

FILING CLAIMS RELATED TO LOSS OR DAMAGE IN GOVERNMENT AND PRIVATIZED HOUSING

In January 2015, the Department of Defense (DoD) changed the structure and funding of the Basic Allowance for Housing (BAH), effectively eliminating the component of BAH that was used to provide renters' insurance to residents of privatized military housing. Following this change, the privatized military housing contractor on Fort Bliss, Fort Bliss Family Homes (formerly known as Balfour Beatty Communities), announced that it will no longer provide renters' insurance to Fort Bliss privatized military housing residents after 31 December 2015.

Privatized military housing residents on Fort Bliss will still be able to submit a claim for property loss or damage that occurs in their quarters to the Fort Bliss Military Claims Office (MCO), located on the first floor of Building 113 on Pershing Road, who will adjudicate these claims under the Personnel Claims Act (PCA). However, **for the reasons outlined below, it is highly encouraged that residents of Fort Bliss privatized military housing secure renters' insurance coverage, to begin no later than 1 January 2016.**

There are many possible limitations on any recovery a claimant may be able to get for their lost or damaged property under the PCA, limitations that can be overcome through coverage under renters' insurance. For instance, certain types of claims, such as indirect, remote, or consequential damages, cannot be paid at all under the PCA. Among other restrictions, claims will not be paid under the PCA for intangible property or inconvenience or loss of use. Also, under the PCA, the types and quantities of property being claimed will also be evaluated as to their reasonableness and usefulness. Property acquired for re-sale or a private business use would not be covered. Any claim for cash lost would be limited to \$100 or less, and claims for vandalism would not be paid when the vandal is known. These are just some examples of the limitations that may apply to the type of property damage that can be claimed under the PCA. In addition, under the PCA, depreciation must be taken on most property for which loss or damage can be paid. Finally, the absolute monetary cap on any payment made under the PCA is \$40,000.00.

While there are many forms of renters' insurance, and privatized military housing residents should find the one that is best-tailored for their needs, **renters' insurance can certainly overcome all of the limitations under the PCA described above that may severely limit any monetary recovery a resident might incur due to loss or damage experienced in privatized military housing.**

Therefore, in order to maximize any recovery hoped for after experiencing loss or damage in privatized military housing, residents should maintain renters' insurance.

In addition, residents of privatized military housing who carry renters' insurance should first submit any claim for their loss or damage to their renters' insurance company. Then, if there is any portion of their loss or damage that is not paid for by their renters' insurance company, the privatized military housing resident can submit another claim to the MCO for the difference. The sequence of these claims (i.e., first to the renters insurance company and then to the MCO) is very important if the claimant wants to maximize recovery for the loss/damage, because most renters' insurance companies will not pay a claim after the MCO has already reimbursed the claimant, even partially. So, submitting a claim with the MCO before submitting a claim to the renters' insurance will likely leave the claimant with only the limited, depreciated recovery that the MCO is able to provide under the PCA.

If you have further questions, call 568-4369 or 568-5846 or visit the Claims Office at Bldg 113.