability is limited to a maximum of US\$6 per lb weight or US\$6,000, whichever is greater. In case of a claim, if there is no weight certificate and the customer did not declare the value or sign for an option, the mover is responsible for the full shipment value, without limitation.

It is worth remembering that this is not insurance. Firms can only offer ‘protection’ to their customers. Movers need to insure their agreed responsibilities with a company which can settle any claim directly.

Customers can choose the level of deductible (excess) they wish to take and insurers usually give a number of options from \$250 upwards. Moving companies are permitted to self-insure, or, to insure with a high self-insured deductible if they wish,



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therefore taking all or a proportion of the risk themselves.

Specialist insurers can provide cover to firms, either on a ‘move-by-move’ or ‘blanket’ basis. Some offer online solutions to ease administration and reporting burdens.

The changes to regulations have meant that more people than previously are now taking the full value protection option, as they are now receiving greater transparency from companies when it comes to levels of cover.

This can only help to minimise disputes between interstate movers and their customers over settlement of losses and damages. It can also add some healthy additional income for firms.

Source: US Census Bureau