



7th JMTC Claims Information

CLAIMS FOR DAMAGED COMPUTERS

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

Are you considering shipping a personal computer on your next move? If the computer does not work after the move, will the Army claims office compensate you for the loss? If you are interested in the answer to these questions, read on:

Computers are complex electronic devices and do not last forever: parts wear out, connections loosen, circuits burn up. Disks and disk drives develop faulty sectors over time. Sometimes internal computer problems following a move may be attributable to rough handling. Often, however, these problems arise because of inadequate maintenance or defects in computer components. Temperature fluctuations, humidity, static electricity, fluctuations of incoming power, and airborne contaminants such as dust and cigarette smoke all affect the operation of a computer. A computer that worked at the place of origin may not work after shipment for reasons other than the fact of the move itself.

A major source of computer problems is the expansion and contraction of components with changing temperatures. The greatest expansion problems are caused by simply turning the computer on and off. The quick temperature change produces great stress on internal parts. Components of marginal quality often break when the system is turned on. Because computers are not turned on during shipment and may be subject to outside temperature extremes in transit, shipment is often the last straw. When the computer is first turned on after shipment, chips stop working and inexpensive manufactured hard drives refuse to boot.

Hard-drive problems are particularly difficult to identify. Very few repairmen can open a hard drive and physically examine it. They will usually discard a hard-drive that still does not work after they have re-formatted it. Accordingly, without knowing the cause of the damage, proving that rough handling in shipment damaged a hard drive is difficult.

Claims for internal damage to computers cannot be paid unless sufficient evidence exists to conclude that the loss was due to mishandling in shipment. A written evaluation from a reliable repair firm is essential in determining whether or not a claim for a computer is payable. In determining whether internal damage to a hard drive is incident to shipment, the claims examiner will also consider the kind of hard drive, whether reformatting was attempted, and whether the drive automatically parks the heads whenever the system is turned off. The mere fact that the computer worked prior to shipment is not sufficient grounds for paying a claim.

If you should file a claim for a computer that was damaged or lost in shipment, bear in mind that the Army regulation authorizes payment for fair market value at the time of the loss, not for the amount of money you paid for the computer. For example, in January 2002 a claimant bought a personal computer for \$3,000. In June 2004 the computer was destroyed during the claimant's PCS to Germany. The verifiable replacement cost as of June 2004 was \$2,500. The claimant then waits to secure an estimate and file his claim until September 2005, by which time, taking obsolescence into account, verifiable replacement cost has fallen to \$1,800. Unless the claims office can accurately determine the replacement cost as of June 2004- which in a rapidly-changing market is difficult if not impossible after the lapse of a year- the claimant would only be paid \$1,800 for the loss.

If you suffer loss or damage to property that may be compensable by the Army, contact your local claims office promptly. In Grafenwoehr, call Grafenwoehr Law Center, DSN 475-8428/civilian (09641) 83-8428; at Hohenfels, call Hohenfels Law Center, DSN 466-2471/civilian (09472) 83-2471; for Vilseck, call Vilseck Law Center, DSN 476-2240/civilian (09662) 83-2240.