FORT SILL POST CLAIMS

Private Insurance

Victory Thru Justice!

Center of Excellence

1. If you have a private insurance policy that may cover all or part of your loss, you do not have to file with your private insurance company before you can be paid by the Army, if your claim is for a loss or damage to your personal property while it was being transported or stored at government expense. This is a change to our past policy. The change is limited to this type of claim, because we can usually recover the amount paid to the claimant from the carrier or warehouse that is responsible for the loss or damage.

2. On all other types of claims for loss or damage incident to service (e.g. theft, vandalism, unusual occurrence, or loss in quarters), you must file with your private insurance before you can be paid by the Army. If you do not file with your private insurance for these types of losses, you will not be paid by the Army for any item for which your private insurance might have paid.

3. You may not be paid by both the Army and your private insurance company for the same item. This would be unjust enrichment and possibly fraud.

a. When you file a claim with the Army, you assign (i.e. transfer) your right to seek payment from anyone for any items that are on your Army claim. You also must tell the Army, under penalty of perjury, whether you have filed a claim with a private insurance company. If you have filed a claim with your private insurance company, you will have to tell us how much the insurance company paid and for which items they paid.

b. If you are paid for an item by the Army and then file with the insurance company, the insurance company my pay you, but the Army will learn about this second payment. Insurance companies, after paying claims for good lost during government shipments or storage, report to the Army what they have paid so that the Army can recover that amount from the responsible carrier or warehouse on their behalf.

4. If you elect not to file against your private insurance, then you generally will have to accept the settlement of your claim with the Army as your full compensation. Therefore, if you are in any doubt as to the best way to proceed, you should file and settle a claim with your insurance company first, for the items that are covered by your policy, and then file your claim with the Army for the remaining items.

5. **Why would you file with you private insurance if you do not have to?**

a. If you have a catastrophic loss, it is possible that you will not be fully compensated by the Army. There are limits on both the total amount that the Army can pay ($40,000 in most cases) and limits on how much we will pay for most types of property. For example, the Army will usually not pay more than $3,000 for any item of furniture or more than $4,000 for any computer, its software, and accessory equipment. However, you should check your insurance policy for similar limits imposed by your insurance company.

b. Your private insurance may pay you more than the Army will pay, especially if your policy includes a provision or endorsement that requires the insurance company to pay full replacement value (i.e. new-for-old) rather than the fair market (i.e. depreciated) replacement value.

c. In addition, your private insurance may pay for items for which the Army will not pay you. For example, we will not pay for items that are purchased or used for a private business. We will try and recover for those items from the carrier, and, if successful, we will send that amount to you. But this may take several months. If these items are not covered by your insurance policy, you will probably received payment faster from your Insurance Company.

d. Your insurance company may not require the same number of estimates or the same amount of substantiation that the Army requires you to submit with your claim.

6. **Why not file with private insurance first?**

a. Most insurance policies that cover goods in transportation or storage pay only for lost or destroyed items. They usually do not pay for repair of damaged items. Therefore, if you have both lost and damaged items, you would have to file two claims, one with your insurance and one with the Army, to be fully compensated. I may be easier and faster just to file a single claim with the Army, if you are willing to accept the depreciated replacement cost for lost or destroyed items.

b. While insurance companies may not raise your rates merely because you file a single claim, they do consider how often you have filed claims in the past few years when deciding whether to renew a policy or to issue you a new policy. Each insurance company may use different criteria, but is has been reported to the Army that some will refuse to insure someone who has filed three claims in the past two years. Most property insurers submit their claims information to a central database, which is shared with other companies. So each insurance company will know about claims submitted to other companies. Army claims information is not submitted to this central database and a claim submitted to the Army should not be considered by private insurance companies.

c. If your loss is relatively small or is only for a few damaged items, you usually will be adequately paid by the Army. Insurance coverage should be used to pay for relatively large losses that are not likely to be paid in full the Army.

7. **Other frequently asked questions**

Q. If I file a claim with my insurance company first, and they do not pay me for an item, can I then file a claim with the Army for that item?

A. Yes. Although we may also decide to deny payment for that item, you can file with the Army and ask the Army to evaluate payment for the item under our regulations.

Q. If I file with my insurance company first, and they pay me for an item but do not pay the full amount because of my deductible, can I file a claim for that deductible amount?

A. Yes. You can file a claim with the Army for that item, but the Army does not automatically pay a deductible. The Army claims adjudicator will determine what the Army would have paid for that item. If the amount we would have paid is more that the amount you actually received from your insurance company, and then we will pay the difference between what you received and what we would have paid. But if we would have paid less than what you actually received, we will not make any additional payment. In this regard, we consider any amount that an insurance company holds back until you submit proof of actual purchase to be part of the amount that you actually received from the insurance company.

Q. If I file a claim with the Army, but the Army denies payment for an item, or if I am not happy with what the Army pays me, may I then file a claim with my private insurance company?

A. Usually not, although some exceptions may be made on a case by case basis. In those exceptional cases, the soldier would have to return any money paid by the Army on items that might have been paid by insurance before the Army will release the claim back to the soldier. The purpose of giving soldiers the option of not filing with their insurance is to simplify the recovery process and limit the number of claims soldiers have to file against their insurance. Permitting soldiers to go back to their insurance companies after they are paid by the Army would defeat the purpose of this new policy and would greatly complicate and delay resolution of a claim. Therefore, soldiers should carefully evaluate the nature and extent of their loss before they elect not to file a claim against their private insurance.

Q. Are claims that I file with the Army under the Personnel Claims Act considered by insurance companies as part of my claims history?

A. Insurance companies should not consider Army claims on the same basis as a claim against and insurance company, as the Army program is a gratuitous payment program and not an insurance program. We do not share our claims data with the insurance industry. If you file a claim with your private insurance company for loss or damage to your goods while in a government funded shipment, your insurance company will usually assume that you will be filing a claim with the Army. They will contact us and request that we recover from the carrier on their behalf. But if they want specific information about a person's claims history or a specific claim, they must provide us a written release from that person giving us permission to release that information. If an insurance company requests claims information under the Freedom of Information Act, we withhold the names and social security numbers of the claimants.

The Fort Sill Claims Office is located at 4700 Mow-Way Rd., Suite 400. Our office operates on a walk-in basis from the hours of 8:00am - 4:00 pm, Monday, Tuesday, Wednesday, and Friday. On Thursdays, hours are from 12:00pm - 4:00 pm. Our telephone number is (580) 442-2317.