



7th JMTC Legal Assistance Information

Claims and Insurance Deductibles

Please note that this Information Paper only provides basic information and is not intended to serve as a substitute for personal consultations with a Legal Assistance Attorney.

Will the Army pay your deductible on a claim filed with my insurance company for damage to your vehicle during your PSC move? Not exactly.

The Personnel Claims Act is a gratuitous (voluntary) statute designed to compensate you for losses incident to your military service. The personnel Claims Act does not provide full insurance coverage nor is it a substitute for private insurance.

Differences between Insurance Coverage and Personnel Claims Coverage

Insurance coverage is contractual. You pay certain amount of money (the premium) to your insurance company, and the insurance company agrees to compensate you if your property is lost, stolen, etc.

On the other hand, you don't pay premiums for coverage under the Personnel Claims Act. Coverage is automatic for losses incurred incident to military service. In addition, with a household goods shipment, private insurance may not cover all types of property damage. However, coverage is limited to the substantiated value of an item at the time of its loss, damage or destruction.

Computing Compensation

Under the claims regulation, claims involving insurance are initially adjudicated (computed) just as any other claim. It is independent of the insurance coverage. Repair or replacement cost, extent of damage and value of each item are all assessed in the overall adjudication. The claims adjudicator will then assign a payment value to each item. Next, the claims adjudicators determine what your insurance company paid you for the same item, deduct that amount from the adjudicated amount and pay you the difference, if any. You will be entitled to compensation under the claims regulation for items not covered by private insurance (i.e. scratches or tears in furniture). When all the differences in payment are added up, the amount paid may or may not be the same as your deductible.

