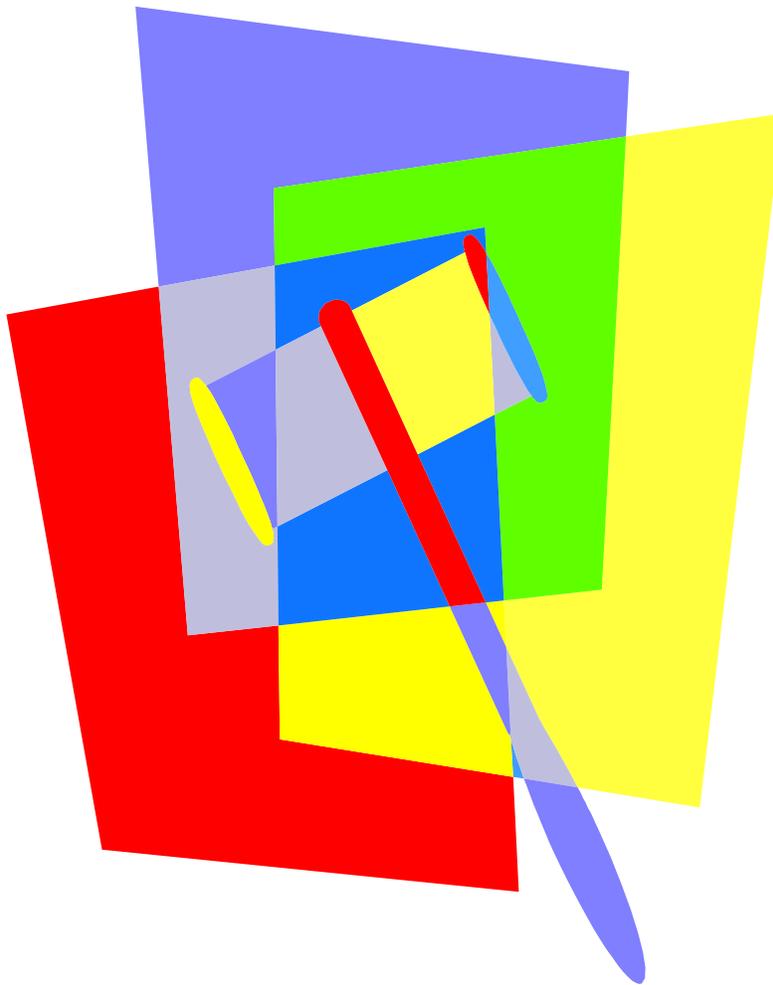


# **MOVING PROS NETWORK DISPUTE SETTLEMENT PROGRAM**

## **PROGRAM INFORMATION FOR CARRIERS**



Administered by:

National Arbitration & Mediation, Inc. (NAM)  
990 Stewart Avenue- First Floor  
Garden City NY 11530  
[www.movingpronetwork.com](http://www.movingpronetwork.com)

# **Dispute Settlement (Arbitration) Program**

## **Compliance with Federal Statutory Requirements –**

Interstate carriers are required to offer neutral binding arbitration on interstate shipments for individual shippers as a means of resolving certain types of disputed claims. This requirement is a condition of maintaining registration, and under the Household Goods Movers Oversight and Reform Act of 2005, this has been expanded to include:

1. Disputed loss and damage claims,
2. Disputes regarding additional charges that are billed to the shipper after the shipment was delivered.

The statute establishes different provisions under the authority of the Department of Transportation that define the program. One that you must abide by is that shippers must be provided with a pre-move description of the arbitration program that the carrier participates in, disclosing costs to use the program along with the legal effects of electing arbitration. This information must be provided to the shipper before the shipment is tendered to the carrier.

Also, you may be held liable for the shipper's attorney fees if you do not inform the shipper during the claim settlement process that arbitration is available, and as a result, the case precedes to civil court instead of arbitration. In other words, be sure to mention the arbitration program and include the arbitration information in your claims correspondence to the shipper. Make sure that the shipper is aware of your arbitration program.

Arbitration program information is contained in a document that will be emailed to the carrier once it signs up for the Moving Pros Network arbitration program. This is the information the carrier prints out and provides to each customer (shipper) prior to loading the shipment. There is no cost for obtaining the program information file and no need to purchase brochures.

## **Arbitration Limits -**

The regulations require that disputes of \$10,000 or less on interstate shipments must be submitted to binding arbitration at the shipper's request if no settlement can be reached with the carrier using the carrier's normal claim process. Arbitration is not mandatory for claims of more than \$10,000. If the claim involves a dispute of more than \$10,000, binding arbitration can be used to settle the dispute if both the carrier and the shipper agree but there is no requirement for the carrier.

## **Types of Disputes Subject to Arbitration -**

Most disputed claims for loss and damage are eligible for consideration under the mandatory arbitration provisions, only certain types of disputed charges fall within the mandatory provisions. Disputes regarding charges that you collected from the shipper when the shipment was delivered are

not subject to mandatory arbitration (you can decide to use arbitration on a voluntary basis). Disputes regarding additional charges that you billed to the shipper after the shipment was delivered are subject to the mandatory arbitration provisions.

Under the regulations, you are authorized to collect the following charges when the shipment is delivered:

- 100% of the binding estimate amount or 110% of the non-binding estimate amount,
- Charges applicable for any services (waiting time, extra pickup or delivery, storage-in-transit) that the shipper requested after the contract was signed that were not included in the estimate, and
- In the event that a shuttle service is required, you may collect for the shuttle charges at delivery – provided that the shuttle charges collected at delivery do not exceed 15% of the total charges due at delivery.

Any remaining charges must be billed to the shipper – it is these additional charges that are billed to the shipper (and are not collected at delivery) that are subject to arbitration.

### **Program Costs –**

The cost of participating in the program is only \$199 per year (each additional carrier location is \$99).

In the event the claim dispute cannot be resolved using the carriers normal claims process, the shipper can elect to proceed to binding arbitration at National Arbitration & Mediation (NAM). NAM charges an administrative fee for each arbitration case, the cost of which is divided between the carrier and the shipper making the request.

NAM’s Administrative Fee Schedule is as follows:

Claim Amount	NAM Administrative Fee
\$10,000 or less	\$635 (\$295 from shipper; \$340 from carrier)
\$10,001 - \$20,000	\$685 (\$320 from shipper; \$365 from carrier)
\$20,001 - \$30,000	\$735 (\$345 from shipper; \$390 from carrier)
\$30,001 - \$40,000	\$785 (\$370 from shipper; \$415 from carrier)
\$40,001 - \$50,000	\$835 (\$395 from shipper; \$440 from carrier)
Over \$50,000	\$835 plus 1% of the amount over \$50,000 (\$375 plus ½ of 1% of amount over \$50,000 from shipper; (\$400 plus ½ of 1% of amount over \$50,000 from carrier)

### **More Information –**

Remember, under the law, arbitration is optional and voluntary for the shipper (your customer) but may be mandatory for you as the carrier. As the carrier, you must agree to the shipper’s request for arbitration of disputed claims of \$10,000 or less, if no settlement can be reached. If your customer requests arbitration of a disputed claim over \$10,000, you can decide to use the program but it is not mandatory.

If you have any questions Moving Pros Network staff will be available to provide information and assistance to our carrier participants upon request.

## Arbitration Program Procedures –

***Prior to the move*** – the carrier will provide each shipper with a notice of the availability of an arbitration program. Carriers should use the arbitration consumer document emailed to them by Moving Pros Network. You can hand it to each shipper or post it on your website and direct your customers to it.

Also under the statute, you may be held liable for the shipper's attorney fees if you do not inform the shipper during the claim settlement process that arbitration is available, and as a result, the case precedes to civil court instead of arbitration. In other words, if you are denying the claim or offering a compromise settlement, be sure to mention the arbitration program and include an arbitration brochure in your claims correspondence to the shipper. Make sure that the shipper is aware of your arbitration program.

***Proceeding to arbitration***– if a resolution cannot be reached between the shipper and the carrier using the carrier's normal claims process then the shipper has the option of continuing on to arbitration with NAM. The shipper can obtain the program information by contacting Moving Pros Network which will verify your company's participation in the program. Shipper will also be emailed forms which they must sign to request arbitration.

The shipper completes the forms and returns them to NAM (not to Moving Pros Network) within 30 days along with his/her portion of the NAM administrative fee.

NAM will inform Moving Pros Network of the shipper request for arbitration and MPN will then notify the carrier of the shipper's request for arbitration. MPN will notify NAM once it has received confirmation from the carrier that they have been advised of the request for arbitration and NAM will then send the carrier arbitration forms to complete.

The carrier then has 14 days to review the disputed claim and the request for arbitration. The shipper will have 30 days to complete the forms and return them, along with his/her portion of the administrative fee, directly to NAM to initiate the arbitration process.

***NAM opens the case*** – NAM sends a copy of the forms and shipper's supporting documents to the carrier along with an invoice for the remaining portion of the administrative fee. Within 30 calendar days, the carrier must reply to NAM by sending a completed and signed agreement form along with all relevant claims materials and its portion of the administrative fee.

***NAM forwards carrier response to shipper*** – and shipper has the option of responding or not. If the shipper responds NAM sends the shipper response to the carrier and the carrier has a final option to respond to NAM. At this point the case goes to an arbitrator.

***NAM assigns the case to an arbitration panel*** - who begin the review process, under the standard written (or the optional oral) procedures. The standard written review process is generally completed with days after the materials are sent to the arbitration panel, with any awards to the parties made at that time. The arbitrator's decision is binding on both parties