



Publisher of Consumer Reports

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DEPARTMENT OF TRANSPORTATION

98 JUL 15 PM 3: 22

DOCKET SECTION

July 14, 1998

Docket Clerk, U.S. DOT Dockets  
Room PL-401  
400 Seventh Street, SW  
Washington DC 20590-0001

RE: Docket No. FHWA-97-2979 - 23  
Transportation of Household Good; Consumer Protection Regulation

To the Docket Clerk:

Enclosed herewith for filing are the Comments of Consumers Union regarding Docket No. FHWA-97-2979, Transportation of Household Good; Consumer Protection Regulation.

Please acknowledge receipt by affixing an appropriate notation on the duplicate copy of this letter furnished herewith for that purpose and returning same to the undersigned in the enclosed, self-addressed envelope.

Sincerely,

Jane Briesemeister  
Senior Policy Analyst

Encl.



Publisher of Consumer Reports

DEPARTMENT OF TRANSPORTATION

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DOCKET SECTION

**Comments of Consumers Union  
Submitted to the Federal Highway Administration (FHWA) of the  
Department of Transportation  
Regarding Transportation of Household Goods;  
Consumer Protection Regulations**

**Docket No. FHWA-97-2979**

July 14, 1998

Consumers Union<sup>1</sup> submits the following comments on proposed rules regarding Transportation of Household Goods; Consumer Protection Regulations as published in the Federal Register on May, 15, 1998.<sup>2</sup>

Introduction

Moving household goods between states is a stressful, costly experience for most consumers. Relatively few households make such moves on a frequent basis. Therefore the typical consumer of household moving services is inexperienced and consumer protection regulations are required to assist the consumer in getting the best deal for his money. Consumers Union's comments on the proposed rules focus on those protections

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<sup>1</sup>Consumers Union is a nonprofit membership organization chartered in 1936 under the laws of the state of New York to provide consumers with information, education, and counsel about goods, services, health, and personal finance; and to initiate and cooperate with individual and group efforts to maintain and enhance the quality of life for consumers. Consumers Union's income is solely derived from the sale of Consumer Reports, its other publications and from noncommercial contributions, grants and fees. In addition to reports on Consumers Union's own product testing, Consumer Reports, with approximately 5 million paid circulation, regularly carries articles on health, product safety, marketplace economics, and legislative, judicial, and regulatory actions which affect consumer welfare. Consumers Union's publications carry no advertising and receive no commercial support.

<sup>2</sup> Lack of comment on any provision of the rules should not be construed as endorsement of that provision.

which we believe will best protect consumers and enhance their ability to make an informed purchasing decision when choosing a carrier in the competitive marketplace.

The Annual Performance Reports should not be discontinued, but combined with the proposed Arbitration Results Report.

The proposed rules would discontinue the annual “Performance Reports” and substitute an “Arbitration Results Report.” The FHWA justifies the elimination of the Performance Report by stating it is not convinced the Performance Report data is reliable cannot verify the accuracy of the reports. The FHWA then proposes to substitute filing of an Arbitration Results Report.

There is no improvement in reliability or ease of verification with an Arbitration Results Report over the Performance Report. The proposed rules will require a company officer to sign a oath attesting to the accuracy of the Arbitration Results Report. The FHWA does not propose to audit the report, but only to “spot check” the results. Thus, there is no meaningful improvement in accuracy or ability to verify the Arbitration Results Report over the Performance Report. Carriers currently sign an oath attesting to the accuracy of the Performance Report just as is proposed for the Arbitration Results Report; any carrier intending to mislead or defraud by inaccurately reporting data can do so just as easily by falsely attesting to an Arbitration Results Report as with the Performance Report. The real difference between the two reports is not the accuracy of the data, but in the type and breadth of the data that is reported. The Performance Report supplies additional data which consumers could rely on in choosing a carrier.

The Performance Report supplies broader data than the Arbitration Results Report. The additional information includes:

- The number and type of estimates given.
- The percentage of shipments delivered where the final charges exceeded the initial estimate.
- Percentage of shipments that were picked up or delivered after the last date specified on the order for service or bill of lading.
- Type of claims filed, by percentage. \_\_\_\_\_

- Average number of days required to settle a claim.
- Percentage of claims that were resolved through the use of an arbitration program
- Percentage of claims (in excess of \$200) that were resolved after the carrier received a legal notice of a lawsuit filed by the shipper

Information on estimates and final charges assists consumers in determining whether an estimate is a “low-ball” which will later escalate at the time of delivery. Timeliness of pick-ups and deliveries offers information about service quality which would not be reflected in arbitration results.

In the event FHWA goes forward with the rule as proposed, we want to indicate our strong support for the the inclusion of the total number of shipments and claims made (whether resulting in arbitration or not) as part of the Arbitration Results Report. These are important statistics which provide a “yardstick” against which to compare one carrier against another. For instance, one carrier may have more claims and arbitrations than another, but as a percent of total shipments the number may be very small, while another carrier with a smaller total number of claims and arbitrations has a larger percentage of moves resulting in claims.

Consumers should receive a copy of “Your Rights and Responsibilities When You Move” and the carrier’s Annual Performance Report (or Arbitration Results Report) at the time an estimate is given by a carrier (including when estimates are given prior to the execution of an Order for Service); this would enhance operation of the competitive market. Consumers shop based on price and quality. The pamphlet will help guide consumers in their search for a mover, assisting them with questions to ask and information to provide a carrier in order to get the most accurate estimate possible. The Performance Report will give consumers the two pieces of information which facilitate the operation of free, competitive markets: 1) Information on price—how often do the final charges exceed the estimate? Consumers get estimates in order to compare price. Because the estimate could be lower, even much lower, than the final charge the consumer must receive information which compares the historical performance of the

carrier in terms of final price exceeding the estimate. 2) Information on quality. Word of mouth is one way to learn about the quality of a business, although that may be useless for a business in which carrier-agent relationships are not clear (one agent may do a great job v. an agent who does not—the consumer is thinking only in terms of the carrier’s name). Reviewing and comparing the information on the Performance Report gives the consumer information about the carriers’ quality of service.

Consumers Union has used Performance Reports filed in Texas to provide information to the public about carriers and their quality of service, including claims and estimates. Consumers Union, Southwest Regional Office recently conducted an analysis of performance reports and complaints filed with the Texas Department of Transportation (TxDOT) about the moving industry. Based on our analysis we are making several recommendations to TxDOT for improvements in the regulation of household movers. (While the report is not directly applicable to interstate moves, FHWA may find the report interesting and perhaps useful in reviewing the regulations of interstate household good carriers. A copy of the report is enclosed with these comments.)

Maximum charges should be included in all non-binding estimates.

Accurate and reliable price information is a key prerequisite for making a competitive market work efficiently (another key being access to information about carrier quality through claim and complaint records). It is clear from the proposed rules that the FHWA recognizes the risk of “lowballing” consumers through non-binding estimates. The proposed rules (§ 375.405) require carriers to explain to consumers that final charges for shipments moved on a non-binding estimate will be those appearing in the carrier’s applicable tariffs. This explanation will have little meaning to a consumer who is unlikely to know how to review a filed tariff, much less have access to one. Rather, the FHWA should require carriers to give consumers a maximum price with a non-binding estimate. A carrier could be allowed to determine how it provides the maximum price, whether through a simplified tariff schedule handed to the consumer, or by calculating a maximum price above the estimate. Information about maximum price

enhances the consumer's ability to compare carriers. Theoretically, the consumer is given the maximum price through reference to the filed tariff. Our proposal ensures consumer are actually given the information they need in order to shop for service.

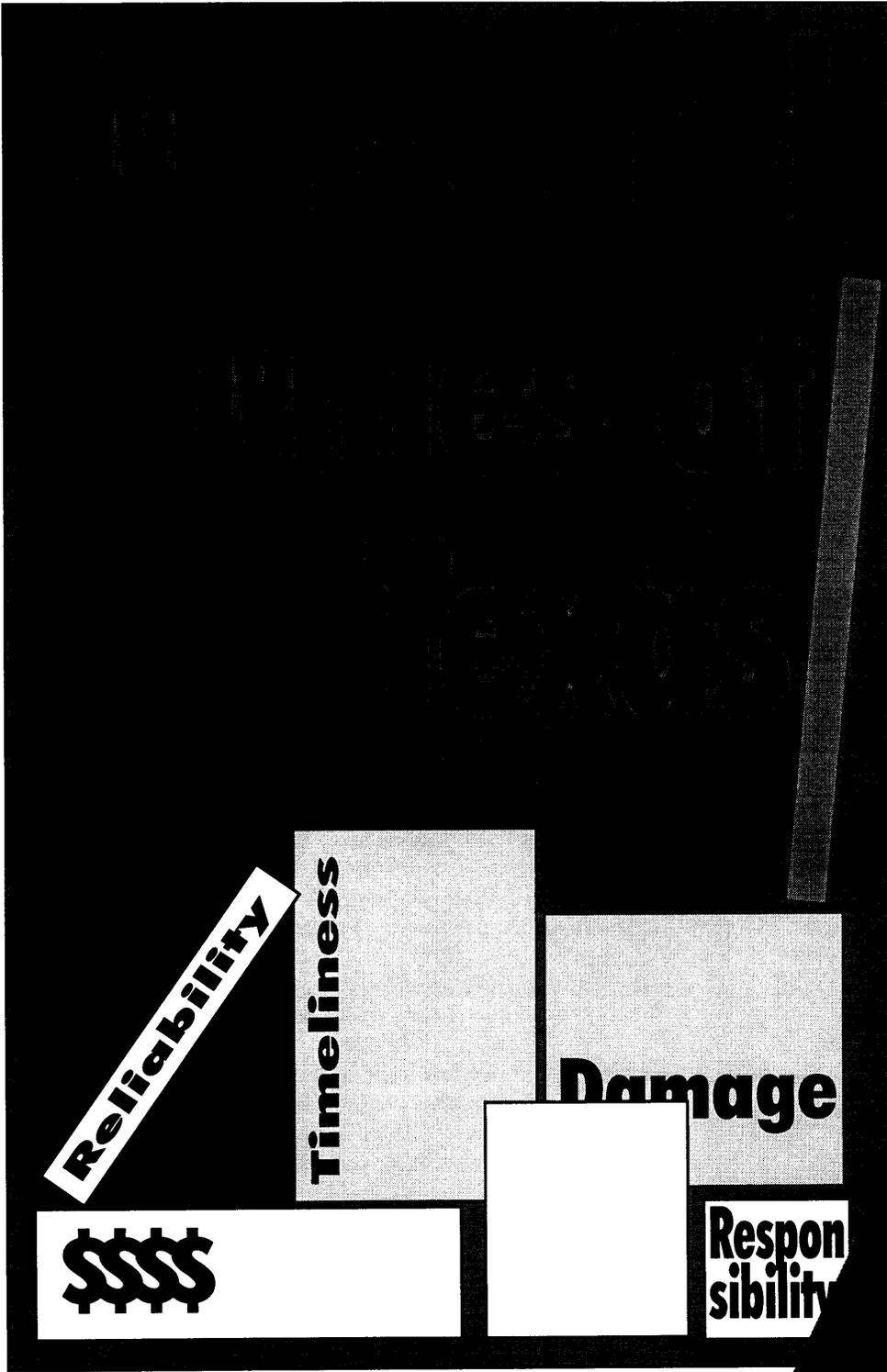
"Your Rights and Responsibilities When You Move"

Consumers Union strongly urges the FHWA to redraft the text of this pamphlet into even plainer language. Although the goal of the pamphlet is to restate the regulations in plain English, the language and format remains dense and somewhat confusing. As one example, the summary section (Subpart K) should be at the front of the pamphlet.

Respectfully submitted,

CONSUMERS UNION

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Moving  
Across

the Lonestar  
State



December, 1997  
Consumers Union  
Southwest Regional Office



Publisher of Consumer Reports



## Southwest Regional Office Public Policy Report Series #5

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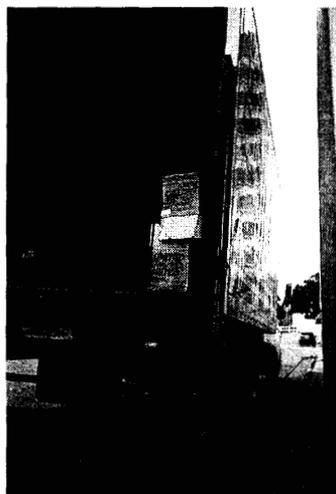
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### Editorial Assistance

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**Acknowledgements:** We wish also to thank the staff of the Motor Carrier Division of the Texas Department of Transportation for their assistance with our numerous questions throughout the project.

Each year the Southwest Regional Office of Consumers Union issues reports on consumer product issues of particular concern in Texas and the southwest United States. Topics include financial services, health, utilities, and the environment. You may order copies of reports by calling the Southwest Regional Office at (512) 477-4431 or writing to us at 1300 Guadalupe, Suite #100, Austin, Texas 78701.



The following reports were released in 1997:

**Our Neighborhood Banks:** High Cost Loans for Low Income Borrowers (July 1997)

**Out of Focus:** Contact Lens Policy in Texas (March 1997)

**Rich House, Poor House:** The Two Faces of Home Equity Lending (March 1997)

**Right to Know/Right to Act:** An analysis of Texas Natural Resources Conservation Commission Rules and Practice (February 1997)

Back issues of the following older reports are also available:

**Are Texans Paying More:** A Survey of Texas Banks and the Fees they Charge for Routine ATM Services (June 1996)

**A Poor Choice:** Check Cashing Services in Texas (March 1995)

Consumers Union is a nonprofit membership organization chartered in 1936 under the laws of the state of New York to provide consumers with information, education, and counsel about goods, services, health, and personal finance; and to initiate and cooperate with individual and group efforts to maintain and enhance the quality of life for consumers. Consumers Union's income is solely derived from the sale of *Consumer Reports*, its other publications and from noncommercial contributions, grants and fees. In addition to reports on Consumers Union's own product testing, *Consumer Reports*, with approximately 4.6 million paid circulation, regularly carries articles on health, product safety, marketplace economics, and legislative, judicial, and regulatory actions which affect consumer welfare. Consumers Union's publications carry no advertising and receive no commercial support.

Consumers Union's Southwest Regional Office is dedicated to advocating the interest of consumers, particularly low-income consumers, and to promoting the growth of the public interest movement in the southwest.

## Executive Summary

In 1995 and 1997, when the Texas Legislature passed new laws governing household goods movers, Consumers Union Southwest Regional Office (SWRO) advocated for legislation and rules to protect consumers against unfair industry practices and improve the resolution of disputes. In particular, SWRO recommended additional information about the value of the insurance consumers buy to protect their goods and a cap on the total charge a consumer must pay after getting a non-binding estimate. We still believe these reforms will significantly improve customer experience with the moving industry.

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In 1995, CU recommended a cap on the total charge a consumer must pay after getting a non-binding estimate. We still believe this reform would significantly improve customer experience with the moving industry.

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For this report we reviewed consumer complaints at TXDoT, reviewed company performance statistics also filed with TXDoT and went through the process of obtaining estimates for a move in order to determine how well existing consumer protection guidelines are working. Texas consumers report wide variation in

service, and bigger is not necessarily better.

- Overall, 12 percent of moves result in either a claim or additional charges of at least 10 percent over the estimate. On average, 9 percent of all intrastate moves in Texas resulted in some type of claim, although Roadrunner and Hill Grain report very few claims. More than one in three moves with Mayflower resulted in a claim, and 15 percent or more of moves with some of the other large van lines, including Allied, North American and Bekins resulted in a claim.
- Moving companies report that the average time to resolve a claim can vary from one company to the next by three months or more. While the average reported time for all companies to resolve a complaint is about a month, several companies report that it takes on average 60 to 120 days. Current regulations give companies as long as 180 days before a customer may request help from TxDOT.
- A significant number of consumers pay a bill more than 10 percent over the estimate at the end of the move. Three of these companies, Bekins Moving and Storage Company of Texas, North American Van Lines of Texas, and Watson Van and Storage, all reported that more than one in ten customers had to pay at least 10 percent more than the estimate.
- While some of the larger companies like Roadrunner report few complaints, several of the smaller Texas companies also had a good track record with their customers.
- We contacted six different moving companies from the yellow pages and asked them to estimate the cost of a household move from Austin to Houston. We found that estimates varied considerably, even between the two agents for the same van line, and that phone estimates were usually lower than the final estimate. We also found that the two non-binding estimates were among the lowest estimates given, making them a temptation for consumers who don't realize that the final charge can significantly exceed the estimate.

### **Recommendations** (for detail see p. 14)

- **Require every moving company to offer binding or binding-not-to-exceed estimates.**
- **Cap the charges for a non-binding estimate at 110 percent of the estimate when no additional services have been provided.**
- **Prepare an inventory on all shipments at no cost to the consumer.**
- **Clearly identify the bill of lading as a contract with a statement that the bill of lading governs the rights and responsibilities of the carrier and shipper in the transaction. Require estimates to clearly state which company will move the consumer.**
- **Direct movers to give consumers a copy of their most recent annual performance report when they show up to do an estimate.**
- **Regulate insurance coverage purchased through moving companies to ensure consumers are not charged excessive rates.**
- **Shorten the claims process from 180 days to 90 days.**
- **Require that the household goods moving companies utilize mediation panels that are independent of the moving industry.**

# Miles and Miles of Texas

Moving Across the  
Lonestar State



**B**ut if you decide to use a moving company to lighten your load and ensure the safety of your possessions, take extra time early on to investigate prices and the company's track record with consumers. Texas consumers report wide variation in service, and bigger is not necessarily better.

In 1995, when the Texas Legislature passed new laws governing household goods movers, Consumers Union Southwest Regional Office (SWRO) advocated for legislation and rules to protect consumers against unfair industry practices and improve the resolution of disputes. The Legislature ultimately adopted a limited form of rate regulation—maximum tariff rates set by the industry and filed with the Texas Department of Transportation (TXDoT)—and directed TXDoT to develop consumer protection rules and regulations at least as strong as federal protections for interstate transportation of household goods.<sup>1</sup>

While Consumers Union predicted that the maximum tariff would encourage collusion but not effectively cap rates, SWRO supported the consumer protections. The Legislature required companies who handle moves between cities in Texas to mediate consumer disputes at no cost to consumers and provide certain information upon request.<sup>2</sup> SWRO proposed additional reforms, but many SWRO proposals were not adopted. In particular, SWRO recommended additional information about the value of the insurance consumers buy to protect their goods, and a cap on the total charge a consumer must pay after getting a non-binding estimate.<sup>3</sup>

For our report we reviewed consumer complaints at TXDoT, reviewed company performance statistics also filed with TXDoT and went through the process of obtaining estimates for a move in order to determine how well existing consumer protection guidelines are working.

### **Big Business**

The moving business is a \$7 billion a year industry in the United States, according to the American Movers Conference. The Southwest Movers Association, an organization representing approximately 300 professional moving companies mostly located in Texas, estimates there are over 1200 professional moving companies operating in the state.<sup>4</sup> Eighty-seven movers reporting their customer service performance to TxDoT in 1996 reported more than 47,000 moves.<sup>5</sup> According to the most recent financial information available, consumers pay at least \$45 million dollars each year to the top ten moving companies for city to city moves within the state of Texas.<sup>6</sup>

Three different types of companies, subject to different consumer protection laws, move household goods: national van lines, their agents, and local movers.

The national carriers, such as Allied Van Lines, North American Van Lines, and United Van Lines, are primarily regulated by the federal Department of Transportation and usually handle only interstate moves. These companies often own a limited number of trucks and vans, but generally handle scheduling and advertising.<sup>7</sup>

When you hire a national van line to move your goods intrastate, an independent truck owner or local moving agent will usually show up at the door to actually move you. But, if the national carrier is named on your contract, called the "bill of lading," it assumes responsibility for your household goods and your satisfaction with the move.

If you are moving within Texas, the local company will probably handle your move itself. Agents work under the name of the national van line but are locally owned and operated. The name of the national carrier may appear on the moving

truck and the mover's uniforms; however, the national carrier will not be responsible for your move unless their name appears on the bill of lading.<sup>8</sup>

Finally, there are small local moving companies which may handle only cross-town moves. In the past, these companies were not required to register with TXDoT and were not subject to the department's consumer protection rules applicable to larger moving companies. As a result of legislation passed in 1997, these companies must now register with TXDoT, carry a minimum amount of liability insurance, and are subject to the department's interim consumer protection rules and regulations.<sup>9</sup>

A newly appointed advisory committee will assist TXDoT with the development of final regulations for these smaller companies in 1998. In addition, the advisory committee is charged with reviewing the consumer protection rules applicable to all movers.

### **Selecting a moving company**

A household goods moving company is not necessarily a better choice for handling your move simply because it is big or affiliated with a national carrier. We examined records available at TXDoT for eighty seven movers and compared several indicators of service which may be of interest to consumers. (See chart of service indicators, p.6.)<sup>10</sup> Performance varied considerably from one moving company to another.

Overall, 12 percent of moves result in either a claim or additional charges of at least 10 percent over the estimate. On average, 9 percent of moves resulted in some type of claim. Removing the two best performing large movers, Roadrunner and Hill Grain, 11 percent of moves with the remaining companies resulted in a claim. Mayflower of Texas, Armstrong and Bekins reported that at least one in five customers filed claims with the companies after their move. Some of the largest van lines providing intrastate moves

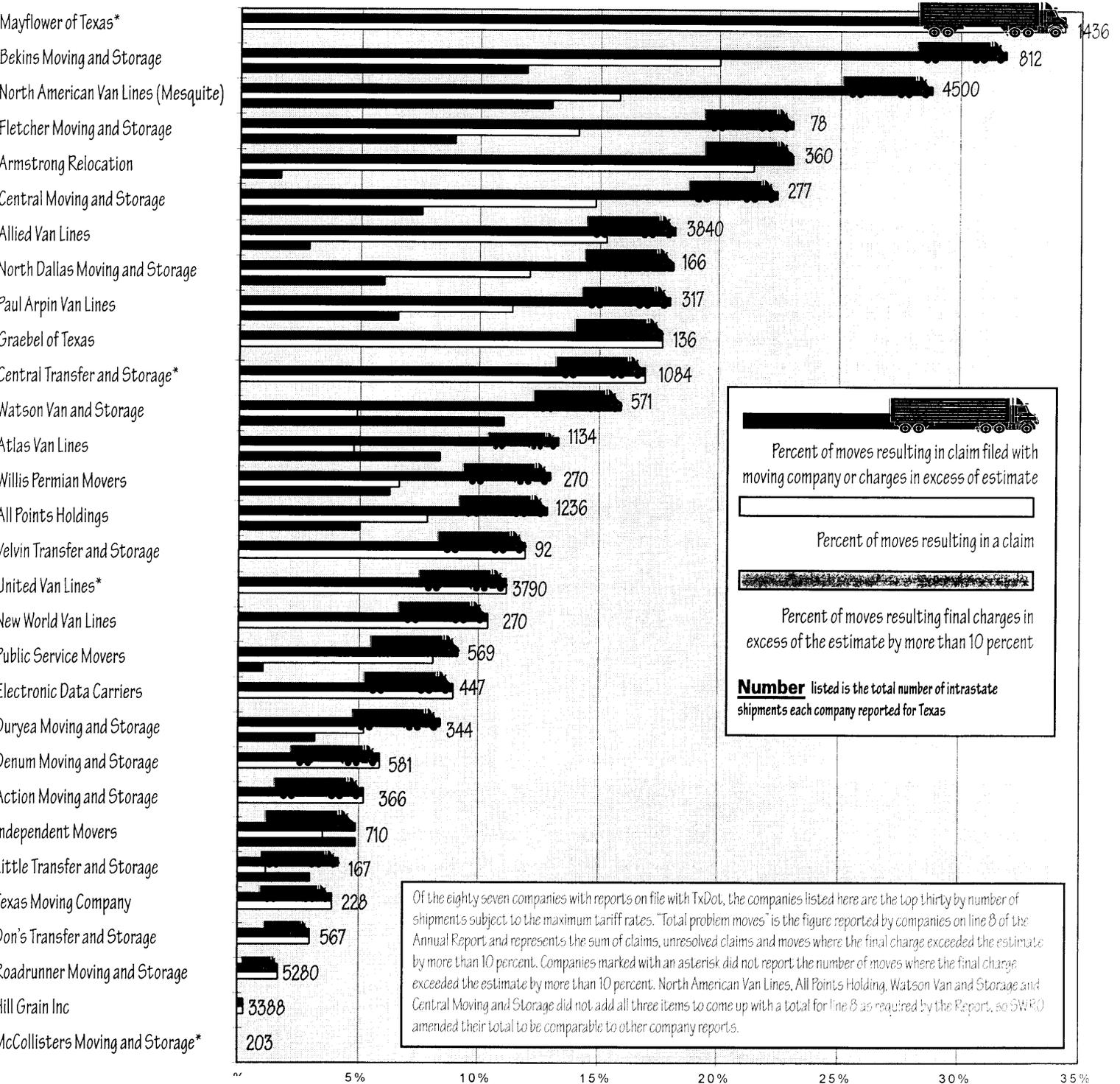


in Texas, including Bekins and North American Van Lines, reported that the final charge exceeded the estimate by more than 10 percent for more than one in ten shipments.

While some of the larger companies like Roadrunner report few post-move claims, several of the smaller Texas companies also had a good track record with their customers.

Although these statistics are self reported and not verified by the state, they are a useful starting point for research when deciding among companies available in your area. TXDOT now maintains these statistics for most larger moving companies but not for the companies that handle only cross town moves. By 1999, such statistics should be available for

## Performance Varies, And Bigger is not Necessarily Better Companies Ranked from Worst to Best by Percentage of Problem Moves



All moving companies no matter their size or the region where they operate (unless these requirements are eliminated during the current advisory committee process).

### Shopping the Prices

Moving is expensive. Before getting an estimate you must decide several things—whether you will pack yourself, whether you will have specialists pack a grandfather clock or piano, whether you will buy additional insurance—and each decision will influence the cost of the move.

The average charge for an interstate move by the American Movers Conference members in 1995 was \$3,669.<sup>11</sup> Large moves, moves of a great distance, or moves with specialty items included can cost much more, but consumers who diligently pursue several estimates can find ways to save hundreds of dollars.

We contacted six different moving companies from the yellow pages and asked them to estimate the cost of a household move from Austin to Houston. All of our selected companies were affiliated with a national carrier and two were affiliated with the same carrier (we wanted to see if quotes from different agents for the same van line would vary much). We found that estimates varied considerably, even between the two agents for the same van line, and that quick phone estimates were usually lower than the final estimate after the mover properly examined the goods to be moved.

Initially we made a phone call to each company and obtained a “rough” estimate for only moving, not packing, our household goods. In each instance, we were asked how many bedrooms were in our house and given a quote based on this information. The estimates ranged from \$1100 to \$2400. Each company stated that they could only give us an accurate estimate by coming out to the home.

There are several different types of estimates offered by most moving companies when they do a walk-through in your home (see sidebar). If you ask for a *binding* estimate, the final cost for the move is established up front before your goods are loaded.

A variation of this type estimate is the binding “not-to-exceed” estimate which



guarantees the price will not exceed the estimate, but if after weighing your items the cost is determined to be less than the estimate, you will be charged the lesser amount or refunded any overpayment. In either case, you will never pay more than the estimate.

A non-binding estimate, on the other hand, is simply an estimate based on an examination of the goods to be moved, but the mover determines the actual cost of the move once the items are loaded on the truck and weighed. The cost can be hundreds or even thousands of dollars more than the original estimate, up to the maximum tariff filed by the mover with TXDoT. When *Consumer Reports* surveyed its readers in 1990, it found that about half of respondents accepted non-binding estimates.<sup>12</sup> Moving companies in Texas are not required to provide a binding estimate, and some offer non-binding estimates only.

Consumers who get non-binding

estimates frequently pay more than the company originally bid, and sometimes pay a lot more. Dollens-American, an agent for North American Van Lines of Texas, gave Mr. Soren Marklund of Houston a non-binding estimate of \$8905 for his move from Waco to Houston. Upon delivery, the trucker gave him a final bill of \$13,983—half again as much as the original estimate. The company expected him to make the additional payment within the month. Mr. Marklund contacted TXDoT to investigate his options for appealing the large price increase. However, after learning about

**Continued on page 10...**

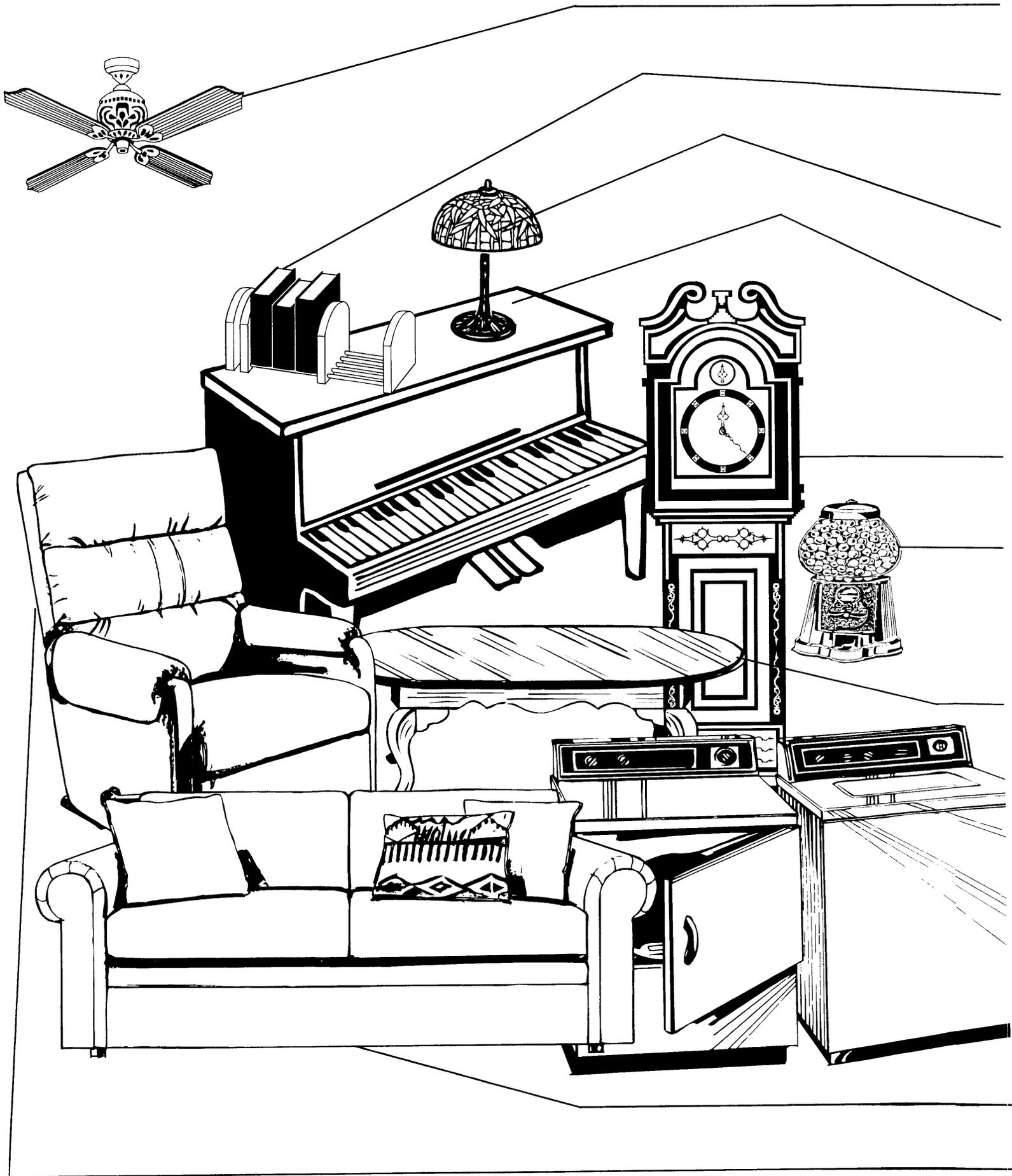


## Insuring For the Worst

Mr. “John Smith” from Georgetown contracted with North American Van Lines of Texas to transport his household goods from Ft. Worth to Georgetown and purchased \$25,000 worth of insurance. During the trip to Georgetown, the truck was involved in an accident and all of Mr. Smith’s goods, valued at more than \$60,000, were destroyed. The moving company and carrier said that their liability to the consumer was limited to the \$25,000 listed on the policy. But Mr. Smith claimed he had not been “...insuring for total catastrophe, but simply choosing coverage for damage on some items, or losing

some items” He further stated that “I believe it is normal not to anticipate or cover for total and complete loss.”

Although Mr. Smith requested mediation through the Southwest Movers Association, the panel (comprised of representatives from three member moving companies) ruled in favor of North American Van Lines of Texas. The claim went through the TXDoT arbitration process where a judge ruled in favor of the consumer. The mover refused to pay the \$60,000 claimed by the Mr. Smith but did offer to pay \$5000 more than the policy. Mr. Smith elected to take the settlement rather than pursue legal action. The process had taken over 13 months and he just wanted it settled.



# SEVERAL ESTIMATES SAVE A BUNDLE

## *while preparation and an inventory averts trouble*

Take down ceiling fans prior to moving day. Movers will charge you for the cost of an electrician to do it.

If you have many books, pack them yourself and mail them book rate to save significantly on the cost of your move.

Purchase enough insurance to cover damage to especially valuable items, or transport them yourself separately. Movers may not pay for damage to items you pack yourself.

Hire a piano specialist to prepare your piano for the move. Service to a piano will add a hefty additional charge to your bill if the mover does it, and there's a greater chance of damage.

Grandfather clocks should be disassembled by a clock specialist prior to moving day.

Ask the mover to inventory your items and check the inventory carefully to be sure everything is included.

Check polished table tops and antiques for any existing damage (nicks and scratches) and note its exact location.

Disconnect the water to the washing machine and refrigerator and gas to the dryer and range prior to moving day to avoid a surcharge.

Note down the location of all existing damage (worn areas, pulls) to fabric on furnishings.

Confirm on the inventory that all goods with moveable parts are fully operational prior to the move.

Although many people don't bother to get several estimates before signing up with a moving company, moving company prices vary considerably and you can save a bundle. *Consumer Reports* recommends getting at least three estimates before selecting a mover. We found that, for our sample move, we could have saved more than \$1,000 by selecting the lowest binding estimate among the six companies we called. We also found that we could use the "walk-through" to ask movers for money saving tips.

Of the six moving companies we entertained at our "representative" home, most suggested we contact a local clock business to disassemble our grandfather clock. If the moving company performed this service they would pass on a surcharge. The movers also told us that if we could disconnect the water from our washing machine and refrigerator ice maker we would avoid a surcharge. Five of the six company representatives left brochures with helpful moving tips like these and the consumer protection information which TxDoT requires to be distributed. (One representative showed us a program on his laptop computer which provided much the same information.)

The visits were scheduled for the same day, which created some problems. Some representatives showed up late for their appointments and were unable to provide an estimate because they left when the next representative showed up. (One representative stated there was an unwritten rule that no two agents would be in a house at the same time.) We suggest you schedule appointments for estimates at least a hour and a half apart and inform each representative of their allotted time period.

As we walked through the house, most representatives also made suggestions for ways to cut packing costs and pointed out items that might be shipped by an alternate method to save money. Since some estimators were more helpful than others, we recommend you ask directly for suggestions on ways to cut cost from your move.

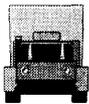
Finally, be sure to ask the estimator to include the cost of an inventory in your estimate. The inventory is your best protection if a moving company attempts to claim that your goods were already damaged prior to the move, rather than paying for damage caused by the move.

# The Bill of Lading is Your Contract

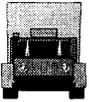
## Its Terms Will Determine Your Rights if Anything Goes Wrong

The bill of lading is the contract between you and the moving company. The contract used by most moving companies was drafted by the industry, but must still contain certain basic information about your move.

### The bill of lading must tell you:



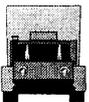
the name and address of the household goods carrier actually doing the move;



the points of origin and destination;



the name, address, and telephone number of the household goods carrier that should be contacted in relation to the transportation of the shipment;



the agreed date or period of time for pickup of the shipment and the agreed date or period of time for the delivery of the shipment;



the maximum amount required to be paid at the time of delivery to obtain delivery of the shipment when the transportation is to be performed on a COD basis; and



evidence of any insurance coverage sold to or procured for the shipper, including the amount of the premium for such insurance.

If anything on the contract is not what you expected, discuss it with the mover before the move because once the goods are shipped the contract is in effect.

the cumbersome process, he elected to forego his appeal and simply pay the cost difference.<sup>13</sup>

TXDoT rules require you to pay only 110 percent of the estimate at the time your goods are delivered, but pay the balance within 30 days of delivery.<sup>14</sup> Occasionally, however, the trucker insists on full payment.

Mrs. Ellis of Center received a non-binding estimate of \$3892 from American Van Lines, an agent for North American Van Lines, for a move from Center to Richardson. When her goods were delivered the movers told her she must pay an additional \$1600 or the movers would not unload her furniture and affects. She was forced to borrow from relatives to pay the balance that day in order to regain possession of her things. "I firmly believe from my experience with North American Van Lines of Longview under the management of J. A. Harlson, that they purposely bid the move low



to secure your business and then demand a higher than normal amount to deliver the load," stated Mrs. Ellis in a letter filed with her complaint to TXDoT.<sup>15</sup>

In general, several of the largest van lines reported that moves in 1996 regularly cost more than the non-binding estimate. Three of these companies, Bekins Moving and Storage Company of Texas, North American Van Lines of Texas, and Watson Van and Storage, all reported that more than one in ten customers had to pay at least ten percent more than the estimate.<sup>16</sup>

For our estimate, we requested each company provide an estimate for moving and packing our goods and one for only moving the goods. Four of the moving companies offered all three estimate options. The other two moving companies did not offer binding estimates for intra-state moves. We opted for the binding not-to-exceed estimate from the four companies which offered this type estimate.

We found that our two non-binding estimates were \$2541 and \$2777 and were among the three lowest estimates received. However, we also got competitive bids from companies that gave us binding not-to-exceed estimates. The binding bids for packing and moving our household goods from Austin to Houston varied from \$2539 to \$4276.

There was also significant variation in estimates for just moving our household goods with no packing. These estimates ranged from \$1257 to \$2671. For five of the six moving

# Several Estimates Save Money

Mover (agent)	Van Line	Quote Type	Phone Estimate (move only)	Home Est. (move only)	Home Est. (packing)	Home Est. (Total)
Discount Moving & Storage	Public Service Movers	Non-Binding	\$1,381	\$1,681	\$860	\$2,541
A-1 Freeman Moving & Storage	North Am. Van Lines of Texas	Binding Not-to-Exceed	\$1,100	\$1,806	\$733	\$2,539
Electronic Data Carriers, Inc.	Bekins of Texas	Non-Binding	\$1,600	\$1,257	\$1,520	\$2,777
All Points Holdings, Inc.	Atlas Van Lines	Binding Not-to-Exceed	\$2,400	\$2,475	\$1,801	\$4,276
Armstrong Moving & Storage	United Van Lines	Binding Not-to-Exceed	\$1,700	\$1,993	\$1,178	\$3,171
Central Transportation Systems	United Van Lines	Binding Not-to-Exceed	\$1,313	\$2,671	\$1,405	\$4,076

companies these estimates were significantly higher than the amounts given over the phone. One company's walk through estimate was \$1300 more than their phone estimate. (See chart of moving comparison estimates)

Finally, we compared each estimate to the maximum tariff companies could legally charge based on the same assumptions used in the bids. The maximum rates applying to most companies (filed by the Southwest Movers Association) result in charges nearly 40 percent higher than the actual estimates given to us by the companies who bid on our move. The maximum tariff rate is the only limit on the additional charges that may be applied when a consumer gets a non-binding estimate.

SWRO predicted in 1995 that this system of rate regulation would not control rates, and recommended instead that the price an individual consumer pays should be capped at 110 percent of a non-binding estimate. Such a ceiling would ensure that the bidding process gave the consumer meaningful price information up front.

Although non-binding estimates remain an uncertain predictor of the final cost, consumers can still save money by taking the bidding process seriously. Seek companies that will provide a binding or binding-not-to-exceed estimate, and use the bidding process to ask questions and solicit advice for more ways to save money.

### The End of the Line

Unfortunately, there's a good chance that something will be damaged in your move. The consumers most exasperated with their moving company will sometimes file a complaint with TXDoT, and most such complaints involve disputes between consumers and moving companies over damaged goods. Consumers more often complain only to the mover and attempt to settle their complaint directly. Household moving companies are required to report annually the number of shipments they carry where the customer filed a claim. According to these self reported figures, more than one in six Texas customers file claims with

some of the largest van lines (see chart).

Ms. Regina Jones Johnson of Houston hired Greater Dallas North American, a company affiliated with Central Transfer and Storage and an agent for North American Van Lines of Texas, to move her goods. After the move, she discovered that many of her belongings had been damaged. Ms. Johnson reported a cracked glass table top, a damaged grandfather clock (which was serviced by the truck driver) scratched and chipped furniture, and damage to her kitchen floor. "I entrusted my household goods to North American Van Lines, Inc. and was assured I would receive a quality relocation," she said in a letter to Greater Dallas North American. "The North American Van Lines pledge of performance made four promises to me in an agreement that I expect to be kept. Therefore, to resolve my concerns and the problems Greater Dallas North American created, I expect your company to investigate what transpired during my move, rectify the issues addressed in this

## Van Line, Agent, Trucker? Knowing Who You've Hired Makes a Difference

Mr. "Barclay" of Dallas asked Central Moving Systems, an agent for North American Van Lines of Texas, to provide an estimate for moving his household goods to Houston. While at his home, a Central representative told Mr. Barclay that he had a packing business "on the side" and could pack his items cheaper than Central Moving Systems. He left an estimate on North American Van Lines stationary for the consumer's review.

Mr. Barclay notified Central Moving Systems that he would accept the offer. The representative later contacted him and instructed him to have a cashiers check made out to the van driver when his goods arrived in Houston. When he questioned these instructions, the representative stated "this is how we handle it down here." Mr. Barclay informed the representative he wanted to purchase \$20,000 in insurance for

his possessions, and was told to add the cost to the cashiers check.

Uneasy with the representative's instructions, Mr. Barclay decided to talk with a manager at Central Moving Systems. The manager was unable to locate any paperwork for the move. According to Mr. Barclay, the representative and the driver were working together to defraud consumers and the moving company. The representative bid a move under North American's name, but used an unauthorized driver in an unmarked truck, and split the fee with the driver. Central fired this representative, but could not guarantee they could fit Mr. Barclay into their schedule.

When Mr. Barclay contacted Central again to ask about his move, the manager told him he would try to accommodate him but could not guarantee anything. "We all know that moving is one of the most stressful occurrences in one's life and I do not need or appreciate this added stress right now," Mr. Barclay wrote to North American Van Lines. According to Mr. Barclay's complaint file at TXDoT file, Central Moving Systems was ultimately able to move his items.



**NATEX**  
North American Van Lines  
of Texas

18601 LBJ Freeway, Suite 100  
Mesquite, TX 75150

Ph (214) 613-5436  
Fax (214) 613-7918

TJ45086--

**HOUSEHOLD GOODS BILL OF LADING AND FREIGHT BILL**

Carrier agrees to transport as consigned and described below, the property rendered to it for transportation under this bill of lading subject to the applicable Tariff in effect on date hereof and to the Terms and Conditions hereof, included on the reverse side of this bill of lading. The amount of Transportation and may be obtained from carrier, carrier's representative or from Texas Department of Transportation.

the inventory showed the items had been damaged before shipping (see story, p. 13).<sup>20</sup>

TARIFF	SECT.	COMMODITY	GBL/PO#	TYPE OF SHIPMENT

lost so many items that the project backfired and the former president was ultimately indicted for illegal campaign contributions.<sup>19</sup>

Because damage is a common problem, consumers should know who is actually moving the goods. Although the advertisement prominently displays the name of a national van line, the agent is usually going to be your mover for cross town moves or moves between cities in Texas. This means the local agent is assuming liability for your satisfaction with the move and not the national carrier. Before you begin, we recommend asking the agent's account representative which company is responsible for your move. Also, look for the name of the responsible party on all paper work you receive from the moving company including estimate work sheets and, ultimately, the bill of lading authorizing the company to move your goods (see story, p. 11). The Motor Carrier Division of TXDoT will provide you with performance statistics for that agent if they are available.

Requesting an inventory of your items before they are moved is one way to ensure that there is a written record of each item and any preexisting damage. It is important to review the inventory for completeness and accuracy and fully understand any coded information. Mr. Bob Sinclair of Tyler found several pieces of his furniture were damaged during his move. After filing a claim with the moving company, he was told that codes on

Your rights are determined by an actual contract between you and the moving company. This contract is called the "bill of lading" and most companies use the standard contract filed with TXDoT by the industry association. You have a right to a copy of the bill of lading before the mover starts loading your goods on the truck.<sup>21</sup> It is important that you understand and agree with all terms and conditions in the bill of lading, and go over it to be sure it accurately represents the details of the move (see sidebar).

Consumers Union SWRO has previously recommended that the bill of lading be clearly identified as a contract and state that it governs the rights and responsibilities of the carrier and shipper in the transaction.

**It Will Never Happen to Me**

Most people do not expect to lose all their possessions due to an accident while moving, and often purchase just enough insurance coverage to protect against ordinary damage. This coverage amount may be all that is required for most moves. However, total loss of a shipment can occur and consumers should be aware of this risk. (See story, p. 7.)

Moving companies generally offer basic minimum coverage and optional insurance. The basic coverage, included at no additional charge, pays 60 cents per pound, per item for damaged or lost goods. While free, this benefit is low. For example, a mover who breaks a lamp weighing 10 pounds and worth \$100 pays only \$6 for the damage.

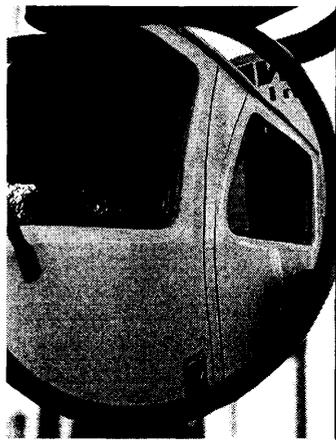
letter, and compensate me for the poor service, lack of cooperation, and damage to my household goods." But, while the estimate was done on North American Van Lines forms, Central Transfer and Storage actually performed the move. She never signed a North American bill of lading, and instead signed only a document from Central. This confusion complicated her case considerably when she filed claims for the damage to her goods. Ms. Johnson participated in the mover's mediation process without a satisfactory outcome and has now requested arbitration through TXDoT, more than a year after her move.<sup>17</sup>

Mr. Jack Anderson of Lubbock also found damage to items after a move performed by Baker-Duncan Van & Storage, which had been listed in the Yellow Pages as an agent for North American Van Lines of Texas. When Baker-Duncan offered him an unsatisfactory settlement on his claim, Mr. Anderson discovered that the company had closed operations and that North American Van Lines of Texas had severed their relationship with the company. TXDoT officials advised him to accept the settlement offer or take legal action against the old corporation or its directors.<sup>18</sup>

Even elected officials are not immune from troubled moves. Sherwood Van Lines thought it could earn government contracts by offering to move elected officials and their families to Washington for low prices. But it damaged or

Net Weight	cu. ft.	lbs. Certified by:																	
<p><b>IMPORTANT NOTICE TO SHIPPER</b> <b>DECLARED RELEASED VALUE</b></p> <p>The shipment will move subject to the rules and conditions of the carrier's tariff. Shipper hereby releases the entire shipment to a value not exceeding _____ (to be completed by the person signing below).</p> <p>SHIPPER SIGNING THIS CONTRACT MUST INSERT IN THE SPACE ABOVE, IN HIS OWN WRITING, EITHER HIS DECLARATION OF THE ACTUAL VALUE OF THE SHIPMENT, OR THE VALUE OF THE SHIPMENT TO BE RELEASED. IF THE SHIPMENT IS TO BE RELEASED TO A VALUE OF 60 CENTS PER POUND PER ARTICLE, OTHERWISE, THE SHIPMENT WILL BE DEEMED RELEASED TO A MAXIMUM DEPRECIATED VALUE EQUAL TO \$3.00 TIMES THE WEIGHT (IN POUNDS) OF THE SHIPMENT.</p> <p>Replacement released value obtained <input type="checkbox"/> Charge \$ _____ <input type="checkbox"/> No Deductible Deductible Amount \$ _____</p> <p>The shipper hereby agrees to and accepts for himself and his assigns the contract terms and conditions set forth on the face and reverse side hereof and states that except as otherwise stated immediately below that the agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding sixty cents per pound, per article.</p> <p>X _____ Shipper Date _____ Signature _____</p>		<p><input type="checkbox"/> G.P.    <input type="checkbox"/> N.T.E.    <input checked="" type="checkbox"/> Tariff or NSO</p> <p>CHARGES WILL BE BASED ON APPLICABLE TARIFF MINIMUM WEIGHT</p> <p>Weight base price _____</p> <p>Add'l wgt. _____ X Add'l _____</p> <p>CWT rate _____ = _____</p> <p>TRANSPORTATION CHARGE _____</p> <p><b>OTHER TRANSPORTATION CHARGES:</b> (COPY MUST BE ATTACHED)</p> <p>TOTAL ALL CHARGES PER FORM #65 → _____</p> <p>TOTAL ALL CHARGES PER FORM #65 → _____</p> <p>TOTAL ALL CHARGES PER FORM #65 → _____</p> <p>OPTIONAL INSURANCE Cert # <input checked="" type="checkbox"/> RCP    <input type="checkbox"/> DVP    <input type="checkbox"/> \$ .60    <input type="checkbox"/> LUMP SUM \$ _____ <input checked="" type="checkbox"/> DEDUCTIBLE \$ _____</p>																	
<p>WEIGHT <u>119.50</u></p> <p>MILES <u>276</u></p> <p>RATE _____</p> <table border="1"> <thead> <tr> <th>CHARGES</th> <th>%</th> <th>C</th> </tr> </thead> <tbody> <tr> <td>1753.21</td> <td></td> <td></td> </tr> <tr> <td>20.25</td> <td></td> <td></td> </tr> <tr> <td>110.00</td> <td>17%</td> <td></td> </tr> <tr> <td>11.29</td> <td>17%</td> <td></td> </tr> <tr> <td>192.10</td> <td></td> <td></td> </tr> </tbody> </table>		CHARGES	%	C	1753.21			20.25			110.00	17%		11.29	17%		192.10		
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Your homeowners insurance policy typically offers some coverage for your possessions during a move. The standard homeowners insurance policy in Texas provides for



coverage at ten percent of the personal property (contents) limit while the property is being transported. The contents limit is usually 40 or 60 percent of your overall coverage limit. So if your house is insured at \$150,000 and you have \$60,000 in contents coverage (40 percent), you have \$6,000 of coverage on the items while they are being moved to your new residence. There is no coverage for household goods that are stored in a location outside of your residence, although people frequently must store their affects for days or even months when juggling the details of a move from one house to another.<sup>22</sup>

In addition to your homeowners policy, you may purchase additional insurance that pays either the cash value or the replacement cost of your items. You purchase this insurance instead of the basic minimum coverage included in the bill of lading.

A "declared value" policy provides coverage at \$1.25 times the total weight of your household goods shipped. The insurance company will pay you their actual cash value (cost less depreciation) up to the maximum coverage on your shipment. To purchase replacement cost protection, you must declare a value for your entire shipment that is greater than \$3.50 times the total weight of the goods shipped. You are then reimbursed the full cost to replace or repair any damaged goods up to the amount of coverage you purchased.

While this option seems to provide the most comprehensive coverage for your goods, even it may prove to be insufficient in the event of a total loss if you do not purchase enough coverage. Full coverage against a total loss can be expensive.

We asked each representative about insurance coverage for our household goods during the move. All but one of the moving companies we surveyed offered additional insurance for a fee. (The remaining company left a brochure from an insurance company who could provide additional coverage for our move.) The quotes given us for full

## When Everything Goes Wrong Standing Up for Your Rights Can Pay Off, But Takes Time

Mr. "Bob Sinclair" of Tyler experienced nearly every problem common to moving—broken goods, damage to his home, and charges higher than the estimate—all in one trip.

Mr. Sinclair's employer hired Central-Herrin, an Allied Van Lines agent, to move him from Marshall to Tyler last year. On packing day, Central-Herrin promised three experienced female packers to arrive at 8:00 a.m. and pack his items. Instead, one male packer arrived at 9:00 a.m. and after several phone calls to the mover two more men came to his house and helped with the packing. When the truck arrived and was opened, Mr. Sinclair noted several pieces of furniture were stacked on top of each other without padding.

The movers began unloading the items and, while placing some furniture in a walk-in attic, one worker put his foot through the floor and injured himself. The remaining three workers hurried to get Mr. Sinclair's goods off the truck. As it was late in the day, they placed the remaining furniture in the garage, then handed Mr. Sinclair a final invoice for \$1200 more than the original estimate.

He refused to sign the invoice until he received an explanation for the difference. A representative of Central-Herrin told Mr. Sinclair that his move cost more than expected because the movers had to pack items from his kitchen and attic. According to Mr. Sinclair, this was not the case, but it was his word against the movers. Mr. Sinclair refused to pay the additional \$1200.

Meanwhile, Mr. Sinclair also detected damage to his furniture. He waited three days and, not having heard back from Central-Herrin, contacted the mover again. This time Central-Herrin told him his move cost an extra \$1200 because the agent underestimated the mileage by 100%. Mr. Sinclair did not agree that he should pay more money and requested claim forms be sent to him. The company sent him only one, and three weeks later told him that they would mail no more claim forms until he paid the \$1200.

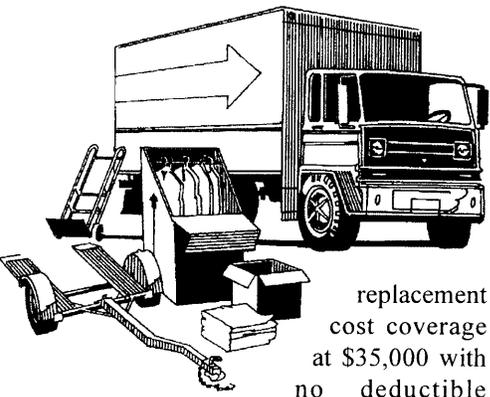
Several months went by and a representative from Central-Herrin contacted Mr. Sinclair's employer to request payment of the additional \$1200, but the company still had not given a satisfactory explanation for the charge or any additional claim forms. This time, the company told Mr. Sinclair that the mover had underestimated the weight of his shipment, and sent one more claim form.

When Mr. Sinclair hired a furniture repair company to estimate the cost of the damage to his items, the repairman reviewed the inventory listing of the shipment and discovered that almost every piece of furniture was coded as having been damaged before shipping. But after inspecting the damaged items, he also found that the nicks, scratches, and dents were not in the places listed in the inventory.

Mr. Sinclair forwarded the estimate for repairs to Central-Herrin. After sending their own repair estimator to examine the items in question, the company sent a check for \$400 for damage to the attic floor. An attached letter stated that because the damaged furniture was moved from the garage into the house, Central-Herrin was not responsible for any damage.

The final blow came when Central-Herrin turned the account for the unpaid balance over to a collection agency. Mr. Sinclair wrote a letter to Allied Van Lines detailing his treatment by their agent Central-Herrin.

Mr. Sinclair contacted the Southwest Movers Association for mediation, but ultimately settled his dispute himself when his employer agreed to pay an amount equal to 10% above the original estimate and Central-Herrin agreed to pay for the damage to his furniture. Almost a year after his move Mr. Sinclair finally received reimbursement for his damaged items.



replacement cost coverage at \$35,000 with no deductible ranged from \$195 to

\$329. In addition to cost variances among moving companies, the policy's deductible amount will also affect the cost of the insurance.

In 1995, Consumers Union Southwest Regional Office advocated unsuccessfully for the strengthening of consumer protections in proposed rules relating to the sale of insurance by household goods carriers. SWRO requested that that TXDoT enter into a memorandum of understanding with the Texas Department of Insurance (TDI) to develop standard policy language for insurance policies sold to shippers and to monitor loss-ratios of these policies. These proposals were not adopted, and neither TXDOT nor TDI today monitor the coverage, the value, or the claims payment record of the insurance policies covering a move.

A loss ratio, the share of your premium dollar spent on claims, is a good measure of the value of an insurance policy. Monitoring loss-ratios would help determine whether the price of this insurance is related to the actual risk of a major loss during a move.

Most consumers do not shop for the insurance coverage for a move. While they may try to find the least expensive moving company, they generally accept the insurance offered as part of that company's bid. For that reason, consumer price concerns exert little direct pressure on the cost of insurance, except that consumers offered an expensive policy may underinsure and hope that nothing goes wrong. If you believe the insurance cost quoted by the moving company is too expensive, we recommend you contact an independent insurance broker for an estimate for insurance coverage.

### Getting Satisfaction

If a moving company damages your furniture or personal items, you may have to wade through months of complaining, mediating and arbitrating before you finally get a settlement from the company.

When a consumer files a complaint against a moving company with TXDoT, the agency

customer service representative is required to advise the shipper that "he or she must attempt to resolve the complaint with the household goods carrier's complaint resolution process before the department will attempt to resolve the shipper's complaint."<sup>23</sup> But, according to the rules and regulations governing household goods carriers, it can take up to 180 days for the claims resolution process to be completed before TXDoT will attempt to resolve the dispute.

The claims resolution process normally requires that the consumer file a written complaint with the moving company. According to company statistics, such complaints are generally resolved in as few as 30 or as many as 120 days depending on the company.<sup>24</sup> If the dispute is not resolved within 120 days the consumer can request non-binding mediation at the moving company's expense. (Most members of the Southwest Movers Associations utilize that group's mediation program.) The mediations must be conducted within 60 days of the request. Only if the mediation process is unsuccessful will TXDoT attempt to resolve the dispute. Although the mediation program must be "impartial" under TXDoT rules, the Southwest Movers Association told SWRO that the mediators are usually attorneys recommended by the Association whose fees are paid by the moving company.<sup>25</sup>

The next step is to participate in non-binding arbitration at TXDoT's expense. If the arbitration process is unsuccessful the consumer may pursue legal action in a court of law. The process appears to be long and cumbersome. Many consumers working through TXDoT expressed frustration at how long the appeal process takes. They sometimes accept a less than satisfactory settlement at the end of the process in order to avoid potentially expensive legal action.

Some of the problems consumers encounter can be avoided if you request the moving company to complete an inventory of your household goods to be moved. Check it carefully to ensure that you are in agreement as to the condition of all the items listed in order to avoid potential disputes regarding damage to your goods. Also, begin the claims process as soon as possible after you detect the damage and place all your claims correspondence in writing to create a record you can rely on later.

### Recommendations

After deregulation of the trucking industry, the Legislature required TXDoT to institute certain consumer protections, but they only applied to movers operating vehicles with a gross weight greater than 26,000 pounds. This meant that most local moving companies--which often used vehicles weighing less than 26,000 pounds--did not register with the state, were not required to carry cargo liability insurance, and were not subject to the TXDoT's consumer protection guidelines.

In 1997, the state Legislature passed a new law which subjected all household goods carriers to the consumer protection guidelines and established a minimum amount of required liability insurance for the smaller local carriers. For the consumer, this change should mean that all household goods movers must register with TXDoT, follow the department's rules and regulations for consumer protection, and file an annual report with the department.

The annual report includes most of the statistics cited in this report, including the number of their shipments where the cost exceeded the original estimate by more than 10 percent and the number of shipments where customers filed a claim for loss or damage. This report also requires the carrier to detail the number of claims referred to mediation or where legal action was taken and the average time required for a claim to be resolved.

As of the writing of this report, the household goods movers must comply with emergency rules and regulations. Final rules will be published after time is allowed for consumers and industry representatives to make comments.

The existing rules should be strengthened and applied to all movers who transport household goods in Texas. After our analysis of performance reports and review of complaints filed at TXDoT we recommend the following significant improvements:

- **Require every moving company to offer binding or binding-not-to-exceed estimates.** Currently, many moving companies do not offer consumers the option of a binding estimate, even if the consumer asks for it.
- **Cap the charges for a non-binding estimate at 110 percent of the estimate when no additional services have been provided.** Since the purpose of having a carrier representative come to your home is to give an estimate from which you will make an informed decision regarding a carrier, we believe that the final charges should be no more than 110 percent of that estimate.
- **Prepare an inventory on all shipments at no cost to the consumer.** The regulations state that an inventory must be prepared *upon shipper request* and that *the carrier may charge for the inventory*. If an inventory is prepared on all shipments at no charge to the customer, both parties to the

contract will clearly agree to the items and their condition before loading. It provides a basis for resolving disputes over lost or damaged items.

- **Clearly identify the bill of lading as a contract with a statement that the bill of lading governs the rights and responsibilities of the carrier and shipper in the transaction.**

- **Require estimates to clearly state which company will move the consumer.** Estimate forms should be on the letterhead of the actual mover only.

- **Direct movers to give consumers a copy of their most recent annual performance report when they show up to do an estimate.** The rules currently require that the carrier notify the consumer that a copy of their annual report is on file at TXDoT. We recommend that this report (which is only one page long, simple, and contains no financial information) be given to the consumer along with the required TXDoT information regarding consumer protection. This will allow the consumer to examine important information regarding that carrier's number of shipments which exceeded 110 percent of the non-binding estimate and the number of claims filed by consumers after a move.

- **Insurance coverage purchased through moving companies should be regulated to ensure consumers are not charged excessive rates.** TXDoT rules allow moving companies to sell or procure any kind of insurance under any kind of policy for loss or damage in excess of the companies' liability. However, the rates and benefits of these policies are not evaluated by the TDI or TXDoT to ensure consumers are treated fairly. Consumers Union again recommends that TXDoT enter into a memorandum of understanding with TDI to develop standard policy language for insurance policies sold to shippers and to monitor loss-ratios of these policies.

- **Shorten the complaint process.** Many consumers we spoke with or whose complaint file we examined expressed frustration with how long it takes to obtain a settlement for their claim. Current regulations allow movers to take up to 180 days to try and resolve complaints. While many report an average resolution time of 30-90 days, these averages mask large differences for individual consumers. No consumer should have to wait six months before they can move to the next stage in the complaint resolution process. TxDoT staff should assist consumers when they call, no matter where they are in the complaint process.

- **Require that the household goods moving**

**companies utilize mediation panels that are independent of the moving industry.** We reviewed a judgment from one mediation panel comprised entirely of members of the Southwest Movers Association. Representatives from the trade association state that members of the association no longer sit on mediation panels. However, the Southwest Movers Association refers all request for mediation to one law firm which handles the mediation and renders a decision.

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## End Notes

<sup>1</sup> Tex. Civ. Stat. Art. 6675c, Motor Carrier registration, Sec. 8. In light of the rapidly changing federal regulatory environment, the 75<sup>th</sup> Legislature in 1997 deleted the requirement that state laws be at least as strong as federal standards. Instead the statute now requires the department to set out any regulations needed to protect consumers from deceptive, unfair or hazardous activities by movers.

<sup>2</sup> Tex. Civ. Stat. Art. 6675c, Sec. 8(f).

<sup>3</sup> Comments of Consumers Union on Regulations Relating to Household Goods Carriers Submitted to the Texas Department of Transportation; October 9, 1995, pp. 5-6.

<sup>4</sup> Interview, Pat King, American Movers Conference, an organization representing 3000 professional moving companies, 10/07/97. Interview, Cheryl Clements, Southwest Movers Association, 09/29/97.

<sup>5</sup> Household Goods Carrier Annual Report to the Texas Department of Transportation for year ending December 31, 1996, for 87 van lines that offer moves between Texas cities and use trucks of at least 26,000 pounds. Companies using smaller trucks or offering services only within a city were not required to report 1996 information.

<sup>6</sup> Before the deregulation of the Texas trucking industry in 1995, the largest professional moving companies that transported household goods intra-state were required to report financial information to the state. This figure represents the total reported household goods revenue for each filing company. Annual Reports filed with Texas Railroad Commission 1994.

<sup>7</sup> Is Big Joe a Good Joe, *Consumer Reports*, September 1986, p. 566.

<sup>8</sup> The bill of lading is both the receipt for your goods and the contract for their transportation.

For more information about this contract, see *Your Rights and Responsibilities When You Move*, available on the internet at <http://www.fhwa.dot.gov/omc/moving.htm>, and directly from TXDoT.

<sup>9</sup> HB 1418 by Alexander, 75<sup>th</sup> Texas Legislature, 1997. Senate Bill Analysis, C.S.H.B. 1418.

<sup>10</sup> Household Goods Carrier Annual Report to the Texas Department of Transportation for year ending December 31, 1996.

<sup>11</sup> Interview, Pat King, American Movers Conference, 10/07/97.

<sup>12</sup> Surviving Your Next Move, *Consumer Reports*, August 1990, p. 529.

<sup>13</sup> Consumer Complaint, TXDoT Motor Carrier Division, received 7/1/97.

<sup>14</sup> TXDoT Motor Carrier Emergency Rules and Regulations, Sec. 18.54(a)(3), Effective September 1, 1997.

<sup>15</sup> Consumer Complaint, TXDoT Motor Carrier Division, received 01/16/97.

<sup>16</sup> Companies are not required to report all moves that cost more than originally estimated, only those that cost at least 10% more. TXDoT Motor Carrier Emergency Rules and Regulations, Sec. 18.61, Reporting Requirements, Effective September 1, 1997.

<sup>17</sup> Consumer Complaint, TXDoT Motor Carrier Division, 1997. Confirmed with consumer 11/13/97.

<sup>18</sup> Consumer Complaint, TXDoT Motor Carrier Division, received 4/09/97.

<sup>19</sup> Newsweek, October 31, 1994, p. 32.

<sup>20</sup> Consumer Complaint, TXDoT Motor Carrier Division, April 7, 1997.

<sup>21</sup> TXDoT Motor Carrier Emergency Rules and Regulations, Sec. 18.54(c), Effective September 1, 1997.

<sup>22</sup> The Texas Legislature recently deregulated homeowners insurance policies. While most people today still have the standard policy approved by the Department of Insurance, over time these may be replaced. You will need to read your homeowners policy to determine the level of coverage for household goods during a move. TX Standard Homeowners Policy, Section I-Property Coverage, Extensions of Coverage.

<sup>23</sup> TXDoT Motor Carrier Emergency Rules and Regulations, Sec. 18.60(b)(3), Effective September 1, 1997.

<sup>24</sup> Household Goods Carrier Annual Report to the Texas Department of Transportation for year ending December 31, 1996.

<sup>25</sup> Interview, Cheryl Clements, Southwest Movers Association, 11/3/97.





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