

Claims Report

United States Army Claims Service

Ms. R. Kathie Zink
Claims Management Analyst
U.S. Army Claims Service

Lieutenant Colonel R. Peter Masterton
Executive Officer
U.S. Army Claims Service

Managing Personnel Claims

Introduction

Claims has the greatest impact on soldier morale of all that SJA offices do. It can make it or it can break it.¹

Among soldiers, family members, and civilians, the reputation of a legal office is largely based on the services its claims office provides. No other part of a legal office has contact with such a broad range of soldiers and civilians as the claims office. Newly arrived soldiers, family members, and civilian employees invariably contact the claims office if they need to obtain information on filing a claim for damage to household goods. For most of these personnel, this is the first contact they have with the legal office; the impressions they form will last a long time. In addition to claims for household goods during moves, the claims office is at the forefront of disaster relief efforts after a flood, hurricane, or other disaster. Therefore, it is critical for the claims office to provide the best service possible.

The vast majority of claims processed by most military legal offices are "personnel claims." Soldiers and civilian personnel file these claims for loss and damage of personal property sustained incident to service, such as damage to household goods during a permanent change of station move.² Properly managing these claims helps to ensure that the claims office and the legal office have an outstanding reputation.

This article will assist staff judge advocates, claims officers, senior claims adjudicators, and other claims office managers, to manage personnel claims.³ The recommendations contained in this article are an accumulation of ideas and practices that have improved the effectiveness of claims offices throughout the world.

Standard Operating Procedures

Develop standard operating procedures (SOPs) that clearly describe the tasks involved in each step of the claims process. The SOP should be as detailed as a cookbook, telling claims personnel what tasks to perform and in what order. The SOP must be tailored to your office; a generic SOP or one obtained from another office is not sufficient. Copies of SOPs, which can be tailored for your office, are available in the materials distributed at the U.S. Army Claims Service Annual Claims Training Conference.⁴

An SOP is not very useful if it simply sits on a shelf. Each person should have his own copy of the portion of the SOP that pertains to his own duties. Make each person responsible for updating the SOP if it does not accurately reflect proper office procedures. These make excellent tools for training new personnel and establishing uniform office practices.

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1. Major General Walter B. Huffman, The Judge Advocate General, U.S. Army, Keynote Address to U.S. Army Claims Training Conference (Oct. 1997).
 2. The Personnel Claims Act permits government agencies to settle claims made by members of the uniformed services and agency employees for damage to or loss of personal property incident to service. 31 U.S.C. § 3721 (1994). See DEP'T OF ARMY, REG. 27-20, LEGAL SERVICES, CLAIMS ch. 11 (31 Dec. 1997) [hereinafter AR 27-20]; DEP'T OF ARMY, PAM. 27-162, LEGAL SERVICES, CLAIMS PROCEDURES, ch. 11 (1 Apr. 1998) [hereinafter DA PAM. 27-162].
 3. Other important aspects of claims office management include management of tort claims, affirmative claims, and claims under UCMJ art. 139 (1998). These topics are beyond the scope of this article.
 4. U.S. ARMY CLAIMS SERVICE, WORLDWIDE CLAIMS TRAINING COURSE, PERSONNEL CLAIMS MATERIALS, TAB 4: CLAIMS OFFICE MANAGEMENT (Nov. 1998). For a copy of these materials, contact the Administrative Branch, U.S. Army Claims Service, Building 4411 Llewellyn Avenue, Fort George G. Meade, Maryland 20755, telephone (301) 677-7009, extension 206.

Claims Policies and Guidance

Keep abreast of current claims guidance and policy. Read and distribute claims articles and notes published in *The Army Lawyer*.⁵ Check the Claims Forum on the Legal Automation Army-Wide System Bulletin Board Service (LAAWS BBS) and Judge Advocate General's Corps Lotus Notes network.⁶ Ensure that everyone in your office has a copy of the current Army claims regulation and claims pamphlet,⁷ access to *The Army Lawyer*, and other claims information.

Do not rely on memory, either yours or that of your more experienced personnel. Policies change and memory does not always keep pace. If you are not sure, look it up!

Instructions to Claimants

Develop clear, user-friendly instructions for local claimants to follow when reporting damage and filing claims.⁸ These instructions should explain, in bold lettering, that the claimant is required to notify the claims office of loss and damage within seventy days of delivery.⁹ This is typically done by turning in a pink DD Form 1840R, Notice of Loss or Damage.¹⁰ The instructions must also explain in clear, unambiguous language, that this notice is not equivalent to filing a claim and that an actual claim must be filed within two years of delivery (not two years of turning in the DD Form 1840R).¹¹ Appendix A contains an example of a suggested opening paragraph for claimant instructions.

The instructions should include a list of local repair firms.¹² Keep this list up to date by checking with local repair firms and claimants who have used them. Your instructions should also explain in detail the need for estimates and the criteria for a proper estimate.¹³ Provide examples of repair and replacement estimates, or blank forms for claimants to show repairmen. This is especially critical for electronic items and computers.

Develop a separate set of instructions for claimants who are not local and will likely have no personal contact with the claims office. These instructions should be even clearer and more detailed than the instructions provided for local claimants.

DD Form 1840R

Unlike most civilian moves where loss and damage must be reported at delivery, military claimants have up to seventy-five days to notify the carrier of loss and damage. Claimants document loss and damage noticed at delivery on the DD Form 1840, Joint Statement of Loss or Damage at Delivery.¹⁴ Claimants may annotate additional loss and damage later on the reverse side of the form, which is the DD Form 1840R, Notice of Loss or Damage.¹⁵ They must turn this form in to the local military claims office within seventy days of delivery.¹⁶ Your office has an additional five days to dispatch the form to the carrier.¹⁷ If the claimant turns the DD Form 1840R in late, your office may be unable to recover from the carrier¹⁸ and may not be able to pay the claimant for items the carrier was not notified of within seventy-five days.¹⁹ Consequently, *it is critical to*

5. See, e.g., Lieutenant Colonel Kennerly, *Personnel Claims Notes, Claims Information and the Installation Transportation Office Outbound Shipping Counselor*, ARMY LAW., Mar. 1995, at 56.

6. The LAAWS BBS is not "Y2K compliant" (i.e. it does not properly process dates after the year 1999). It is scheduled to be replaced by the Judge Advocate General's (JAG) Corps Lotus Notes network by the end of 1999. There is currently a claims forum on both the LAAWS BBS and the JAG Corps Lotus Notes network. JAG Corps personnel can access the LAAWS BBS and JAG Corps Lotus Notes network through the JAG Corps Internet web page at <www.jagcnet.army.mil>.

7. AR 27-20, *supra* note 2; DA PAM. 27-162, *supra* note 2.

8. See AR 27-20, *supra* note 2, para. 11-21b(2); DA PAM. 27-162, *supra* note 2, para. 11-21f(3).

9. See AR 27-20, *supra* note 2, para. 11-21a(3); DA PAM. 27-162, *supra* note 2, para. 11-21g.

10. DA PAM. 27-162, *supra* note 2, fig. 11-8B.

11. See DA PAM. 27-162, *supra* note 2, para. 11-7a(1).

12. Every field claims office should maintain a current list of local firms that repair various types of property at a reasonable cost, which can be provided to claimants. At a minimum, claims offices should maintain lists of firms that will repair furniture and vehicles, preferably with at least three names on each list. Advise claimants that a firm's inclusion on the list is not an endorsement of the firm or a guarantee of quality. DA PAM. 27-162, *supra* note 2, para. 11-21f(4).

13. An estimate of repair should: (1) be legible; (2) be from a company willing to stand behind the estimate and complete repairs indicated; (3) differentiate between shipment damage and normal wear and tear or preexisting damage; (4) include the date made, identify the item being evaluated, and fully identify the individual and firm preparing the estimate; (5) state whether the cost of the estimate will be deducted from the work to be performed or if this is a separate charge; (6) be prepared by a firm with expertise in repairing the items damaged; and (7) include drayage fees, when appropriate. DA PAM. 27-162, *supra* note 2, para. 11-14e.

14. DA PAM. 27-162, *supra* note 2, fig. 11-8A.

15. DA PAM. 27-162, *supra* note 2, fig. 11-8B.

16. DA PAM. 27-162, *supra* note 2, para. 11-21g(2).

inform potential claimants of the requirement to turn in the DD Form 1840R in a timely manner.

When a claimant turns in the DD Form 1840R, review the form carefully to ensure that it was properly completed.²⁰ Advise the claimant of the importance of the seventy-day reporting requirement and ask if all loss and damage is listed on the form. Ask to see the claimant's inventory to make sure that he has not given you the wrong form. A claimant who has received two shipments may accidentally list damage to a household goods shipment on the DD Form 1840R for a hold-baggage shipment. If you do not catch this mistake, you will not be able to recover against the household goods carrier, since you never provided the carrier notice of loss.

When you review the DD Form 1840R, take the opportunity to explain the two-year deadline for filing a claim. *Be sure to emphasize that the two years begins on the date of delivery, not the date the DD Form 1840R was turned in to the claims office.*²¹

You must always dispatch the DD Form 1840R immediately, even if you receive it after the seventieth day. As long as you dispatch the form before the seventy-fifth day, you should be able to recover from the carrier responsible for the loss and damage.²² Even if you dispatch it after the seventy-fifth day, you may still be able to recover if the claimant has a legitimate excuse for the delay in turning in the form, such as temporary duty or hospitalization.²³ In addition, if any lost items are listed, the form will alert the carrier to initiate tracer action to attempt to find them.²⁴

Give the claimant a copy of the DD Form 1840R before he leaves. Keep a copy of the form in your files.²⁵ Your file copy

will come in handy if the claimant loses the form or disputes what was written on the form when it was dispatched.

Adjudication

Claims adjudication is one of the most critical parts of a claim's office's mission. Ensure that your adjudicators provide professional, prompt, and courteous service. Processing time should not be your main concern, however. Above all, ensure that claims personnel are adjudicating claims properly.

Small claims should be processed differently from other claims. Small claims are those that can be settled for less than \$1000 or do not need extensive investigation (even though more than \$1000 may be claimed). Identify these claims during the initial screening of claimants so that these claims can be processed as quickly as possible. "First in-first out" processing of all claims, large and small, is contrary to Army claims policy.²⁶

Formal adjudication techniques should be set aside for small claims. An experienced adjudicator should process these claims on the spot with the claimant present. This permits the adjudicator to ask the claimant questions and explain the adjudication. To arrive at settlement, relax evidentiary requirements, emphasizing personal inspection of damaged items, catalogs, and telephone calls. The adjudicator should make full use of loss of value and agreed cost of repairs for minor furniture damage. The small claims procedure is not a give-away program, but a means for claims personnel to concentrate their efforts on those claims that need investigation, regardless of amount, and still accomplish the overall mission of processing claims promptly and fairly.²⁷

17. *Id.*

18. DA PAM. 27-162, *supra* note 2, para. 11-26b(2). This 75-day rule was negotiated with the carrier industry and is contained in the Joint Military-Industry Memorandum of Understanding on Loss and Damage Rules, effective Jan. 1, 1992, reproduced in DA PAM. 27-162, *supra* note 2, fig. 11-5.

19. AR 27-20 *supra* note 2, para. 11-21a(2); DA PAM. 27-162, *supra* note 2, para. 11-21g. The 75-day time limit will be met as long as the DD Form 1840R is dispatched (*i.e.* mailed or faxed) to the carrier within 75 days of delivery. Field claims personnel type the dispatch date in block 3b of the form. Field claims personnel must ensure that the form is properly mailed or faxed on the date listed on the form. *See id.* para. 11-21g(3)(b).

20. DA PAM. 27-162, *supra* note 2, para. 11-21g(6).

21. DA PAM. 27-162, *supra* note 2, para. 11-7b(2).

22. Joint Military-Industry Memorandum of Understanding on Loss and Damage Rules, effective Jan. 1, 1992, reproduced in DA PAM. 27-162, *supra* note 2, fig. 11-5.

23. Joint Military-Industry Memorandum of Understanding on Loss and Damage Rules, effective Jan. 1, 1992, reproduced in DA PAM. 27-162, *supra* note 2, fig. 11-5. The memorandum includes exception for "good cause" such as "officially recognized absence or hospitalization of the service member during all or a portion of" the 75-day notice period. *Id.* The Army has interpreted this to mean absence on official duty or hospitalization that either overlaps the end of the notice period or exceeds 45 days. *Id.* para. 11-21g(2).

24. *See* Mr. Lickliter, *Dispatch of DD Form 1840R After the Seventy-Five Day Limit*, ARMY LAW., Sept. 1998, at 57.

25. A signed and dated copy of each dispatched DD Form 1840R must be filed alphabetically by claimant's name for each fiscal year. These files may be subdivided by month. When a claim is submitted, the form will be incorporated into the claim. Forms for which no claim is submitted must be maintained for two years after dispatch. DA PAM. 27-162, *supra* note 2, para. 11-21g(7).

26. *Id.* para. 11-10b.

Files

Set up and oversee a simple, user-friendly system for storing and moving claim files through the office. It should not be labor intensive to manage. All claims should be placed inside filing cabinets in their respective categories at the end of each workday. Having files laying around your claims office is likely to result in lost claims and major problems for your office.

File all personnel claims together in one area. Within these files, create separate sections based on the stage of processing. Create one section for claims pending adjudication. Subdivide this section into small claims (this should be a fast-moving category) and large claims.²⁸ Create another section for claims awaiting documentation. These are claims that the adjudicator cannot process due to lack of essential evidence. Tell the claimant what is needed, and give him a deadline for providing it. Create a third section for settled claims awaiting the comeback copy of the payment voucher.

The final section should be for recoveries. Subdivide this further into those claims that will be forwarded for centralized recovery²⁹ and claims where recovery will be settled locally.³⁰ Carrier recovery files should be filed by the month their suspense expires. Check these files on a regular basis to ensure timely dispatch.

Office Hours

Establish office hours and procedures that allow claims adjudicators to be available to as many claimants as possible, but also allow them to complete their adjudications without constant interruptions. Consider local mission requirements when establishing your office hours to ensure that claimants can come to see you when it is most convenient for them. Consider whether it is appropriate to establish special periods for claims processing on weekends or during the command's "family time."

To make claims adjudicators more accessible you should have them see claimants both by appointment and on a walk-in basis. The appointments are convenient for most claimants,

who are able to schedule their time in advance. Allowing twenty to thirty minutes for each appointment will permit claims adjudicators to settle many small claims on the spot while the claimant is present. The same twenty to thirty minutes is sufficient to ensure that large claims are sufficiently documented. The walk-in periods are best for soldiers who need to drop off their DD Form 1840R or file their claim immediately. Seeing claimants only on a walk-in basis is counterproductive. Soldiers waste valuable training time waiting, and claims personnel are unable to adequately schedule their time.

All claims offices should be closed to claimants during a portion of the week (about eight hours is best) to permit adjudicators to tackle difficult claims without interruption. It is counterproductive to be accessible to claimants at all times, because adjudicators will have no time to settle the claims they receive, conduct needed inspections, coordinate visits to the transportation and finance offices, or to conduct claims briefings. When the office is closed to claimants, make exceptions for soldiers who need to turn in DD Forms 1840R before the seventy-day notice period expires, soldiers who need to file a claim before the two-year statute of limitations runs, and true emergencies.

Publicity

Regularly publish articles informing the community of claims policies and procedures.³¹ The claim's system is not an insurance system; articles are an excellent means of explaining the importance of protecting oneself from unnecessary financial loss. Use notes from *The Army Lawyer*³² and claims prevention information to brief local commanders and to publish in the local media. Appendix B contains an example of an article informing the public of claims issues related to household goods shipments.

Include a booklet that briefly explains claims procedures in the installations welcome packet, which is provided to incoming personnel. Ensure that the booklet stresses the importance of notifying your office of loss and damage within seventy days of household goods delivery as well as the importance of filing claims within two years of delivery.

27. *Id.*

28. Small claims are those that can be settled for \$1000 or less and those that do not need extensive investigation, even though more than \$1000 may be involved. See *supra* note 26 and accompanying text.

29. Generally, recovery actions that exceed \$500 are forwarded to the U.S. Army Claims Service for centralized recovery. See DA PAM. 27-162, *supra* note 2, para. 11-32 (detailing recovery procedures). Centralized recovery files should be organized as described in DA PAM. 27-162, *supra* note 2, fig. 11-35.

30. The procedure for filing claims was described in the previous version of the claims pamphlet. See DEP'T OF ARMY, PAM. 27-162, LEGAL SERVICES, CLAIMS, para. 11-12 (15 Dec. 1989).

31. DA PAM. 27-162, *supra* note 2, para. 11-21d.

32. See, e.g., Mr. Lickliter & Lieutenant Colonel Masterton, *Vehicle Theft and Vandalism Off-Post*, ARMY LAW., Feb. 1999, at 50; Lieutenant Colonel Masterton, *Use of Privately Owned Vehicles (POVs) for the "Convenience of the Government,"* ARMY LAW., Feb. 1999, at 50.

Briefings

Inquire about newcomer briefings and get on the schedule to brief incoming personnel on claims issues. When units are deploying, make sure you brief them on claims issues before they deploy. Brief commanders of deploying units as well, to ensure that they do not give out guidance that conflicts with Army claims policy. This is particularly important when a command establishes limitations on the types of personal property that soldiers may take into an operational area.

Brief deploying and incoming personnel in groups. Group briefings are better than individual briefings because they are more complete. When briefing large numbers of people individually, you may be tempted to give more cursory briefings and miss important information.

Alternatively, videotape one of your claims experts carefully explaining the forms and instructions to an imaginary claimant. This way you can review the briefing to ensure it is complete and there will be no question about what the claimant is told. Such a video can be especially helpful during busy times, when your personnel would not otherwise be able to conduct briefings. If your installation has a local cable channel, run the video as a public service. This does not take the place of personalized service, but is an effective way of supplementing your services.

Transportation Counseling

Involve the claims office in the transportation office briefings for departing personnel.³³ Encourage transportation counselors to provide claimants with tips, such as taking photographs and videotapes of property before shipment, especially large collections of valuable items, such as compact disks. Soldiers should be told to photograph not only the compact disk jewel covers, but also the disks themselves, to show what is inside the covers. Counselors should advise soldiers to keep receipts and ship them separately from the household goods. Counselors should also explain the importance of the inventory and tell soldiers how to annotate it to object to the carriers' preexisting damage notations. Finally, the counselors

should explain the need to annotate fully the DD Form 1840 at delivery and to turn in the DD Form 1840R within seventy days of delivery.

Provide transportation counselors with the counseling checklist published in the claims pamphlet.³⁴ This checklist contains much of the advice mentioned above and can be reproduced and handed out to claimants. The counselors should also give claimants the pamphlet *It's Your Move*,³⁵ which describes many claims aspects of a household goods move. However, simply handing the soldier a few pieces of paper is not enough; ensure that the counselors are also providing soldiers good advice on safeguarding property and documenting damage.

Automation

Familiarize yourself with the Personnel Claims Management Program. This program assists the U.S. Army Claims Service to track claims and provide statistics to develop its budget.³⁶ The program allows managers to manage claims within their offices. It offers many features that, if used, will provide a wealth of information about the number and type of claims in your office.

Processing time should not dictate how you use the Personnel Claims Management Program. You must always log in claims the day you receive them.³⁷ If a claimant does not have all of the necessary documentation, do not hand the claim back to him or delay logging-in the claim. Accept the claim and log it in to the database; the program has a feature that permits you to stop the calculation of processing time while the claimant obtains the necessary documentation.

Fiscal Integrity

All claims are paid from a central open allotment, managed by the U.S. Army Claims Service.³⁸ The Army Claims Service provides each field claims office with a spending target, known as a claims expenditure allowance (CEA).³⁹ Keep track of your CEA so you know whether you have funds to pay claims.⁴⁰ Bal-

33. DA PAM. 27-162, *supra* note 2, para. 11-24. See also Lieutenant Colonel Kennerly, *Personnel Claims Note, Claims Information and the Installation Transportation Office Outbound Shipping Counselor*, ARMY LAW., Mar. 1995, at 56.

34. DA PAM. 27-162, *supra* note 2, fig. 11-12. This checklist explains claims aspects of moves. It provides claimants with advice on documenting ownership of property before the move, completing the inventory and other documents during the move, and filing the DD Form 1840R after the move.

35. DEP'T OF ARMY, PAM. 55-2, IT'S YOUR MOVE (1994).

36. DA PAM. 27-162, *supra* note 2, paras. 11-32c(1), 13-1b.

37. *Id.* para. 13-1b(6)(a).

38. *Id.* para. 13-11a.

39. *Id.* para. 13-11b.

40. See *id.* para. 11-21i.

ance your budget weekly. Ensure that the CEA balance in your claims database accurately reflects your actual expenditures. Overseas field offices should ensure that their figures match those of the servicing finance office.

Report your expenditures, recoveries, and projected needs to the U.S. Army Claims Service Budget Office. Your office is required to submit a status of funds report by the seventh calendar day of each month.⁴¹

Ensure that you are using the correct claims payment procedures. Most claims offices now pay claims electronically. Ensure that your office's payment procedures comply with Army Claims Service guidance and provide the quickest possible payments to claimants.⁴² Coordinate with your servicing-finance office to resolve any payment problems.

You must also ensure that your office properly safeguards valuable items, such as incoming checks. All recovery checks must be inside a locked box inside a file cabinet between the time that the office receives them and the time that they are deposited or returned as insufficient. You must either deposit or return checks within seven calendar days.⁴³

Claims Survey

Create and use an effective survey to determine how your office is performing. Also, select several claimants at random each month and contact them. These are excellent ways to monitor your claims operation and claimants' opinions of it. Remember that your office exists to provide a service. You owe it to the claimants and yourself to monitor the quality of that service.

It is important to distribute surveys to every claimant. Do not simply make surveys available to claimants if they wish to take one. A "take one" procedure will ensure that you only get responses from the angriest claimants and those who have a specific problem to identify. Place the survey in your instruction packet and ask all claimants to complete it. This is especially effective if your office adjudicates claims "on the spot."

Ensure that your survey has tailored questions that will help you determine if your claims operation is effective. You should

ask claimants if they were able to understand your office's instructions and whether the list of repairmen was adequate. Appendix C contains examples of effective claimant surveys.

Training

Train all of the new claims personnel. Be available to answer their questions, and to provide guidance. Do not rely on the claims staff to train one another. Keep yourself in the information loop. Provide inter-office cross training.

Budget for claims training, as well as courses that will improve the overall effectiveness of your office. Never assume that because some of your staff have "been here forever" they cannot benefit from training. Even experienced personnel need a refresher, just like professional baseball players need to return to spring training to refocus on the fundamentals.

The U.S. Army Claims Service hosts regular video-teleconferences for claims offices in the United States.⁴⁴ Important new claims policies and other guidance are disseminated at these teleconferences. The teleconferences are announced on the Legal Automation Army Wide System Bulletin Board Service (LAAWS BBS) and the Judge Advocate General's Corps Lotus Notes network.⁴⁵ You and the claims office staff should go to these teleconferences, even if that means traveling to another installation's teleconference center.

The U.S. Army Claims Service currently offers two training courses: the Annual Claims Training Course in the fall and the Personnel Claims Basic Training Course in the spring. The Annual Claims Training Course provides an excellent refresher and update for experienced claims personnel.⁴⁶ Send as many of your claims professionals as possible to this course. At a minimum, the claims judge advocate and senior claims adjudicator should always attend this course. The course is designed to be a "train the trainer" course, so those returning from the course should pass on the lessons learned to others in the office. The Personnel Claims Basic Training Course provides a hands-on training for new personnel and experienced personnel who need a refresher in claims adjudication and recovery.

The U.S. Army Claims Service—Europe and the U.S. Armed Forces Claims Service—Korea both offer their own annual claims training courses.⁴⁷ Claims professionals in Europe and

41. *Id.* para. 13-12c.

42. *Id.* para. 11-21j (discussing the general payment procedures). The Standard Financial System Redesign (STANFINS SRD1), described in this paragraph, is being replaced by the Computerized Accounts Payable System—Windows (CAPS-W), a new method of authorizing claims payments. This new system permits claims offices to electronically authorize payment of claims. The other procedures described in paragraph 11-21j are still accurate.

43. *Id.* paras. 11-28c through f (describing the procedures to be followed for accepting checks and returning them to carriers).

44. *Id.* para. 1-15a(2).

45. See *supra* note 6 and accompanying text.

46. See DA PAM. 27-162, *supra* note 2, para. 1-15a(2).

the Far East should attend these conferences to the maximum extent possible.

The U.S. Army Claims Service also offers claims assistance visits to field claims offices. During these visits, one or more claims experts from the Army Claims Service will visit your office, analyze your office procedures, and provide suggested improvements. These visits permit offices and the Army Claims Service to share successful time and work management practices and ensure claimants receive consistent, high-quality service throughout the Army.⁴⁸

Resources

Make every effort to ensure that claims staff has the tools that they need to do their job: a copier; a lock-box or safe for recovery checks; a vehicle, time, and funds to perform inspections; and a camera to record damage during inspections. Digital cameras permit integrating photographs into the claims adjudication packets. They also eliminate potential difficulties associated with processing film. Make sure your staff judge advocate knows what your office needs. Ask him to budget for claims requirements.

If your office has a temporary backlog of carrier recoveries, contact the Budget Office of the U.S. Army Claims Service to determine if you qualify for the temporary carrier recovery clerk program. The Army Claims Service has limited funding to provide field claims offices with carrier recovery clerks to assist with a temporary recovery problem. This funding may enable you to hire a temporary clerk to eliminate a carrier recovery backlog. Do not cut your permanent recovery clerk positions based on this program. The Army Claims Service can only provide limited funding to resolve a temporary problem.

People

People are your most important assets—take care of them. Let them know you appreciate their efforts. Reward them any way you can, with civilian recognition awards or just a pat on the back. You cannot successfully manage a claims office without a loyal staff.

One way to recognize your people is to apply for The Judge Advocate General's Award for Excellence in Claims.⁴⁹ This award is given annually to the best claims offices in the world. The criteria for the award are published in the Claims Forum of the Legal Automation Army-Wide System Bulletin Board Service (LAAWS BBS) and *The Army Lawyer*.⁵⁰ Most of the suggestions mentioned in this article are included as criteria for the award.

Conclusion

The goal of the Army personnel claims system is to improve morale. Proper management of personnel claims is critical to realize this goal.

The first step to proper management is developing proper procedures. Develop clear instructions for claimants, process DD Forms 1840R promptly, adjudicate claims fairly, and ensure claims are filed properly. Establish office hours that are convenient for claimants but allow your adjudicators time to complete their work. Publicize claims information whenever possible and become involved in newcomer briefings and transportation counseling. Use claims automation programs appropriately and keep track of your claims funds. Survey claimants to see where you can improve. Equally important is taking care of claims personnel: ensure they are properly trained, have adequate resources, and are rewarded for good work.

If you properly manage your claims office and ensure it provides the best service possible, you will not only increase morale, but also improve the reputation of your entire legal office.

47. *Id.* para. 1-15b.

48. *Id.* para. 1-16.

49. *Id.* para. 1-17.

50. The award criteria for Fiscal Year 1998 were published on the Claims Forum of the LAAWS BBS in July 1998. They were also published in the November edition of *The Army Lawyer*. See Lieutenant Colonel Masterton, *Claims Management Note, The Judge Advocate General's Excellence in Claims Award*, ARMY LAW., Nov. 1998, at 69.

Appendix A

Suggested Opening Paragraphs for Claims Instructions

We are sorry you sustained damage and/or loss in your recent move. The mission of the Claims Office is to assist you in filing your claims and to settle your claim fairly and without undue delay. We will then try to make the carrier pay the Army for the damage and/or loss it caused. In order for us to do this, it is important that you read and follow these instructions carefully.

THERE ARE TWO DIFFERENT TIME LIMITATIONS THAT AFFECT YOUR CLAIM:

1. WITHIN 70 DAYS OF DELIVERY YOU MUST NOTIFY OUR OFFICE IN WRITING OF ALL DAMAGED AND MISSING ITEMS. This allows us to comply with contractual requirements and inform the carrier of damaged items and request tracer action for missing items. You should use the pink DD Form 1840R to do this. If you do not notify us we must deduct from your payment the amount of money we could have recovered from the carrier. This may mean that you will be paid nothing on your claim. **THIS NOTICE OF DAMAGE OR LOSS IS NOT A CLAIM AGAINST THE GOVERNMENT.**

2. WITHIN TWO YEARS OF THE DATE YOU RECEIVED YOUR GOODS YOU MUST FILE YOUR CLAIM AGAINST THE GOVERNMENT. You should do this by completing the attached DD Forms 1842 and 1844. This two-year requirement is established by law. **It cannot be waived.**

Appendix B

Sample Claims Article

FAIR COMPENSATION FOR DAMAGES DURING PCS MOVES

Moving is something with which all soldiers are familiar. Unfortunately, moves often result in loss and damage of the items being shipped. Whether it is a scratch on a family heirloom or a box of your favorite compact disks that disappears during the move, such losses can be traumatic.

The military claims system is designed to help soldiers recover for such losses. It is also designed to ensure that the carrier responsible for the loss and damage is held accountable. This article will explain the military claims system and explain ways you can ensure fair compensation for any loss and damage you suffer during a PCS move.

Before the Move

The best way to ensure you will be compensated for loss and damage during a move is to take a few precautions before the move. This is the best time to document what you own and to ensure that you have the insurance coverage that you need.

The first thing to consider is whether you need additional insurance protection. You can either purchase your own insurance or, for moves within the continental United States, you can buy additional insurance protection through the transportation office. If you do not purchase insurance, the Army claims office can only pay the depreciated replacement or repair cost of your lost and damaged items. This is because the relevant claims statute only allows payment for current market value and not full replacement cost. In addition, the claims office has certain maximum amounts payable for specific items; for example, the maximum for stereo equipment is \$1000 per item and \$4000 per shipment. If you need more protection, you should consider buying insurance.

Most private insurance contracts will reimburse you only for items lost or destroyed during shipment; they usually will not cover damaged items (items which can be economically repaired). Some insurance companies provide "full replacement" cost protection; this means that if your ten year old television is destroyed they will pay to replace it with a comparable new television. Each insurance policy is different; it is important to find out if the coverage satisfies your needs before your move.

For moves within the continental United States you can also arrange for two types of insurance through the transportation office. "Option 1" or "higher increased released value" insurance will provide you with a greater dollar amount of protection for individual items. For example, if you purchase "Option 1" insurance and your stereo is destroyed, the carrier will pay you the depreciated value of your stereo up to the full amount the protection you purchased, regardless of the \$1,000 maximum amount allowable for stereo items. "Option 2" or "full replacement protection" entitles you to the full un-depreciated value of your lost and destroyed items. For example, if you purchased "Option 2" insurance and your stereo was destroyed, the carrier should pay you the cost of a comparable new stereo. If your stereo is merely damaged, however, the carrier has the option of repairing it. Both "Option 1" and "Option 2" insurance are purchased from the carrier, so your payment will ultimately come from the carrier. Your local transportation office or claims office can explain the procedures for filing an insurance claim against the carrier.

Documenting what you own is perhaps the most important thing to do before your move. Ensure that you save receipts, bills, appraisals, high value item inventories, and other proof of ownership. These important documents should never be shipped with your household goods. Ship them separately or, better yet, hand-carry them. This way, if your entire shipment is lost, your proof of ownership will not be lost as well.

An excellent way to document what you own is to take pictures or videotape of the items in your house immediately before the move. If you have an extensive compact disk collection, or a number of Hummel or Lladro figurines, this is an excellent way of demonstrating the extent of your collection. Ensure that you videotape the open jewel covers of your compact disks, showing the disks inside. Pictures and videotapes have an added benefit; not only will they show what you own, but they will also demonstrate the condition of your items. If the movers scratch your dining room table, you will have a much easier time proving that the scratch occurred during the move if you have a picture of the table taken immediately before the move. Carry the photos and videotapes with you; do not ship them.

During the Move

When the packers arrive to pick-up your household goods, you should be ready for them. You should have already decided what items you want the movers to pack and what items you will hand-carry to your new assignment. It is critical to lock items you plan to hand-carry in a separate room or in your car, where they are not accessible to the movers.

It is best to hand-carry small, valuable items such as jewelry, rather than to allow the movers to pack them. If you decide to have the movers pack your jewelry, ensure that **each** item is listed **separately** on the inventory. **Cash, coin collections**, and similar items should never be packed; you *will not be paid* for these items if they are lost. As mentioned above, receipts and similar proof of ownership should either be hand-carried or, at a minimum, shipped separately.

When the movers have completed packing up your household goods and loading them onto the truck, they will present you with an inventory of all of your belongings. You should check this document carefully to ensure that it is accurate. Each line item of the inventory will contain a description of what it is (such as "3.0 cubic foot carton" or "chair"). For items of furniture, preexisting damage will be listed using a code found at the top or bottom of the form (for example "sc, ch - 6, 8, 9" means that the legs and right side of your chair are scratched and chipped). Examine the preexisting damages carefully; if the movers have exaggerated the amount of preexisting damages, you should state your disagreement directly on the inventory, in the "remarks" section directly above your signature. Do not argue with the movers; simply list your disagreement on the form.

When the movers deliver your household goods, make sure that they have delivered everything. Have a copy of the inventory handy and check off the numbers of items when the movers bring them into your new home.

If you notice that any items are missing or damaged, note this on the pink form (DD Form 1840), which the movers will give you. Do not leave this form blank if you have missing or damaged items; the government uses this form later to evaluate whether the carrier did a good job. There is no need to unpack all of your items at this time; you can note additional missing and damaged items later on the reverse side of the pink form (the reverse side is the DD Form 1840R).

After the Move

Unlike most civilian moves, where loss and damage must be noted immediately after delivery, soldiers have seventy days to notify the local claims office of loss and damage. This means that after your household goods have been delivered, you have seventy days to unpack them and note any loss and damage on the reverse side of the pink form (the DD Form 1840R). Thoroughly inspect your items: turn on electrical items to ensure they still operate; open the jewel covers of your compact disks to ensure the disks are still there; check your figurines to ensure they are not chipped. At this point, it is sufficient to state the general nature of the damage, such as "stereo—does not work." There is no need to get a repair estimate at this stage.

You must turn in the reverse side of the pink form (the DD Form 1840R) to your nearest Army claims office within seventy days of the delivery of your household goods. Failure to do so will make it impossible for the claims office to collect from the carrier responsible for your loss. As a result, the claims office will not be able to pay you for any items that you failed to report within seventy days.

When you turn in your DD Form 1840R, the claims office will provide you with forms and information on filing your claim. At this point, you will need to get repair estimates and other documentation to substantiate the amount of your loss. You have two years from the date of the **original delivery** (not from the date you turned in your DD Form 1840R) to file a claim. If you are late in filing your claim, the government will not be able to pay you anything.

The Army claims system is designed to help you. However, you also have a responsibility to protect yourself. If you keep proper records of what you own and promptly document damages that occur during the move, you should be able to recover the fair value of your loss. If you have questions, your local transportation office and local claims office can provide the answers.

Appendix C

Sample Claims Questionnaires

DEPARTMENT OF THE ARMY
Office of the Staff Judge Advocate
Headquarters, 44th Infantry Division and Fort Swampy
Fort Swampy, Vermont 11111

Dear Claimant:

The mission of the Claims Division of the Office of the Staff Judge Advocate is to process and settle claims received in a timely and fair manner consistent with applicable regulations. We want to ensure that claimants are receiving service consistent with this mission. This questionnaire is being furnished to you so that you can evaluate the service you received when you submitted your claim.

Please take a few minutes to complete the questionnaire and to include any additional comments you would like to make. Please return it to this office in the stamped, self-addressed envelope enclosed.

Your cooperation in completing this questionnaire is very important to us. We need feed-back from claimants so we may continue to improve the manner in which we process claims and so we can provide the best service possible. Thank you for your cooperation.

Sincerely,

THE CLAIMS DIVISION

Encl

QUESTIONNAIRE

PLEASE COMPLETE THIS FORM AND RETURN IT IN THE SELF-ADDRESSED ENVELOPE SO WE CAN EVALUATE THE SERVICES WE PROVIDED YOU.

1. The service I received on my claim was: (check one)

EXCELLENT GOOD FAIR POOR

2. What source informed you of the correct method of filing a claim against the U.S. Government?

Transportation Office Unit Claims Office
 HHG Office Friends Other

PLEASE CIRCLE, WHEN APPLICABLE, ONE OF THE FOLLOWING: 1-EXCELLENT; 2-GOOD; 3-ADEQUATE; 4-INADEQUATE; 5-POOR

1. Were the instructions you received from the claims office, along with the instruction book, clear enough to enable you to file your claim?

1 2 3 4 5

2. Was your claim processed expeditiously (in a speedy and efficient manner)?

1 2 3 4 5

3. Were the reasons for your settlement thoroughly explained to you?

1 2 3 4 5

4. Did you find the claims personnel to be courteous, knowledgeable, and professional individuals?

1 2 3 4 5

5. If you were not satisfied with your settlement, were you informed of your right to submit new evidence and request reconsideration?

Yes No

6. Further comments: _____

QUESTIONNAIRE

Please answer the questions below and provide comments to assist us. If the space provided for your comments is insufficient, please continue your comments on the reverse of this sheet or attach an additional sheet.

1. My overall evaluation of the assistance and services I received at the claims office is:

Excellent Good Fair Poor

2. Do you believe your claim was settled in a fair manner: Yes No

If not, why not? _____

3. Were you treated courteously by the staff? Yes No

If not, with whom did you deal and what was the problem? _____

4. When you received your claims packet, did the written instructions and the directions from the claims clerk adequately explain how you were to prepare the forms? Yes No

5. If your claim could not be paid in full, were you given a thorough explanation of the method used to settle the claim? Yes No

If not, what did we fail to explain? _____

6. If you had repair work accomplished on your damaged items, please rate the repair facility below:

<u>FIRM</u>	<u>ITEMS REPAIRED</u>	<u>RATING</u>	<u>COMMENTS</u>
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- a.
- b.
- c.
- d.

7. Please provide comments on any other areas of the claims office that you feel are worthy of praise or need improvement.

Date

Name (optional)