

**Licensing Services**  
(360) 664-1222

**Consumer Help Line**  
888-333-WUTC (9882)  
consumer@utc.wa.gov

**TTY**  
800-416-5289

**Media Line**  
360-664-1116

The UTC regulates the services of privately or investor owned utility and transportation companies. Our mission is to ensure that services are fairly priced, available, reliable and safe.

**Regulated companies:**

- Telephone
- Electricity
- Natural Gas
- Water
- Garbage
- Recycling
- Residential Movers
- Charter Buses
- Airport Shuttles
- Commercial Ferries
- Natural Gas Pipeline

**General Information**  
360-664-1160  
www.utc.wa.gov

PO Box 47250  
1300 S Evergreen Pk Dr SW  
Olympia WA 98504



## “Valuation” Is Not Insurance

Valuation is an important aspect of any contract for the movement of household goods. Current law recognizes a carrier’s right to limit its liability to the value of the goods it is hauling. Many customers prefer to have a higher level of coverage for their goods, in terms of the amount of compensation they will receive if the goods are lost or damaged, known as increased valuation. The increased valuation process allows the mover and the customer to agree upon a higher level of coverage by asking the customer to declare the value of the entire shipment. The mover can then price the move according to the potential amount of loss or damage involved by using the rates contained in Tariff 15-C, including any deductible limits assumed by the customer.

**Valuation is NOT insurance.** Problems arise when the terms “valuation” and “insurance” are used interchangeably, either by the carrier’s sales personnel or in the moving company’s sales materials and other documents. While the two concepts are similar, they are quite distinct and not interchangeable. Proper valuation protects the mover, as well as the customer, but it is NOT insurance in the strict legal sense. Valuation establishes a level of responsibility the customer and carrier agree to and specifies compensation that the consumer will receive from the mover in the event of any loss or damage.

Insurance transfers the risk to a third party, an insurance company, in exchange for the payment of a premium. In Washington, insurance can only be sold by a licensed insurance agent. In that instance, the customer is insured with the insurance company.

It is extremely important that customers understand that when they declare the value of their goods, they are not purchasing insurance. Household goods carriers must not use the term “insurance” when actually speaking of valuation, or give the consumers any impression that they are purchasing insurance for the protection of their goods, unless they are actually offering insurance through a third-party insurance company, referred to as certificated coverage. **Third-party insurance CANNOT be used in place of valuation.**

# “Valuation” Is Not Insurance

The chart below details the three choices for valuation and explains the level of coverage and cost. These options must be discussed with the customer prior to the move, if no option is chosen, Option 2 will be applied and charged.

## UTC Valuation Requirements

	<b>Option 1 Basic Value Protection (minimum coverage)</b>	<b>Option 2 Replacement Cost Coverage with \$300 Deductible</b>	<b>Option 3 Replacement Cost Coverage (No Deductible)</b>
<b>Level of Coverage</b>	60 ¢ per pound per item  <b>Examples</b> 2-pound lamp = \$1.20 1200 pound grand piano = \$720 10,000 pound shipment = \$6,000	Full replacement coverage less \$300 deductible  <b>Examples</b> 2-pound lamp = \$0 1200 pound grand piano = Replacement cost less \$300 10,000 pound shipment, \$50,000 Replacement cost = \$49,700	Full Replacement Coverage  <b>Examples</b> 2-pound lamp = Replacement cost 1200-pound grand piano = Replacement cost 10,000 pound shipment, \$50,000 Replacement value = \$50,000
<b>Cost</b>	No Charge	Between \$.55 and \$1.15 per \$100 of total declared value of goods (or \$5.00 times the weight of the shipment, whichever is greater).	Between \$.66 and \$1.40 per \$100 of total declared value of goods (or \$5.00 time weight of shipment, whichever is greater).
		<b>Example</b> Coverage for goods valued at \$50,000 would cost between \$275 and \$575.	<b>Example</b> Coverage for goods valued at \$50,000 would cost between \$330 and \$700.
<b>Deductible</b>	No Deductible	\$300 Deductible	No Deductible
<b>Option Summary</b>	Most economical. Lowest level of coverage.	Best coverage when customer agrees to assume the risk for minor (up to \$300) loss or damage.	Highest level of coverage, highest cost. No risk to customer.