

***You legally cannot offer full replacement valuation on Illinois intrastate household goods moves. PERIOD!!***

---

Some confusion (or stubbornness) still lurks out there in the marketplace about what you legally can offer your customers as loss and damage protection on Illinois intrastate moves.

**Legally you cannot offer full replacement valuation on Illinois intrastate household goods moves. Period. The end. This is not negotiable, I don't care what your insurance company tells you or what you do on interstate moves.**

On the public side of IMAWA's website ("Moving, Step 1") you'll find information to which you can direct inquiring shippers about "Understanding Your Options for Loss and Damage Protection." A brochure is available for purchase from IMAWA and is a good mechanism for educating your customers about lawful options. The brochure may be customized with your company name, address, etc. It's also a good tool for teaching your own employees what the lawful options are.

**"VALUATION" is not "coverage" or "insurance" and you must not use those terms to describe it. Valuation is merely the customer's written declaration of the shipment's VALUE. This declaration must be written on the bill of lading and it describes your carrier liability for the VALUE of the entire shipment in case of a total loss. THAT'S ALL IT IS.**

**Here's a quick summary of the only LEGAL options you have for loss and damage protection on Illinois intrastate moves:**

- 1) **30 cents per pound per article.** The customer must write on the bill of lading, in his or her own handwriting, the specific words "30 cents per pound per article." **THE MOVER MAY NOT** type this in or write it in or tell the customer to write in that amount. *The customer must make the decision, write in the value they are declaring.* and the customer must sign it. There is no extra charge for this VALUATION of the shipment, since it's already included in the basic transportation rate.
- 2) **Declared Value.** Based on a *minimum calculation of \$2.00 times the weight of the entire shipment*, a value is declared for the entire shipment. The declared value may be more than the \$2.00 x weight

calculation, but it should not be less unless the customer understands their declared value is all they will get if a total loss occurs. Item 6 of your tariff will tell you the price to add to the transportation rate for this VALUATION of the shipment. **This is depreciated value.** (There is no such thing as "full replacement valuation" on Illinois intrastate household goods shipments.) The declared value is your maximum liability for the entire shipment. Claims are settled on a depreciated basis per each piece in the shipment that is lost or damaged.

- 3) **Transit Insurance Coverage.** If the customer does not want depreciated value or 30 cents per pound, **your only option** is transit ***insurance***. Period. The end. A certificate or policy of insurance is mandatory and must be provided to your customer. You should talk with your insurance agent to determine what products are available through your insurance company. Other commercial type insurance products are available (some are internet based, but be careful!) for your customers to consider for themselves. **UNLESS YOUR PUBLISHED TARIFF DICTATES OTHERWISE** (see Item 6), ***there must be a charge to your customer*** for this type of ***insurance*** coverage *if you arrange it*. Failure to charge for insurance coverage or declared value coverage is considered to be an illegal rebate unless your tariff includes such a specific written provision.

**IMPORTANT NOTE:** If the customer signs nothing on the bill of lading, your maximum liability is automatically \$2.00 times the weight of the shipment, and it is for depreciated **valuation**. You should charge for this as detailed in Item 6 of your tariff.

**Still confused? CALL US FOR HELP.**

Calling the value of a shipment "insurance" or "coverage" when it's truly "declared value" on the bill of lading can set you up for serious legal liability and financial risk. You can also be in trouble for illegally selling insurance.

**The ILCC takes a dim view of handling VALUATION improperly, and administrative citations, civil penalties, and AUDITS can result from complaints they receive.**