

INSURANCE vs VALUATION

One of the most often misunderstood terms in moving continues to be “valuation,” a word which customers and agents tend to confuse with “insurance”. Although there are certain similarities, the legal difference is significant and, therefore, worth restating.

You want to protect the things you have spent a lifetime building. When the time comes to move these treasures, you need peace of mind that they are protected. The rules, regulations and tariffs which govern the moving industry can be confusing, thus making it difficult to make educated decisions. Below is a comparison regarding Valuation vs. Insurance. Before purchasing Valuation from a van line or mover, have your moving representative explain in detail what valuation really is and, more importantly, what it is not.

INSURANCE

All Risk Insurance provides comprehensive protection for our household good against loss or damage. The policy includes Replacement Cost Coverage with multiple deductible options. Claims are settled objectively by a licensed claim adjuster with no affiliation with a van line or moving agent.

Advantages of Insurance:

- Claims are settled directly by claim adjusters, not employees of the van lines that damaged your goods.
- Insurance covers damage or loss from other causes, such as Acts of God, (high winds, earthquakes, tornadoes, hurricanes) riots, strikes, civil commotion, fire, theft, etc.
- Shippers receive a “certificate of Insurance” outlining all provisions, stipulations and exclusions.
- Insurance is usually less expensive, even with the added benefits.
- If your good go into storage, Insurance may provide storage coverage for a period of time, usually up to 90 days.

VALUATION

The most important item to know about valuation is VALUATIONS IS NOT INSURANCE. “Valuation offered by van line carriers is a tariff level of carrier liability based on the weight of your good.

Below are options offered by most van line carriers:

1. \$0.60 per pound per article – a limited liability tariff level based on the D.O.T. (department of insurance) regulations. This level protects the moving company from paying out the actual value of an article. It allows them to pay a minimal entirety on the weight of your goods.
2. Replacement Cost Protection – available for an additional charge. You are required to purchase a minimum dollar amount of this protection which is based on the weight of your shipment.

Disadvantages of Valuation

- Regardless of the valuation play you choose, it will pay for loss or damage only when there is proven negligence of the carrier.
- It does not cover any loss or damage due to Acts of God.
- All claims are settled by employees of the van line that damaged your goods.
- Replacement Cost Valuation typically cost more than insurance.