

CHAPTER 4-35

CLAIMS

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SCOPE

This Chapter provides policies and procedures for handling claims not in excess of \$15,000 under the Military Personnel and Civilian Employees' Claims Act of 1964 (31 U.S.C. 240-243) for damage to or loss of property of employees of the Department. The loss must be incident to employment and the employee must be free of negligence in connection with the loss. Nothing in this Chapter shall be construed to bar other types of claims heretofore payable under other statutory authority such as, but not limited to, the Federal Tort Claims Act (28 U.S.C. 2671-2680).

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DEFINITIONS

- A. Claim. "Claim" means any claim filed by or on behalf of an employee for damage to or loss of such employee's personal property incident to his employment.
- B. Employee. An "employee" means any officer or employee of this **Department**, including but not limited to officers of the Public Health Service.
- C. Damage or loss. "Damage or loss" includes total or partial destruction, capture or abandonment under the circumstances set forth in Section 4-35-30 of this Chapter.

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3. Quarters. "Quarters" means living quarters or any place of employment, **including** but not limited to offices, storerooms, warehouses, garages, hospitals, **etc.**, where an employee is assigned by competent authority to perform duties within the scope of his employment.
- E. Department. "Department" means the Department of Health, Education, and Welfare.

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CLAIMANTS

Claims under the Military Personnel and Civilian Employee's Claims Act may be presented by:

- A. An employee.
- B. The authorized agent of an employee entitled to submit a claim, but only if the employee is alive at the time of the submission of the claim and evidence of authority is submitted.
- C. The survivor of an employee, regardless of whether the claim arose before, concurrent with, or after the employee's death. Survivors claims will be considered in the following order:
1. Spouse
 2. Children
 3. Parents
 4. Brothers and sisters
- D. A former employee or his survivors, but the claim must be for damage or loss to property which occurred prior to separation from the Department.

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TYPES OF CLAIMS PAYABLE

A claim is payable: .

1. In an amount not to exceed **\$15,000.00**.
- 2.** If presented in writing within two **years** after it accrues.
3. If it did not arise in whole or in part by the negligent or wrongful act of the claimant or his/her agent or employee.

Provided that the damage or loss occurred under the following circumstances:

A. In Government Quarters

Where property is damaged or lost by fire, flood, hurricane, theft, or other serious occurrence while located at:

1. Quarters which have been assigned or provided by the Government.
2. Quarters outside the United States whether assigned by the Government or not. Exception - A civilian employee outside the U.S. who is a local inhabitant is only covered by this Act if quarters are assigned by the Government.
3. Any warehouse, office, hospital, baggage loading area or **cther** place designated by superior authority for the reception of the property.

B. Transportation Losses

Damage or loss of personal property, including baggage and household effects, while being transported by a carrier, an agent or agency of the Government, or private conveyance, is payable only if the property is shipped under orders or in connection with travel under orders.

C. Miscellaneous

Claims for damage to or loss of property may also be allowed when caused by:

1. Marine and air disaster, enemy action, and other extraordinary risks incurred incident to the performance of official duties by the claimant.
2. Property used for the benefit of the Government at the direction or request of superior authority.

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3. Money deposited with other employees acting within the scope of their employment and at the direction of superior authority, which was not applied as directed by the owner, nor returned to him. Money which is stolen from an employee whose duties require him to carry it is also covered by this Act.
4. Theft but only if it is determined as a result of positive evidence that: the claimant exercised due care in the protection of his property and, there was a larceny, burglary or housebreaking.
5. Certain other meritorious claims in exceptional cases may be allowed by the Department Claims Officer or his delegate.

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CLAIMS GENERALLY NOT PAYABLE

Damage to or loss of personal property must be incident to employment. Generally claims are not payable for personal property if the Department Claims Officer or authorized delegate determines that its possession was not reasonable, useful, or proper under the existing circumstances, or where damage to or loss of property was caused in whole or in part by any negligent or wrongful act on the part of the claimant, his agent or his employee.

Claims shall not be allowed for the following specific types of property:

- A. Money or currency (except as provided in Section 4-35-30 C.3 above); intangible property such as bankbooks, checks, money orders, baggage checks, warehouse receipts, bills of lading, promissory notes, stock certificates, bonds, etc.
- B. Worn-out or unserviceable property.
- C. Easily pilferable articles such as jewelry, cameras, watches, and binoculars when they are shipped with household goods or by ordinary means or as unaccompanied baggage at normal or released valuation. (This does not apply to checked property or property in personal custody of the claimant or his agent provided proper security measures have been taken.)

'4-35-40 continued)

- D. Wearing apparel being worn at the time of damage or loss, except in the circumstances listed in 4-35-30 C.1 and 2.
- E. Property owned by the United States, except such property belong to an agency other than the Department for which the claimant is responsible.
- F. Claims for damage or loss of motor vehicles except when they are being shipped or transferred due to an employee's permanent change of station. Other exceptional cases may be considered for payment by the Department Claims Officer or authorized delegate.
- G. Losses of insurers and other subrogees.
- H. Losses which have been recovered or are recoverable from an insurer, carrier or other subrogee.
- I. Losses which have been recovered or are recoverable pursuant to contract.
- J. Property normally used for business or profit.
- K. Claims for fees paid to obtain estimates of repair to support a claim under this Act. However, if the Department Claims Officer or authorized delegate determines that the claimant could not have obtained an estimate without paying the fee, it may be payable provided that the estimate clearly shows that the estimate fee will not be deducted from the costs of repair.
- L. Claims for property acquired, possessed, or transported in violation of laws or regulations issued by or applying to DHEW or to its employees. (This does not apply to limitations imposed on weights of shipments of household effects.)
- M. Claims under \$10.00.

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- N. Claims which are otherwise within the provisions of this section shall not be disapproved for the sole reason that the property was not in the possession of the claimant at the time of its damage or loss or for the reason that the claimant was not the legal owner of the property. Borrowed property may be the subject of a claim if its possession was reasonable, useful, or necessary to the claimant.

4-35-50

COMPUTATION OF AWARD

A. Cost of Property as a Basis

The amount awarded on any item of property shall not exceed the adjusted cost of the item based upon the cost of replacing it with a similar one of the same quality minus the appropriate depreciation rate (explained below). The amount normally payable on property damaged beyond economical repair shall not exceed its depreciated value. If the cost of repairs is less than the depreciated value it shall be considered economically repairable and the costs of repairs shall be the amount payable.

B. Depreciation

Depreciation in value of an item shall be determined by considering the type of article involved, its replacement cost, condition when lost or damaged beyond economical repair, and the time elapsed between the date of acquisition and the date of accrual of the claim. Exhibit X4-35-2 to this Chapter contains a schedule of depreciation to be used for determining the estimated life of various classes of items.

4-35-60

CLAIMS INVOLVING CARRIERS OR INSURERSA. Claim against Carrier

1. Whenever property is damaged, lost, or destroyed while being shipped pursuant to authorized travel orders, the owner shall file a written claim for **reimbursement** against the carrier at once. **[See Exhibit X4-35-1: Demand on Carrier - Format] Innoeventshallitbepresentedlater than within nine months from the date delivery .** was or should have been made according to the terms of the bill of lading or contract. It shall be filed before or concurrent with submitting a claim against the Government under these regulations.
2. The demand shall be made against the responsible carrier. If more than one bill of lading or contract was issued, a separate demand shall be made against the last carrier on each such document, unless claimant knows which carrier was in possession of the property when the damage or loss occurred.

B. Claim against Insurer

Whenever property which is damaged, lost, or destroyed incident to the claimant's service is insured in whole or in part, the claimant shall make demand in writing against the insurer for reimbursement under the terms and conditions of the insurance coverage. Such demand shall be made within the time limit provided in the policy, and prior to or concurrent with the filing of the claim against the Government.

C. Assistance in Presenting Claims to Carrier and Insurer

1. The Department Claims Officer, authorized delegate, or the appropriate Claims Investigating Officer (4-35-70.B below) shall assist the claimant in the preparation of the claim against the carrier or insurer.

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2. If no action is taken by the carrier or insurer on his claim, the claimant is required to advise the Department Claims Officer or authorized delegate, and upon request, to furnish the Department Claims Officer or authorized delegate with all correspondence, documents, and other evidence pertinent to the matter.
3. All reimbursements to the claimant in settlement of his claim by the carrier or insurer shall be made payable to the claimant and addressed to him. In this event, the appropriate Claims Officer shall be notified immediately.

D. Failure to Make Demand on Carrier or Insurer

Failure to make timely demand on a carrier or insurer or to make all reasonable efforts to collect the amount recoverable from the carrier or insurer may result in reducing the amount recoverable from the Government. The maximum amount which would have been recoverable from the carrier or insurer had the claim been timely made or diligently prosecuted shall be deducted. No deduction shall be made however, where the circumstances of the claimant's service prevented him from making the claim against the carrier or insurer or the evidence indicates a demand was impracticable or would have been futile.

E. Claims against the Government

1. Concurrent with or immediately following the submission of the claim against the carrier or insurer, or both, the claimant must submit his claim against the Government.
2. He shall certify in his claim that he has or has not gained any recovery from a carrier or insurer, and enclose all correspondence pertinent to his claim **against** the carrier or insurer.

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F. Assignment of Right against the Carrier or Insurer

Where claimant has asserted his rights against the carrier or insurer in a timely manner, and has not received payment from the carrier, and the Government issues a voucher in payment to claimant, the voucher shall contain his assignment to the United States of all his right, title and interest in any claim he may have against any carrier, insurer, or other party arising out of the incident on which the claim against the United States is based. He shall also, upon request, furnish such evidence as may be required to enable the United States to enforce the claim.

G. Recoveries from Carrier or Insurer

After payment of his claim by the United States the claimant shall, if he receives any payment from a carrier or insurer, reimburse the United States to the extent of the payment received from the United States.

4-35-70

CLAIMS PROCEDURES

A. Department Claims Officer

1. The Assistant General Counsel, Business and Administrative Law Division, Office of the General Counsel, is designated as the Department Claims Officer for claims arising under this Part. Full redelegations were made to the Deputy Assistant General Counsel and to the Chief, Litigation and Claims Branch in this Division. Central responsibility for this function is vested in the Litigation and Claims Branch.

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2. Redelegations were made to Regional Attorneys within the ten Regions to adjudicate claims not in excess of \$2500 arising from activities of employees under the appointing authority of the respective Regional Directors except claims by employees of PHS, including Commissioned Corps personnel, and the Social Security Administration.
3. Redlegation was made to the Public Health Service Claims Officer to adjudicate claims not in excess of \$2500 arising from activities of employees of the Public Health Service, including Commissioned Corps personnel.
4. Redlegation was made to the Social Security Administration Claims Officer to adjudicate claims not in excess of \$2500 arising from activities of employees under the appointing authority of the Commissioner of the **Social Security** Administration.

B. Claims Investigating Officers

The head of each Principal Operating Component and the Assistant **Secretary**, Management and Budget or their designees, shall each designate at least one employee in each of its stations or offices, as applicable, who shall act as and who shall be referred to herein as the Claims Investigating Officer.

C. Filing and Investigating Claims

When an incident has occurred resulting in loss of or damage to personal property, the claimant shall promptly submit his claim (as below) in duplicate on Form **HEW-481**, Employee Claim for Loss or Damage to Personal Property (Exhibit X4-35-3). However, any written communication shall be considered as a proper claim if it makes a demand for a sum certain for \$15,000 or less, sets forth the facts and

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circumstances in detail, contains substantially the same information required by the claim form, and if signed by the claimant or by his duly authorized agent. The local claims investigating officer shall assist claimant as to forms needed in the preparation of a claim. The completed forms shall be submitted by the claimant to his immediate supervisor or directly to the local claims investigating **officer**, depending on local arrangements. Upon receipt of the claim, the local claims investigating officer will immediately:

1. Investigate as completely as is practicable the nature and circumstances of the occurrence causing the loss or damage of the claimant's property;
2. Ascertain the extent of loss or damage to claimant's property;
3. Prepare a statement describing the occurrence in detail and setting forth the results of the investigation on Form HEW-482, Report of Damage or Loss, (Exhibit X4-35-4) together with a statement whether the claim satisfied the requirements of this Chapter with particular reference to whether the claim is within the purview of Sections **4-35-20** and **4-35-30** of this Chapter;
4. Forward the claim and related papers to the Chief, Litigation and Claims Branch, Regional Attorney, or Claims Officer within ten days. The Regional Attorney or appropriate Claims Officer will adjudicate all claims within existing delegation of authority from the Department Claims Officer.

In the case of a claim in excess of Regional Attorneys' or Claims Officers' authority that official shall submit forms and statements to the Department Claims Officer together with the original signed copy of the claimant's Form HEW-481, Employee Claim for Loss or Damage to Personal Property, all of the claimant's

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supporting papers attached hereto, and any papers or documents generated by or because of the investigation by the local claims investigating officer.

D. Evidence Required in Support of a Claim for Damage or Loss to the **Property**

A claimant shall submit together with his Form HEW-481, all other pertinent evidence, such as:

1. Not less than two itemized signed estimates or **statements** by competent bidders or persons concerning the costs of repairs; or, in the alternative, an itemized bill of repair for damaged property which has been repaired;
2. If the property is not economically repairable or is totally lost or destroyed, proof of this fact and of its market value before and after the loss. In most instances, the purchase price and date of acquisition of the property should be satisfactory;
3. Proof of ownership or right to recover for the damage. Other evidence may be required by the Department Claims Officer.

E. Time Limits for Filing of Claims and Reports

1. Limit for filing claims -- A claim shall be allowed under this part only if it is presented in writing within two years after its accrual. If the claim accrues in time of war or in time of armed conflict in which any armed forces of the United States is engaged or if such a war or armed conflict intervenes within two years after it accrues, and if good cause is shown, the claim shall be presented not later than two years after that cause ceases to exist, or two years

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after the war or armed conflict is terminated, whichever is earlier. For the purposes of this section, the dates of beginning and ending of an armed conflict are the dates established by concurrent resolution of Congress or by a determination of the President.

2. The claim and all evidence required **to be** submitted by the claimant under this **chapter** shall be submitted **within** a reasonable time after the damage or loss of the property. Failure of the claimant to furnish evidence as required by this section within six months after a request therefore may be deemed an abandonment of his claim which may thereupon be disallowed.

F. Approval of Claims

Claims submitted under this Chapter shall be approved or denied in whole or in part only by the Department Claims Officer or authorized delegates **within their** respective authority.

G. Signatures

The claim and all other papers requiring the signature of the claimant shall be signed by the claimant personally or by a duly authorized agent or legal representative. 18 U.S.C. 287 imposes a fine of not more than \$10,000 and imprisonment for not more than 5 years, or both, for presenting false claims against the Government. 18 U.S.C. 1001 imposes a fine of \$10,000 and imprisonment for not more than 5 years, or both, for making false or fraudulent statements or representations in connection with making claims against the Government. A civil penalty of forfeiture of \$2,000 plus double the amount of damages sustained by the United States is provided for presenting false or fraudulent claims. (See 31 U.S.C. 231.)

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All information relating to the presentation of a false or fraudulent claim shall be forwarded to the Chief, Litigation and Claims Branch for submission to the Department of Justice. The Department of Justice has the responsibility for determining whether or not legal action is warranted in such cases.

H. Reconsideration of Action

The actions of ~~the~~ Department Claims Officer and ~~authorized~~ delegates within their respective authority in ~~disapproving~~ a claim in whole or in part shall be ~~final~~ and conclusive for all purposes. No ~~appeal~~ is provided to the Secretary of ~~Health,~~ Education, and Welfare, or to any other Government agency.

However, a claim may be reconsidered. Requests for reconsideration or appeal shall be referred to the Chief, Litigation and Claims Branch together with evidence showing errors or irregularities in the submission or settlement of the claim or new evidence which was not previously available. Requests for such reconsideration or review must be submitted in writing within 60 days after the date of mailing of the notification of disapproval or partial approval of a claim.

If, upon reconsideration, it is determined that a further amount is due the claimant, a supplemental voucher will be prepared which will show the check and voucher numbers of the initial payment, and indicate that the amount thereof is in addition to the previous payment.

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REIMBURSEMENT PROCEDUREA. Reimbursement in Cash

Claims approved in whole or part shall be vouchered by the Department Claims Officer or authorized delegate on Form HEW-483, Voucher for Payment and Release. These vouchers shall be mailed to the claimant by the authorized delegate with instructions to sign where indicated and to return the signed voucher, the authorized delegate will transmit it to the finance office in the agency employing the claimant to have the Treasury Department issue a check to the claimant in the sum allowed.

B. Reimbursement in Kind

Whenever a claim cognizable under these regulations includes property of a type which is available for gratuitous replacement in kind from Government stocks, the Department Claims Officer or authorized delegates may initiate action to secure such replacement in kind.

If replacement in kind is effected by such action, any claim for the property so replaced will be considered settled for all purposes. If replacement in kind is not effected, or if only a part of the property lost or damaged **is** replaced in kind, the claimant will be allowed monetary compensation for those claimed items not replaced or replaced at his own expense. The claim will include statements or other evidence to establish that any claimed items, appropriate for gratuitous issue, have not been and will not be replaced in kind.

C. Funds paid for settlement of claims made and allowed under this Chapter **shall be** made from appropriations of the office employing the claimant.

(Date)

(Name of Carrier)

(Address)

GENTLEMEN: Claim is presented by the undersigned for _____

in connection with a shipment from _____

(Loss or damage)

(Consignor) / (City, town or station), to

(Consignee) / (City, town or station)

under _____ No. _____
(Bill of lading, contract, or baggage check)

dated _____, issued by _____

covering shipment of _____
(Household goods, footlocker, flight bag, etc.)

described as follows:

Description of container (or of article if uncreated)	Approximate Weight (pounds)	Nature and Extent of damage	Amount Claimed
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Total amount of claim _____

Remarks: _____

Please mail all correspondence in regard to this claim to the undersigned in care of:

Claims Investigating Officer
(Office and Address at Which Claim Was Filed)
Attn: Department Claims Officer

Signature of Claimant

General Discussion: Use in connection with **4-35-50B**. An item less than 6 months old will not be depreciated. This includes items to which a flat rate depreciation is applied. When only the year of purchase is shown, use the month of June to compute depreciation. The depreciation rates have been developed to adjust the value of property in consideration of average wear and should be applicable to most **claims**. In some claims, where property is determined through personal inspection to have been subjected to either more or less than average wear, an appropriate adjustment in the standard depreciation rate may be made. Any such adjustment must be fully explained in the file. Similarly, the strict adherence to a maximum allowance may in a given claim create injustice. Consequently, the Department Claims Officer and authorized delegates have reserved the right to waive such allowance limitation upon proper application.

Item	Depreciation (%)			Comment
	Per Year	Flat Rate	Max-imum	
1. Adding machines, calculators	5		75	
2. Air conditioners	5		75	Maximum payment--\$750 per item.
3. Antiques				Maximum payment--\$3,000 per claim See Note 1.
4. Aquariums	5		75	
5. Artificial flowers and fruit		25		
6. Automobiles	Varies			Use local used car retail value.
7. Automobile batteries	30		75	Compute depreciation on length of use/guaranty period ratio; otherwise, use 30%.
8. Automobile convertible tops, seat and floor coverings	20		75	
9. Automobile paint jobs	15		75	Complete paint jobs only; minor jobs--no depreciation.
10. Automobile radios and accessories	10		75	
11. Automobile tires	30		75	Compute applicable depreciation on basis of miles used/30,000 miles, or mileage guarantee period ratio if mileage is known. Otherwise, use 30%.
12. Baby bassinets and carriages	10	75	75	See Furniture, Item 65.
13. Bags, clothes and shoes (fabric or plastic)	20		75	
14. Barbecue grills (include Hibachi Pots)	10		75	
15. Barber equipment (electric razors, clippers, shears, scissors)	10		75	See Item 58.
16. Baskets and hampers				
a. Wicker or Plastic	20		75	
b. Metal	10		75	
17. Bathroom scales	10		75	

Item	Depreciation (%)		Comment
	Per Year	Flat Maximum	
18. Bedding (includes mattresses, box springs, pillows, comforters, quilts and blankets, except electric)	5	75	See Blankets (electric), Item 22. See Linens, Item 82, for quilts.
19. Bedspreads	20	75	Heirloom or crocheted maximum payable-\$250.
20. Bicycles	10	75	
21. Binoculars, microscopes, telescopes, etc.	5	50	
22. Blankets (electric)	10	75	
23. Blinds (Venetian)	5	75	See Item 55, Drapes, for curtain rods, drapery rods, etc.
24. Boats	Varies		Use local used boat retail value.
25. Boating equipment and supplies	20	75	Maximum payment-\$500. Exclusive of outboard motors, see Item 93.
26. Bookends	10		
27. Books (bibles, classics, current encyclopedias, professional texts and similar works, and cookbooks).	25		Maximum payment-\$1500 per claim for all books. Does not include lecture notes and theses, see Item 123.
28. Books (current fiction and all noncurrent works, other than classics)	50		See Item 27.
29. Boxes (jewelry, cigarette, collar, music, etc.)	5	75	
30. Bric-a-Brac (all types)	10		
31. Brief cases	5	75	
32. Brushes (hair, clothes, etc.)	20	75	
33. Camel saddles (footstools)	5	75	
34. Cameras			Maximum payment is \$350 per item and \$750 per claim. See Item 102.
a. Inexpensive (\$50 or less)	10	75	
b. Expensive (more than \$50)	5	75	
35. Cards (greeting) includes Christmas and other religious cards	50		If boxes unopened or unused, no depreciation.
36. Cards (playing)	25		Same rule as Item 35.
37. Card tables	10	50	

Item	Depreciation (%)		Comment
	Per Year	Flat Max-imum	
58. Chess sets	25		If ivory, precious metal, or hand-carved wood, reduce to 10% flat rate.
39. Chests (fee. picnic, etc.)	10	7s	
40. China (fine)			Maximum payment-\$1000 per claim. No depreciation on replacement price. See Crockery, Item 47.
41. Clothing (men's, women's and children, includes fur coats, stoles, capes, hats, collars, etc.)	30-1st yr; 10-each succeeding yr	75	See Note 12. See Wedding Gowns, Item 140. If commercial pressing is required to restore wrinkled clothing to a wearable or usable condition, the reasonable cost thereof will be paid.
42. Clocks a. Inexpensive (\$25 or less) b. Expensive (Over \$25)	10 5	75 Varies	Maximum payment on Grandfather and Grandmother clocks only is \$1000 per claim unless collection. Grandfather and Grandmother clocks at maximum of 50%, and other expensive clocks at 73% maximum. See Collections, Item 43. See Note 1, if antique.
43. Collections (coin and stamp, electric trains, firearms and ammunition, bottles, phonograph records, tape recordings, sporting equipment, tools, etc.)	US& rate if indicated for individual items elsewhere on this exhibit; otherwise, use 10% rate		Maximum payment is \$750 for single collection, and \$1500 for either combination of collection or collection belonging to the whole family. The \$1500 maximum also includes Hobbies. However, do not place reasonable recreational items in the collection or hobby category unless the quantity clearly indicates a collection or hobby. Examples: set of golf clubs, two tennis racquets, etc., are not the quantity that comprise a collection or hobby. see Note 9. Items of Substantial Value.
Lb. Comforters		75	
45. Compasses	5	50	
46. Cosmetics (includes perfume, toilet articles, medicines, soap, etc.)		50	If claimant indicates "unused or unopened", no depreciation.
47. Crockery (includes dishes, glassware, pottery, plastic ware, etc.)	10	75	Does not include fine china or crystal. See Items 40 and 48.
48. Crystal			Maximum payment is \$1000 per claim.
49. Curtains	26	75	See Item 55, Drapes, for depreciation on curtain rods.
50. Decorations (Christmas, birthday, etc.)		25	
51. Dental equipment and instruments		10	
52. Dentures	5	75	When replacement in kind cannot be effected.

Item	Depreciation (%)		Comment
	Per Year	Flat Rate Max-imum	
53. Desk and writing implements (pen and pencil sets, desk sets, fountain pens, etc.)	10	75	
54. Dishes	10	75	See Crockery, Item 47.
55. Drapes	10	75	
Draperies and curtain rods and related hardware	5	75	See Item 23.
56. Drawing, mapping, sketching and professional equipment	5	50	See Dental Equipment, Item 51, Medical Equipment, Item 59, and Books (Professional), Item 27.
57. Dryers (clothes, hair, etc.)	10	75	
58. Electrical and gas appliances			
a. (toasters, blenders, mixers, grills, small radios, irons, blankets, hair dryers, heating pads, percolators, sterilizers, heaters, razors and shavers, scissors, waffle irons, fans, pencil sharpeners, portable phonographs, etc.)	10	75	
b. (stoves, air conditioners, console radio/phonograph, tape recorders, sewing machines, vacuum cleaners, refrigerators, freezers, typewriters, etc.)	5	75	Maximum payment-\$750 per item. For Hi-Fi and Stereo Systems, see Item 74.
c. Television sets and picture tubes, washers, dryers	10	75	If part of a home entertainment center which also includes a TV, a maximum of \$1750 is permitted.
d. Dishwashers	10	75	See Note 2 on internal damage.
59. Elephants, ceramic		10	Maximum payment-\$75 each with maximum of 4.
60. Eyeglasses (includes contact lens)	5	75	When replacement in kind from Government not available.
61. Figurines		20	For objects of art, see Item 95. Apply collection maximum if quantity indicates collection, Item 43.
52. Firearms	5	50	If the current market value for a similarly used gun is higher, award that amount. Apply collection maximum if quantity indicates collection, see Item 43.
63. Flashlights	20	75	
64. Foodstuffs			\$100 maximum payment for foodstuffs in shipment-nonperishable only; reasonable payment for foodstuffs • quarters or shipped to remote area.

Item	Depreciation (%)		c o - t
	Per Year	Flat Maximum Rate	
65. Furniture			
a. Fine (expensive solid woods)	2	75	Apply 2% depreciation only when price and brand name verify classification of "expensive."
b. Ordinary	5	75	Majority of furniture falls into this category.
c. Infants (lawn and patio)	10	75	See Note 3.
66. Furs			Maximum payment is \$750 per item, and \$1500 per claim. For depreciation rate, see Item 41.
67. Game equipment (poker chips, chess and checker sets, etc.)		25	For chess sets, see Item 38 for special rule.
68. Garden equipment (all implements for upkeep of lawns and yards)	10	75	See Item 65 for lawn furniture.
69. Glassware (includes pyrex)	10	75	See Crockery, Item 47.
70. Hairpieces			See Wigs, Item 141.
71. Bamper (wicker or plastic)	10	75	
72. Handbags and purses (leather or fabric)	20	75	
73. Hearing aids	5	75	When replacement in kind from Government is not available.
74. Hi-Fi and stereo systems	5	75	Maximum payment-\$1500 per claim. For non-hi-fi or non-stereo systems, see Item 58 for individual listings .
75. Hobbies			Maximum payment-\$1500. See Collections, Item 43.
76. Irons (electric)	10	75	See Appliances, Item 58.
77. Jewelry			
a. Costume (\$50 or less per item)	10	75	Maximum payment-\$250 per claim if lost in transportation; \$500 per claim under other circumstances.
b. Expensive (over \$50 per item).		10	Maximum payment-\$500 per item: \$1000 per claim. (See Note 9, Items of Substantial Value).
78. Kitchen utensils			
a. Pots, pans, knives, heavy aluminum, copper, cast iron, stainless steel, corningware, etc.	5	50	All long lasting kitchen tools should be considered in the 5% = 50% category. Items such as potato peelers, ice picks, cake cooling racks, cookie sheets, bowl scrapers, and items described in the advertisements as "kitchen gadgets" should be considered in the 20% = 75% category.
b. Other items	20	75	
79. Lamps (includes sunlamps)	5	75	
so. Lampshades	20	75	This applies only when shades are claimed separately. However, if shades are made of glass of any type, apply 5% per year depreciation.

Item	Depreciation (%)		Comment
	Per Year	Maximum	
81. Lawn mowers	10	75	See Garden Equipment, Item 68.
82. Linens			
a. Fine (expensive)	5	75	Maximum payment-\$250 for handmade or manufactured crocheted spreads, quilts or tablecloths. Apply this maximum per item only when value is established. Otherwise, award reasonable replacement as for other fine linens.
b. Ordinary (household items such as sheets, pillowcases, towels, bath mats, spreads, tablecloths, etc.)	20	75	Most linens should fall in this category.
83. Lighters (cigar, cigarette, etc.)	20	75	
84. Lighting supplies (chandeliers, globe domes, electric candlesticks or candelabra, etc.)	5	50	Payable only when the items belong to the claimant and have not lost their character as personal property by being affixed to real property.
85. Lithograph prints		10	
86. Luggage (all types including footlockers)	5	75	
87. Material (includes yard goods and yarn)		10	
88. Mattresses (includes box springs)	5	75	See gadding, Item 18.
89. Medical equipment and instruments		10	See Dental Equipment, Item 51.
90. Memorabilia (includes snapshots, snapshot albums, baby album, scrapbooks, souvenir album, emblems, award plaques, trophies, movie film, photographic slides)			Maximum payment-\$500 per claim (except where volume indicates hobby). Exclude scenic slides and wedding albums from memorabilia. Use \$.18 per slide as rule of thumb cost of slide. Collection Rule (see Item 43) • apply if quantity indicates a hobby. See Item 139, for wedding albums.
91. Mirrors (includes frames)	5	75	Mirrors which are integral parts of furniture items depreciate at the same rate as those items.
92. Mobile homes	Varies		Use local wed mobile home retail value.
93. Motors (outboard)	20	75	Use depreciation factor only if local used motor retail value is not obtainable.
94. Musical instruments			
a. Pianos and organs	5	75	Maximum payment-\$1750 per item.
b. All Other Instruments			Maximum payment-\$1000 per claim.
1. Under \$50	20	75	
2. \$50 to \$250	10	75	
3. Over \$250	5	75	

Item	Depreciation (%)		Comment
	Per Flat Year	Max-imum Rate	
95. Objects of art (rare artistic items of sculpture, etc.)	10		Maximum payment-\$350 per item; \$1000 per claim. Does not include figurines. See Items 61 and 96.
96. Paintings and pictures (includes frames) paintings include hand painted or hand reproduced pictures, etchings, photographic portraits, lithographic prints, etc.	10		Maximum payment-\$350 per item; \$1250 per claim. No depreciation will be taken on paintings having a value in excess of \$350 each.
97. Pen and pencil sets	10	75	If sterling silver, no depreciation.
98. Perculators {other than electric)	10	75	See Appliances. Item 58.
99. Personal memorabilia			See Memorabilia, Item 90.
100. Phonographs (concole or portable)			See Appliances, Item 58.
101. Phonograph records	50		See Recordings, Item 110 and Collections, Item 43.
102. Phonographic equipment (cameras, projectors, lens, screens, etc.)			Maximum payment-\$350 per item; \$750 per claim. See Items 34.
a. Inexpensive (\$50 or less)	10	75	
b. Expensive (more than \$50)	5	75	See Note 9, Items of Substantial Value.
103. Pillows	5	75	See Bedding, Item 18.
104. Pipes (smoking) includes pouches	20	75	
105. Pots and pans	Varies	Varies	See Kitchen Utensils, Item 78.
106. Professional equipment	Varies		See Items 27, 51, 56, and 89. If not Dental or Medical equipment or instruments, apply 5% -75% depreciation.
107. Quilts	5	75	See Bedding, Item 18.
108. Radios	Varies	75	See Appliances, Item 58.
109. Razors (other than electric)	5	75'	For electric razors, see Item 58.
110. Recordings, (tape) including tapes in automobile	25		Maximum payment-\$60 for tapes in automobile. See Items 43 and 75.
111. Refrigerators	5	75	See Item 58.
112. Rugs			
a. Under \$100	10	75	Maximum payment-\$1000 per item.
b. \$100 to \$999	5	75	
c. \$1000 or over	2	75	

Item	Depreciation (%)		Comment
	Per Year	Flat Rate Maximum	
113. Schrenck (German)	2	75	Maximum payment-\$1000 per item.
114. Screens (fireplace and room divider)	5	75	
115. Scissors, shears, etc. (other than electric)	5	75	For Electric, see Item 58.
116. Sewing machines (other than electric)	5	75	For Electric, see Item 58.
117. Silverware			
a. Silverplate and stainless steel flatware and holloware (includes pewter, copperware, bronzeware)	5	75	Consider fine pewter in same category sterling silver
b. Sterling silver flatware and holloware	2		Maximum payment-\$2000 per claim. No depreciation price of sterling silver.
118. Slipcovers	10	75	
119. Sporting Equipment (includes uniforms and riding togs, bowling balls, golf sets, badminton sets, croquet sets, tennis racquets, etc.)	10	75	
120. Sporting supplies (baseballs, footballs, golf balls, tennis balls, volleyballs, basketballs, etc.)	50		If boxes of golf balls and canisters of tennis balls are unopened or unused, no depreciation.
121. Stationery	50		If boxes unopened or unused, no depreciation.
122. Stenotype machines	5	75	
123. Theses and lecture notes			Out-of-pocket expenses only.
124. Tools (all types)			
a. Manual	5	50	Maximum payment-\$1000 per claim. See Items 43 and 75. See Note 11 Craftsman-Type tools.
b. Power	5	75	
c. Tools shipped in automobile-includes related emergency equipment, e.g., flares, tow rope, battery jumper cable, trouble lights, fire extinguisher, first aid kit, etc.			Maximum payment-\$50 per claim.
125. Toys (includes all children's playtoys and games; does not include electric trains, bicycles, tricycles, wagons).	50		Maximum payment-\$500.

Item	Depreciation (%)		Comment
	Per Flat Year Rate	Max- imum	
126. Trailers (house, boat, etc.)	Varies		See Items 25 or 92, as appropriate.
127. Trains (electric)	10	75	See Items 43 and 75, if appropriate.
128. Tricycles	20	75	
129. TV trays	10	75	
130. Typewriters	5	75	
131. Umbrellas	20	75	
132. Vacuum cleaners	5	75	See Item 58.
133. Vases	5	75	If china, crystal or sterling silver, see those categories. If other expensive material, use rules for china, etc., categories.
134. wagons (children's)	20	75	
135. Washers	10	75	See Item 58.
136. Wastebaskets			
a. Metal	10	75	
b. Plastic	20	75	
137. Watches			Maximum payment-\$150 per item. See Note 9 if over \$100.
a. \$50 or less	10	75	
b. More than \$50	5	75	
138. Waterbeds	20	75	
139. Wedding albums			Maximum payment-\$250 per claim.
140. Wedding gowns	10	75	Maximum payment-9250 per claim.
141. Wigs (includes hairpieces)			
a. Under \$100	20	75	Maximum payment-\$500 per claim.
b. \$100 - \$250	10	75	
c. Over \$250	5	75	

NOTE 1. ANTIQUES :

If the value of antiques exceeds \$3,000 and some or all of the antiques serve a utilitarian purpose (e.g. furniture), a claim for those antique **items** which serve a utilitarian purpose may be allowed in excess of \$3,000 but the amount **allowed** shall be limited to the reasonable cost of a replacement item which will serve a **similar** utilitarian purpose. In making such calculations, **items** which are primarily of decorative or artistic value and serve no utilitarian purpose other than satisfying personal taste shall first be listed so that the exception may be applied to permit some reasonable compensation for antique **items** which do serve a utilitarian purpose. Since there is usually a wide variance of **opinion** as to antique value, unassailable evidence of the same **must** be presented to justify payment. In order to qualify prima facie as an antique, an item **must** be, according to the U.S. Customs **Service**, at least 100 years old. For items newer than that, independent evidence will have to be presented or be available to prove that the item so qualifies. In respect to those items which qualify as antiques, the claimant may be compensated up to the generally recognized value of the items. In such **instances**, the claimant will be required to prove that the item possesses a demonstrably inherent value regardless of its purchase price, the place where it was purchased,

the prestige of the label it bears, or its **sentimental** or personal attraction. The mere fact that an isolated appraiser might be found who could assign a value to it in excess of its purchase price does not meet this burden of proof. In **the** absence of credible evidence of value, reimbursement should be limited to out-of-pocket loss, or the reasonable replacement price of a substantially similar substitute item.

NOTE 2. INTERNAL DAMAGE TO APPLIANCES **WHEN** NO EXTERNAL DAMAGE **TO** CABINET OR TRANSPORTATION CONTAINER IN EVIDENCE:

In these circumstances, consideration should be given to paying for such damage if there **is** evidence of rough handling of other items in the shipment; that the item is relatively new in comparison to its useful life; that the claimant is apparently honest based upon an examination of the entire claim; and/or the opinions of qualified repairmen. as to whether or not the damage was as a result of transit handling. With respect to color TV sets for which color realignment may be claimed, consider the charge for color realignment payable only **when it** is part of the cost to repair internal damage to the television set or when the cabinet of the set has external damage that was not present at the time of pickup, thereby indicating rough handling.

NOTE 3. REUPHOLSTERING:

In the event partial damage to a matching set requires reupholstering of the entire set because matching material to reupholster the damaged portion is not available, the cost to reupholster the entire set, less depreciation, may be paid. This includes replacing chair seats. **HOWEVER**, there must be a measurable decrease in the value of the complete set due to the inability to match the materials before this rule is employed. Consideration should be given to diminution in value of the damaged items if the damage is merely minor. An example of this is a three-inch tear in the back of a sofa which can be repaired by reweaving but not to the extent that the repair isn't visible under scrutiny: This rule is not applicable to recovering mattresses, box springs, etc., which do not lose their intended use merely because the coverings do not match. In considering the award to be made for the cost of reupholstering, use the per year rate of depreciation indicated for the furniture, i.e., ordinary or fine, for the fabric. Labor charges, if itemized separately, will not be included in depreciation computation. If labor charges are **unitemized**, 50% of the total amount of the repair estimate will be considered to be labor charges.

NOTE 4. LEGEND OF ABBREVIATIONS:

In order to maintain uniformity, the **following** list of abbreviations should be indicated in the **"Remarks"** section of the *claim form* to describe **the** intention of the **Examiner:**

- AC - **Amount** claimed.
- AGC - Agreed cost of repairs **in lieu** of estimate.
- BX = PX or - **Replacement** price through local exchange retail store (rate
PACX = EES of depreciation. if applicable, to be included).
- CR - Amount paid by carrier prior to settlement of this claim entered on this line
and deducted **from total amount** allowed.
- D - Depreciation computed. preceded by appropriate percentage, i.e., 20% D.
- DV - Depreciated value awarded - cost **of** repairs exceeds depreciated value of item.
- ER - Estimate of Repair (add exhibit **number** of repair estimate).
- EX - Exhibit (include appropriate exhibit designation, e.g., **Ex G**).
- FR - Flat rate depreciation, preceded by appropriate percentage, i.e., 25% **FR**.
- F&R - Fair and reasonable award.
- M/A - **Maximum** allowable.
- N/P - Not payable (appropriate rule **for** basing denial should be included, e.g., Rule **3**, Table
6-2, **AFM 112-1**).

- PED ■ Preexisting damage (percentage to be indicated, e.g., 30% PED).
- PF - Purchase Price.
- RC - Reasonable replacement cost applied (rate of depreciation, if applicable, to be included in block).
- SV/N** ■ Salvage value - beyond economical/reasonable repair; no salvage value; turn-in not required.
- SV/T** ■ Salvage value with turn required (amount of salvage value to be entered).

NOTE 5. DEPRECIATION WHILE IN STORAGE:

No depreciation will be taken for substantiated periods of storage of property regardless of the type of property.

NOTE 6. DEPRECIATION:

To compute yearly depreciation, the following yardstick should be used.

6 - 17 months = 1 year
 18 - 29 months = 2 years, etc.
 (increments of 11 months will be counted as one year, up to 173 months. For items 174 months or over in age, depreciation is 75% (maximum)). When dates of purchase are listed, for example, as 'between 1966 and 1970,' use the median date, i.e., 1968 to compute depreciation.

NOTE 7. REPAIRABLE ITEMS:

The amount allowable for repairs may not exceed the depreciated replacement value of an item.

NOTE 8. EXPENSIVE ITEMS - REASONABLE SUBSTITUTE PRICES:

This does not relate to items of extraordinary value. It pertains to items of everyday use, household furnishings, wearing apparel, and the like, which serve a utilitarian purpose, even though the items are expensive. A fixed award cannot be set as the amount allowed will vary with the type of article. The award should be just and not arrived at by considering only low-priced or popular-priced substitutes. Rule 6c as well as Rule 3c, Table 6-3, AFM 112-1 should be employed when arriving at a suitable award. This is especially important in the areas of fine furniture as opposed to ordinary furniture.

NOTE 9. ITEMS OF SUBSTANTIAL VALUE:

Easily pilferable items usually worn or carried costing over \$100 are considered of substantial value. Nonexclusive examples of items fitting this category are Watches, Jewelry (Pins, Rings, Earrings, Bracelets, Locketts, Pendants, Necklaces, Tie Clips, Cuff Links, Belt Buckles, Identification Bracelets and Artistic Charms) Ornate Cigarette Cases and Compacts, and Small Coin and Stamp Collections.

NOTE 10. ITEMS OF EXTRADORDINARY VALUE:

An item of extraordinary value may be defined as one which, because of exceptional qualities of workmanship or design, the high value of the materials it contains, or its association with a past event or period, or historical figure, possesses a value far beyond the usual value of an item of like nature. The term "item of extraordinary value" normally should be limited to items which primarily serve an artistic or decorative purpose, or which are collectors' items.

NOTE 11. CRAFTSMAN (SEARS) AND OTHER LIFETIME GUARANTEED TOOLS:

Do not deduct for depreciation on tools which are covered by such guarantees. Catalogs reflect items covered by such guarantees.

NOTE 12. CLOTHING:

The following maximums are suggested maximums only: female service member or female adult dependent - \$2000; male service member or male adult dependent - \$1500; school-age child - \$500; pre-school child - \$250. They

are to be employed when the approving authority must reach a determination of what is considered 'reasonable, useful or proper' in the attendant circumstances. Therefore, they must be viewed as 'guidance' primarily and flexible if the evidence justifies the possession of clothing of a value which exceeds the suggested maximums.