

# 609 Filing Indemnity Claims for Loss or Damage

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## 1.0 General Filing Instructions

### 1.1 Extra Services With Indemnity

A customer may file an indemnity claim for insured, collect on delivery (COD), registered with postal insurance, or Express Mail. Inquiries on uninsured Registered Mail may be filed as detailed in [503.2.0](#).

### 1.2 Bulk Insured Claims

Mailers authorized to mail at bulk insured rates under [503.4.0](#) will receive instructions for filing claims from their postmaster or designee, including specific claim numbers to be used when filing claims. At some time in the future, electronic filing of indemnity claims will become mandatory. Prior to mandatory electronic claims filing, customers will be provided with the format instructions for the new electronic (soft copy) of Form 3877 and instructions for electronic filing of indemnity claims.

### 1.3 Who May File for Loss or Damage

A claim may be filed by:

- a. Only the mailer, for the complete loss of an unnumbered retail insured mail article or article insured online for \$50 or less.
- b. Either the mailer or addressee who is in possession of the original mailing receipt, for the complete loss of a numbered insured mail (purchased through USPS retail channels), Registered Mail, COD, or Express Mail article.
- c. Either the mailer or addressee who is in possession of the online label record or computer printout of the Web-based application as described in [3.1e](#), for the complete loss of an article insured online for more than \$50 up to \$500.
- d. Either the mailer or addressee, for damage or loss of some or all of the contents of an article for both retail insured mail and mail for which insurance is purchased online.
- e. Only the merchandise return permit holder, for merchandise return service (MRS) parcels that are registered or insured as indicated by the permit holder on the MRS label.
- f. Only the mailer, for bulk insured service mail.

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**1.4 When to File for Loss or Damage**

A customer should file a claim immediately, but must file no later than 60 days from the date of mailing, when the contents of an article are damaged or missing from the mailing container. For a lost article, a customer must file a claim within the time limits in the chart below.

| MAIL TYPE OR SERVICE   | WHEN TO FILE (FROM MAILING DATE) |               |
|--|----------------------------------|---------------|
|  | No Sooner Than                   | No Later Than |
| Insured Mail   | 21 days                          | 180 days      |
| COD  | 45 days                          | 180 days      |
| Registered Mail  | 15 days                          | 180 days      |
| Registered COD   | 45 days                          | 180 days      |
| Express Mail   | 7 days                           | 90 days       |
| Express Mail COD   | 45 days                          | 90 days       |
| APO/FPO Insured Mail<br>(First-Class Mail, SAM, PAL, or COD) | 45 days                          | 180 days      |
| APF/FPO Insured Mail (Surface Only)                          | 75 days                          | 180 days      |

**1.5 Where to File for Loss or Damage**

A claim may be filed:

- a. At any post office, station, or branch, except for Registered Mail articles with merchandise return service.
- b. Only at the post office where the merchandise return permit is held, for Registered Mail articles with merchandise return service.

**1.6 How to File for Loss or Damage**

A customer may file a claim by presenting evidence of insurance, evidence of value, proof of damage, and for unnumbered insured mail claims only, proof of loss. (Proof of loss is not required for numbered insured mail, Registered Mail, COD, or Express Mail claims.) If the article was mailed Express Mail COD or Registered Mail COD, the claimant must provide both the original COD receipt with either the Express Mail or the Registered Mail receipt. The customer must complete the applicable portions of Form 1000.

**1.7 Filing Duplicate Claims for Loss or Damage**

A customer must file any duplicate claim no sooner than 30 days and no later than 60 days from the date the original claim was filed.

**2.0 Providing Proof of Loss or Damage****2.1 Missing Contents**

If a claim is filed because some or all of the contents are missing, the addressee must present the mailing container, including any wrapping, packaging, and any contents that were received, to the USPS with the claim. Failure to do so will result in denial of the claim.

**2.2 Proof of Damage**

If the addressee files the claim, the addressee must present the damaged article and mailing container, including any wrapping, packaging, and any other contents that were received, to the USPS for inspection. If the mailer files the claim, the St. Louis ASC will notify the addressee by letter to present the damaged article and mailing container, including any wrapping, packaging, and any other contents that were received, to the USPS for inspection. Failure to do so will result in denial of the claim.

**2.3 Proof of Loss**

The mailer must provide proof of loss for unnumbered insured mail and for items insured for \$50 or less online. Proof of loss is not required for numbered insured mail, Registered Mail, COD, or Express Mail claims. The mailer must present written and signed documentation from the addressee (such as a letter), dated at least 21 days from the date of mailing, stating the addressee did not receive the article. For items with insurance purchased online, the lack of a delivery scan is used to validate proof of loss.

**3.0 Providing Evidence of Insurance and Value****3.1 Evidence of Insurance**

For a claim involving insured, COD, registered, or Express Mail service, the customer must present any of the following evidence showing that the particular service was purchased:

- a. The original mailing receipt issued at the time of mailing (retail insured mail, Registered Mail, and COD receipts must contain a USPS postmark). Reproduced copies are not acceptable.
- b. The wrapper showing the names and addresses of the sender and the addressee and the proper mail endorsement, tag, or label showing that the article was sent insured, COD, registered with postal insurance, or Express Mail. If only the wrapper is submitted, indemnity can be limited to \$100 for insured, \$50 for COD, \$100 for Registered Mail, and \$100 for Express Mail.
- c. For Express Mail items accepted for mailing under an Express Mail Manifesting agreement in [705.2.0](#), a copy of the manifest page showing the Express Mail label number for the item in question; the manifest summary page for the date the piece was mailed; a copy of Form 3152-E, *Express Mail Manifesting Certification*, round-dated by the accepting post office; and a copy of the EMCA monthly statement that lists the label number and postage for the mailpiece. If the customer purchased additional insurance, a copy of the round-stamped Form 3877, *Firm Mailing Book for Accountable Mail*, must also be submitted.
- d. For retail insurance the original sales receipt from the USPS listing the mailing receipt number and insurance amount, if the original mailing receipt is not available. Reproduced copies of the USPS sales receipt are not acceptable.
- e. For insurance purchased online, the mailer has access to an electronic record and may print a record as follows:

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1. A computer printout from the Web-based application through which the label was printed and insurance was purchased. The printout must clearly identify the following information: the Delivery Confirmation or Signature Confirmation services number of the insured parcel, total postage paid, insurance fee paid, declared value, declared mailing/shipping date, origin ZIP Code, and delivery ZIP Code.
2. A printed online label record.

**3.2 Evidence of Value**

The customer, either the mailer or the addressee, must submit acceptable evidence to establish the cost or value of the article at the time it was mailed. (Other evidence may be requested to help determine an accurate value.) Examples of acceptable evidence are:

- a. Sales receipt, invoice or bill of sale, or statement of value from a reputable dealer.
- b. For items valued up to \$100, the customer's own statement describing the lost or damaged article and including the date and place of purchase, the amount paid, and whether the item was new or used (only if a sales receipt or invoice is not available). If the article mailed is a hobby, craft, or similar handmade item, the statement must include the cost of the materials used in making the item. The statement must describe the article in sufficient detail to determine whether the value claimed is accurate.
- c. Picture from a catalog showing the value of a similar article (only if a sales receipt, invoice, or statement of value from a reputable dealer is not available). The date and place of purchase must be included.
- d. Paid repair bills; if the claim is for partial damage, estimates of repair costs or appraisals from a reputable dealer. Repair costs may not exceed the original purchase price.
- e. Receipt or invoice for the costs incurred to buy a surety bond required to reissue a lost item.
- f. Receipt or invoice of costs incurred for the reconstruction of nonnegotiable documents.
- g. A copy of a canceled check, money order receipt, credit card statement, or other documentation indicating the amount paid. For Internet purchases, a copy of the front and back of the canceled check, money order, or a copy of the credit card billing statement is required.
- h. For Internet transactions conducted through a Web-based payment network that offers payment services through a stored value account, provide a computer printout of the online transaction identifying the purchaser and seller, price paid, date of transaction, description of item purchased, and assurance that the transaction status is completed. The printout must clearly identify the Web-based payment network provider through which the Internet transaction was conducted.

## 4.0 Claims

### 4.1 Payable Claim

Insurance for loss or damage to insured, registered, or COD mail within the amount covered by the fee paid or within the indemnity limits for Express Mail as explained in 4.2 is payable for the following:

- a. Actual value of lost articles at the time and place of mailing (see 4.1n for bulk insured articles).
- b. Cost of repairing a damaged article or replacing a totally damaged article not exceeding actual value of the article at the time of mailing.
- c. Remittance due on a COD parcel not received by the sender, subject to the limitations set by the standards for COD service.
- d. Reasonable costs incurred duplicating documents such as:
  1. Copying service.
  2. Notary fees.
  3. Bonding fees for replacement of stock or bond certificates.
  4. Reasonable attorney's fees if required to replace the lost or damaged documents.
  5. Other direct and necessary expense or cost, as determined by the USPS.
  6. Face value of negotiable documents that cannot be reconstructed up to the amount of insurance coverage bought, but not to exceed the \$25,000 maximum amount of insurance coverage available if sent by Registered Mail.
- e. Extra cost of gift wrapping, if the gift-wrapped article was enclosed in another container when mailed.
- f. Cost of outer container, if designed and constructed for the article sent.
- g. Fair market value of stamps and coins of philatelic or numismatic value, as determined by a recognized stamp or coin dealer or current coin and stamp collectors newsletters and trade papers.
- h. Federal, state, or city sales tax paid on articles lost or totally damaged.
- i. Postage (not fee) paid for sending damaged articles for repair. (The USPS must be used for this purpose. Other reasonable transportation charges may be included if the USPS is not available.)
- j. Cost of film stock or blank tape for photographic film, negatives, slides, transparencies, videotapes, laser disks, x-rays, magnetic resonance imaging (MRI) prints, computerized axial tomography (CAT) scan prints, etc.
- k. Cost of bees, crickets, or baby poultry destroyed by *physical* damage to the package or delay for which the USPS is responsible. (In the absence of definite evidence showing responsibility for death of these insects or animals, the USPS is presumed to be at fault if 10% or more are dead on delivery, and pays indemnity for all dead bees, crickets, or poultry; if less than 10%, the USPS is not presumed to be at fault.)

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- l. Cost of filing a lost ticket report with the airline.
- m. Per page copying cost of lost or damaged blueprints, schematics, etc.
- n. For bulk insured articles, indemnity is provided for the lesser of (1) the actual value of the article at the time of mailing or (2) the wholesale cost of the contents to the sender.

**4.2 Payable Express Mail Claim**

In addition to the payable claims in [4.1, Payable Claim](#), the following are payable for Express Mail:

- a. For Express Mail insurance, nonnegotiable documents are insured against loss, damage, or rifling while in transit. Coverage is limited to \$100 per piece (the unit on which postage is paid), subject to a maximum limit per occurrence as provided in [4.2a4](#). Claims for document reconstruction insurance must be supported by a statement of expense incurred in reconstruction. For this standard, while in transit begins when the USPS receives custody of the insured material and ends when the material is delivered to the addressee or, if undeliverable, when the sender receives the material on return. Nonnegotiable documents include audit and business records, commercial papers, and such other written instruments for the conduct and operation of banks and banking institutions that have not been made negotiable or cannot be negotiated or converted into cash without forgery. Nonnegotiable documents can be in print, disk, tape, microfilm, or other forms of data storage. Articles such as artwork, collector or antique items, books, pamphlets, readers proofs, repro proofs, separation negatives, engineering drawings, blueprints, circulars, advertisements, film, negatives, and photographs are considered merchandise, not documents. Indemnity for document reconstruction is paid as follows:
  - 1. For payments made (or which are payable) for reasonable costs incurred in the reconstruction of the exact duplicate of a lost or damaged nonnegotiable document. Indemnity is not paid for the cost of preparing the document mailed, or for the mailer's time in preparing the document mailed or reconstructed. Except for the per page copying cost, indemnity is not paid for documents if copies of the lost document are available or if they could have been made before mailing.
  - 2. Reasonable reconstruction expenses incurred or obligated between the time of guaranteed or scheduled delivery and actual delivery.
  - 3. Loss sustained by the use of funds to maintain cash balances during the period of document reconstruction (based on the applicable Federal Reserve discount rate). The period begins at the scheduled delivery time and may not exceed 15 days.
  - 4. Catastrophic loss for multiple Express Mail items, such as a major fire, limited to \$5,000, regardless of the number of Express Mail items, or the identity or number of customers involved. Each claim resulting from a catastrophic loss first is adjudicated individually. If the preliminary adjudication exceeds \$5,000, the percentage of the sum represented by

each individual settlement is applied to the \$5,000 to determine each claimant's pro rata share of the final settlement, not to exceed \$100 per piece.

- b. Merchandise insurance coverage is provided against loss, damage, or rifling and is limited to \$100. (Additional insurance, up to a maximum liability of \$5,000, may be purchased for merchandise valued at more than \$100.)
- c. For negotiable items, currency, or bullion, the maximum indemnity is \$15.

#### **4.3 Nonpayable Claims**

Indemnity is not paid for insured mail, Registered Mail, COD, or Express Mail in these situations:

- a. Evidence of insurance coverage not provided.
- b. Loss, rifling, or damage occurred after delivery by the USPS.
- c. Claim based solely on sentimental rather than actual value.
- d. Requested replacement value exceeded actual value at the time and place of mailing.
- e. The contents of film (e.g., positives, negatives, slides, transparencies, videotapes, laser disks, x-rays, magnetic resonance imaging (MRI) prints, computerized axial tomography (CAT) scan prints), the cost of creating or re-creating these items, or the photographer's time and expense in taking the photographs.
- f. Loss resulted from delay of the mail, except under [4.2a2, Payable Express Mail Claim](#).
- g. Consequential loss claimed rather than the actual value of the article.
- h. Perishable contents froze, melted, spoiled, or deteriorated.
- i. Damage by abrasion, scarring, or scraping to articles not properly wrapped for protection.
- j. Death of baby poultry caused by shipment to points where delivery could not be made within 72 hours from the time of hatching, unless it is determined that transportation was in place to achieve the 72-hour target.
- k. Death of honeybees, crickets, and harmless live animals not the fault of the USPS (mailability of these insects and animals is subject to [601.9.0, Perishables](#)).
- l. The sender or addressee failed to cooperate in the completion of required claim forms.
- m. Fragile nature of article prevented its safe carriage in the mail, regardless of packaging.
- n. Personal time required to replace documents.
- o. Claim filed after the article transported outside the USPS.
- p. Damage caused by shock, transportation environment, or x-ray, without evidence of damage to the mailing container.

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- q. Mail article or part or all of its contents officially seized while in the military postal system overseas.
- r. Negotiable items (defined as instruments that can be converted to cash without resort to forgery), currency, or bullion valued in total at more than \$15 per shipment sent by Express Mail, except under 4.2c.
- s. Consequential loss of Express Mail claimed, except under 4.2a3.
- t. Nonmailable items, prohibited items, or restricted items not prepared and mailed according to postal standards, or any item packaged in such a manner that it could not have reached its destination undamaged in the normal course of the mail.
- u. Loss or damage caused by employees or agents of the sender or addressee.
- v. Radioactive injury, electrical or magnetic injury, or erasure of electrical recordings.
- w. War, insurrection, or civil disturbance, or seizure by any agency of government.
- x. Loss after items signed for by the addressee, the addressee's agent, or delivery employee if authorized under the applicable standards.
- y. Items sent COD without the addressee's consent.
- z. Adult birds in Express Mail with no physical damage to the container.
- aa. Cost incurred for estimates and appraisals.
- ab. Lottery tickets, sweepstakes tickets, contest entries, and similar items.
- ac. Mailer refuses to accept delivery of the parcel on return.
- ad. Mail not bearing the complete names and addresses of the mailer and addressee, or is undeliverable as addressed to either the addressee or the mailer.
- ae. Event or transportation tickets (e.g., concert, theater, sport, airline, bus, train, etc.) received after the event date. Such items are insured for loss, but not for delay or receipt after the event date for which they were purchased unless sent by Express Mail and the delay is attributable solely to the failure to meet the guaranteed delivery standard under the terms and conditions for the Express Mail service selected.
- af. Software installed onto computers that have been lost or damaged.
- ag. Damaged articles not claimed within the time limits in the *Postal Operations Manual*.
- ah. Personal time used to make hobby, craft, or similar handmade items.

## 5.0 Compensation

### 5.1 Payment Limitation

The USPS does not make payment for more than the actual value of the article (or, for bulk insurance, the wholesale cost of the contents to the sender if a lesser amount) nor make payment for more than the maximum amount covered by the fee paid.

### 5.2 Depreciation

The USPS depreciates a used article either lost or damaged based on the life expectancy of the article.

### 5.3 Insufficient Fee

If, through an established error by the USPS, a fee was charged for less than that required to pay for the amount of insurance coverage requested at the time of mailing, the sender may pay the difference. Indemnity may be paid within the limit fixed for the higher fee. This applies only to the insurance fee when the article is insured. An additional fee may not be paid to register an article previously sent by insured mail, to buy insurance on mail sent as uninsured registered, or to increase the indemnity on the registered article. The declared value must already be noted on Form 3806 or Form 3813-P. Customers must complete all entries on Form 3877 or facsimile.

### 5.4 Loss or Total Damage

If the insured, registered, or COD article is lost or the entire contents totally damaged, the payment includes an additional amount for the postage (not fee) paid by the sender. Postage for Express Mail is refunded under [604.9.5](#).

### 5.5 Dual Claim

If the mailer and the addressee both claim insurance and cannot agree on which one should receive the payment, any payment due is made to the mailer unless the claim has already been paid to the addressee upon presentation of the original mailing receipt.

### 5.6 Incompetent or Deceased

If the payee is incompetent or deceased, payment is made to the legal representative. If there is no legal representative, payment can be made at the discretion of the USPS.

### 5.7 Recovered Article

If a lost registered, insured, COD, or Express Mail article is recovered after payment of a claim, the payee may accept the article and reimburse the USPS for the full amount paid if the article is undamaged. If the article is damaged, has depreciated, or has missing contents, the payee may accept it and reimburse the USPS in an amount set by the Consumer Advocate, USPS Headquarters.

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## 6.0 Adjudication of Claims

### 6.1 Initial Adjudication of Claims

The St. Louis Accounting Service Center (ASC) adjudicates and pays or disallows all domestic claims, except the initial adjudication of domestic retail unnumbered insured claims that are not bulk insured service, claims for insurance purchased online for \$50 or less, and claims appealed under [6.3](#). Domestic retail unnumbered insured claims, except for bulk insured service, and claims for insurance purchased online for \$50 or less are adjudicated and paid locally at the post office accepting the claims.

### 6.2 Appealing a Claim Decision

A customer may appeal a claim decision by filing a written appeal within 60 days of the date of the original decision. Except for an unnumbered insured article, the customer must send the appeal directly to Claims Appeals (see [608.8.0](#) for address). For an unnumbered insured article, the customer must send the appeal to the post office where the claim was filed. That post office forwards the appeal to the manager of Claims Appeals at the St. Louis ASC.

### 6.3 Final USPS Decision of Claims

If the manager of Claims Appeals at the St. Louis ASC sustains the denial of a claim, the customer may submit an additional appeal within 60 days for final review and decision to the Consumer Advocate, USPS Headquarters (see [608.8.0](#) for address), who may waive standards in [609](#) in favor of the customer.