

How does arbitration work?

Any time a shipper suffers loss, damage, overcharge and delay to their shipment, they must first allow the carrier the opportunity to settle the claim. Meaning that they must file a claim in writing with the carrier or their third party claims company. This claim is a requirement prior to filing for arbitration, court, etc. Once the carrier makes a settlement offer or denies the shipper's claim, the shipper then has the option to request arbitration.

The demand for arbitration form and the arbitration questionnaire must be filed within 90 days from the date of the carrier's last settlement offer or claim denial. If the demand for arbitration is filed after the 90 days time limit has elapsed, it is at the carrier's discretion whether or not they will agree to allow the claim to proceed with arbitration. All arbitration claims are processed based upon the written submissions, unless an oral hearing is agreed upon by both parties and the additional fee is paid.

When Moving Authority receives an arbitration claim, they will notify the carrier that their customer has begun the arbitration process. We will typically contact the company in one final attempt at resolving the claim prior to forwarding the disputed claim to the arbitrator. Only then will both parties be required to submit their portion of the arbitration fees. If we are successful at resolving the claim, the moving company will submit their offer in writing to the customer so that they may formally accept that amount. Should we be unsuccessful in this attempt, the customer will be required to mail their submission (dispute forms, supporting pictures, supporting documentation, etc.) in addition to a check made out in the amount of their portion of the arbitration fees to the arbitrator, National Arbitration and Mediation.

Both parties will be sent copies of all of the paperwork submitted and will be given an opportunity to file one response. A neutral arbitrator will be assigned to review the case in its entirety and will make an unbiased determination as to the amount that the moving company is legally liable to pay the customer. Typically, the determination reached by the arbitrator is a binding determination meaning that both parties are bound by that determination.

Are there any limitations of the arbitrator's authority?

Yes, there are limitations as to what the arbitrator may and may not change or award. The arbitrator may NOT alter the coverage that is selected for the move. The valuation coverage is something that is chosen by the customer at the pickup location as verified by their signature on the shipping documents. The valuation coverage, once signed for by the shipper is the coverage that legally must apply to the shipment and as such, cannot be altered by neither an arbitrator nor a judge.

The arbitrator does have the authority to apportion the arbitration fees. Meaning that the arbitrator can, in some cases, require a shipper pay the full arbitration fee and in other cases may require the moving company to pay the full arbitration fee or he/she may split the arbitration fees accordingly. Any apportioning of the arbitration fees is at the sole discretion of the arbitrator.

What happens after a determination is made?

Once a determination is made, typically it is a binding determination meaning that both parties are bound by that decision. The carrier will legally be required to pay the shipper the full amount of the determination. Most carriers pay the determinations in a timely manner, however if the situation arises where a carrier has not paid the settlement, the shipper, in many states, is able to file a motion in a court of law for the collection of the amount awarded. For more information, you should contact the courthouse located in the county and state holding jurisdiction over the move. This is generally the county and state that the carrier's home office is located.