



Secretariat

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ADMINISTRATIVE INSTRUCTION

To: Members of the staff

From: The Under-Secretary-General for Administration, Finance and Management

Subject: SHIPPING AND INSURANCE PROCEDURES FOR SHIPMENTS
OF PERSONAL EFFECTS AND HOUSEHOLD GOODS

1. This administrative instruction is a revision, with immediate effect, of ST/AI/238 of 18 May 1976. Its purpose is to clarify certain provisions of the staff rules regarding staff members' entitlements to unaccompanied shipments of personal effects and household goods at United Nations expense and to set out the procedures for the transportation and insurance of such shipments.

2. The entitlements to unaccompanied shipments of personal effects and household goods are established in staff rules 107.21, 107.27, 207.20 and 307.7 (e). Insurance entitlements are contained in rules 107.22 and 207.21. These rules give the maximum weight, volume and valuation in respect of which the Organization will pay for packing, shipping and insurance costs and set out the conditions under which such costs will be paid.

A. SHIPPING ENTITLEMENTS

3. The shipping entitlements in the staff rules are expressed in terms of weight and volume. Staff members will be considered to be within their entitlements if their shipments do not exceed either the weight or volume allowable under the rules. In the event that a staff member's shipment exceeds both weight and volume, the over-entitlements charge shall be based on the lesser amount calculated on the actual weight and volume shipped.

4. A staff member who is entitled to removal costs under staff rule 107.27 may be authorized to ship a portion of his effects by air up to the maximum amount stated in rules 107.21 (h) and (j), and the balance of the removal entitlement by surface. In such cases, the balance for the surface shipment is determined by

deducting twice the amount of the air shipment from the total entitlements. This formula also applies to partial shipments by air that may be authorized under staff rule 107.21 (j) or 207.20 (g).

B. EXPENSES NOT COVERED BY THE UNITED NATIONS

5. The United Nations does not pay certain expenses incurred in connexion with shipments of personal effects and household goods, such as:

(a) Transportation of all items not normally required for personal or household use e.g., animals, boats, motorcycles, trailer or other power-assisted conveyances (except automobiles, which may only be shipped under the provisions of rule 107.27 (d) (v) or rule 207.20 (k)), flammable and hazardous materials; these items may not be included in a shipment arranged by the United Nations but may be shipped separately at the staff member's expense when government regulations permit;

(b) Packing, crating, unpacking and uncrating of baggage shipped in connexion with travel on home leave, family visit or education grant except for approved costs incurred for an unaccompanied shipment in connexion with the first outward journey to, or the final return journey from an educational institution and where such entitlement has been authorized in cases where there is a change of attendance at an educational institution in a different city or locality;

(c) Servicing of appliances, dismantling or installing of fixtures and special packing;

(d) Demurrage (i.e., a penalty charge for delaying pick-up of a shipment from seaport or airport beyond the free time allowed);

(e) Import and export duties;

(f) Storage, except under rule 107.21 (g), 107.27 (d), 107.27 (g) or 207.20 (i) (iv);

(g) Insurance on:

(i) Accompanied baggage;

(ii) Shipments in connexion with travel on home leave, family visit, or education grant;

(iii) Personal effects and household goods while in storage, except under rule 107.21 (g), 107.27 (d) (iii), 107.27 (g) or 207.20 (i) (iv);

(iv) Articles considered to be of unusual value for which special premium rates are charged (also see paras. 8 and 19 below);

(v) Shipments in connexion with short-term appointments under rule 307.7 (e).

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(h) Delivery from storage warehouse to residence unless storage at United Nations expense has been authorized.

C. SHIPPING ARRANGEMENTS

6. Instructions concerning the procedure to be followed in arranging for shipments of personal effects and household goods are provided by the United Nations Office which authorizes the shipment. Staff members should NOT make arrangements to ship their belongings until they receive the necessary prior authorization and related instructions from the Organization. Such authorization normally is given on a travel authorization form (PT.8), which outlines entitlements.

7. Shipments of staff members' personal effects and household goods are usually arranged by one of the United Nations offices listed in paragraph 18 below or through another United Nations or UNDP Office, whenever practical or through a local moving company arranged by United Nations Headquarters. Where the staff member is entitled to removal costs under rule 107.27 and the Organization has no arrangement with a particular firm to undertake the removal shipments, the United Nations may require the staff member to obtain three bids from local companies of the staff member's choice to serve as the basis for a decision by the Organization as to which company should be requested to arrange the shipment. As an exceptional measure, staff members may also, on request, be authorized to obtain three bids for door-to-door services in cases where they may not wish to use the firm indicated by the United Nations and are prepared to prepay all costs and claim reimbursement through the office which issued the Travel Authorization. This reimbursement shall not exceed the amount payable by the United Nations to the packing, moving, and shipping companies which generally service the United Nations office where arrangements are being made. All bids should be requested after the staff member has decided which household goods he or she wishes to ship. The United Nations shall not be responsible for the shipment or for the performance of services by the company so selected.

8. Staff members are advised NOT to include items, such as jewellery, currency and coins, in unaccompanied shipments. They should note that insurance companies generally charge higher premiums on articles of special or unusual value, as well as on antiques, jewellery, furs, coin and stamp collections, irrespective of their value (see para. 19 below). Other articles are generally subject to higher premiums only if the value declared on the inventory is special or unusual in relation to the article (e.g., expensive rugs or china).

Estimates and packing

9. Packing companies usually send an estimator to look at the goods being shipped to estimate the weight and volume and to decide what kind and what amount of packing material will be necessary. The estimate is not binding on the company or the organization but serves as guide to the company regarding the packing requirements and to the staff member regarding the amount of goods that may be shipped within his or her entitlement, as well as the personal costs that may be

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incurred if it appears that the entitlement may be exceeded. The staff member should arrange to obtain the estimate after deciding which household goods are to be shipped and should request a signed copy of the estimate. The staff member should make sure that the estimate is in gross weight and gross volume (i.e. the weight and the volume of the goods, including the weight and volume of all packing material, such as the heavy lumber used for containers), as entitlements under the staff rules are expressed on a "gross" and not a "net" basis. Less packing material is usually used for air shipment than for surface shipment.

10. The staff member or his or her representative should be present during packing to make certain that all the goods are packed. The workmen from the packing company will normally make up a packing list and note the condition of the goods on the packing list, usually in an abbreviated form. For example, if a piece of furniture is "marred" or "gouged" the workman may enter "M" or "G" on the packing list. The staff member should be aware of the meaning of all abbreviations and make certain that the condition of the goods is described accurately on the packing list, which the staff member will be asked to sign. If the staff member is not satisfied that the condition of the goods is described accurately, a statement to this effect should be written on the packing list before it is signed, and a copy of the signed packing list should be retained by the staff member.

Forwarding arrangements

11. If the staff member is proceeding to a new duty station, the shipment should be sent care of the United Nations office there, unless the United Nations advises the staff member otherwise. Shipments to New York should be addressed to the staff member c/o United Nations Traffic Unit (room 2012), New York, N.Y. 10017, USA.

12. If the shipment is not consigned to a United Nations Office (e.g., upon separation) and the United Nations has not made arrangements with an agent at the destination to provide necessary services with respect to customs clearance and delivery from the seaport or airport to the residence or a commercial warehouse, the agent's invoice for these services should be paid by the staff member after careful review of required supporting documents, including rated airway bills or bills of lading and weighmaster certificates. The delivery receipt, signed by the staff member or his or her duty authorized representative, the agents receipted invoice, and all supporting documents should be submitted with a claim for Reimbursement of Expenses (F.10). Approved costs within the limits of the entitlement are reimbursed to the staff member after deduction of any amounts that may be due to the Organization from the staff member for excess shipping, insurance or other related costs.

13. A United Nations shipping advice form containing details of the shipment (i.e., name of the airline or vessel, airway bill or bill of lading number, date of departure, number of pieces, weight or volume, amount of insurance coverage, etc.) is normally forwarded to the consignee, together with the shipping documents which may be useful for customs clearance, after the shipment is dispatched. For shipments originating from New York, Shipping Advice Form PT.27 is used which serves as (a) a means of advising the staff member and the offices involved of the details of the shipment, (b) a notification to the staff member regarding the

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insurance coverage, if any, arranged by the United Nations for the shipment and (c) information regarding the insurance claims procedure and the insurance company agents to be contacted in case of loss, damage or non-delivery. The staff member should promptly contact the United Nations office at destination, the shipping company, airline or destination forwarding agent indicated on the Shipping Advice form with regard to arrangements to be made when the shipment arrives.

Import arrangements

14. Staff members should acquaint themselves with import procedures, as well as with possible customs restrictions or limitations at the destination. Such procedures may require presentation of an inventory certified by a consular officer or may involve presentation of evidence regarding the staff member's previous country of residence. Copies of invoices may also be required for any recent purchases.

Responsibilities of the staff member at destination

15. It is important that the staff member be at destination when the shipment arrives in order to attend to customs clearance formalities and arrange for delivery to the residence. This factor should be taken into account in making the shipping arrangements, even though the scheduling of shipments may be difficult and unpredictable. If the staff member is not present at the destination, the shipment may be retained pending clearance and demurrage charges payable by the staff member may be incurred (see para. 5 (d) above).

Delivery receipt

16. Upon delivery to the residence, the staff member or the person duly authorized by the staff member to receive the shipment should check the shipping documents to note whether any cases are missing and should examine the packing cases carefully for any external damage such as water marks, dents or holes. If damage or loss is noted or even suspected, the recipient should make a notation on the receipt which should not be signed without including the required notation when there is actual or suspected loss or damage. A copy of the receipt should be retained as it is an essential supporting document for any claim that may arise (see para. 30 (a) below).

D. INSURANCE ARRANGEMENTS

17. The United Nations will arrange for insurance against all risks of physical loss or damage from any external cause on unaccompanied shipments authorized to be shipped and insured at the Organization's expense, only upon receipt of an itemized valued inventory form (PT.78) from the staff member. Staff members may arrange their own insurance, in which case they should refer to paragraph 22 below.

18. The responsibility for arranging insurance and for processing claims for loss or damage which are not settled by a local representative of the insurance company is vested exclusively in the following offices in Vienna, New York and Geneva:

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(a) Vienna

The General Services Section, Travel and Transportation Unit at UNIDO in Vienna for shipments:

- (i) To Vienna from all places, except UNO, Geneva;
- (ii) From Vienna to all places, except UNO, Geneva;
- (iii) To or from any other place, except UNO, Geneva;

(b) New York

The Transportation Section, Traffic Unit at Headquarters, for shipments:

- (i) To New York from all places, except UNIDO, Vienna;
- (ii) From New York to all places, except UNIDO, Vienna and UNO, Geneva;
- (iii) To or from any other place, except UNIDO, Vienna and UNO, Geneva;

(c) Geneva

The Transportation, Travel and Housing Unit in Geneva for shipments:

- (i) To Geneva from all places;
- (ii) From Geneva to all places, except New York.

Itemized valued inventory

19. A staff member who wishes to have the United Nations arrange insurance on the shipment of his or her belongings when an entitlement to insurance exists under the staff rules shall submit to the United Nations prior to shipment two (2) copies of an itemized valued inventory showing the replacement value in United States dollars of each item being shipped. Form PT.78 entitled "Itemized Valued Inventory of Household Goods and Personal Effects" which contains the necessary application for insurance coverage, is available and should be used for this purpose; the packing list prepared by the packing company (see para. 10 above) is NOT acceptable. If the staff member has more than one shipment, an itemized valued inventory for each shipment must be prepared separately. Replacement costs for any suitcases and trunks should also be provided. All articles of unusual value such as antiques, jewellery, furs, coin and stamp collections should be listed separately. These articles may be subject to higher premium rates and the costs above the normal premium for insuring standard items are payable by the staff member even though the staff member may be within the over-all insurance entitlement.

Insurance company liability

20. Staff members should note that if they do not request insurance for the total value shown on the inventory, the insurance company's liability is reduced and any

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resulting insurance claim will be settled on a reduced pro rata basis. Thus, for example, if an unaccompanied shipment valued at \$50,000 is insured for only \$25,000, the staff member will not receive more than 50 per cent of the value listed on the inventory for any goods lost or damaged.

Premium

21. Information on the premium chargeable under the United Nations insurance policy is available upon request from the United Nations office which is responsible for arranging the insurance on the shipment. As a rule, the staff member will receive a notice from the United Nations indicating the amount of extra premium costs payable some time after delivery of the shipment. However, in some cases, such as separation from service or extension of insurance (see para. 25 below), prepayment may be required.

Reimbursement of premiums for insurance entitlements

22. A staff member may arrange his or her own insurance and claim reimbursement for the premium paid within the limits specified under rules 107.22 and 207.21. The staff member shall submit an itemized valued inventory with a reimbursement claim supported by a receipted invoice showing the rate and amount of premium paid. The maximum amount of premium reimbursable to the staff member shall be the premium payable by the United Nations under its world-wide policy for equivalent coverage of the items listed on the inventory, within the limits of the entitlement.

Insurance of goods in storage before shipment

23. If goods are stored at a commercial warehouse prior to shipment without being insured while in storage, an insurance company will not normally insure them afterwards unless they are unpacked and examined for possible loss or damage before being shipped. Since unpacking and inspection at that stage would be impractical and also costly to the staff member, it is advisable for staff members who find it necessary to store their goods at a commercial warehouse prior to shipment to request the United Nations to obtain insurance coverage for the period that the goods are to remain in storage. For this purpose, it is necessary to provide the name and location of the storage warehouse, as well as the dates the goods were put into and removed from storage. Such coverage would be obtained at the staff member's own expense unless an entitlement to insurance of goods in storage exists under rule 107.27 (g).

24. If a staff member has insured goods in storage with an insurance company other than the company which the United Nations uses, the staff member is advised to arrange in-transit insurance coverage with the same insurance company to ensure continuity and follow the procedures outlined in paragraph 22 to claim reimbursement within the limits of the entitlement.

Extension of insurance to cover goods placed in storage after shipment

25. Insurance coverage obtained by the United Nations for goods in transit ends upon arrival at the destination (i.e. the staff member's residence or a storage

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warehouse). If a staff member is unable to take possession of his or her belongings upon their arrival at seaport/airport and the goods are to be stored, the staff member should request an extension of insurance at his or her own expense from the company that insured the shipment. In this way, the staff member's belongings would be protected in the event of an insurance claim. For shipments insured by the United Nations, the staff member should address a request for extension of insurance to the appropriate office mentioned in paragraph 18 above and enclose the insurance premium payment for the expected duration of the storage. The staff member should provide the name and location of the commercial warehouse, as well as the date the goods were put into storage. Insurance ceases automatically upon expiration of the period for which the staff member has paid a premium to have his or her belongings insured. If the staff member does not provide the necessary information and prepay the premium, the United Nations will not arrange for extension of insurance, and the insurance coverage will lapse. Information on the premium chargeable for extension of insurance is available from the office which arranged the insurance. 1/

Insurance company's representative at destination

26. If the staff member's shipment is insured by the United Nations, the staff member should request the name and address of the insurance company's agent at the destination. A list of agents is printed on the back of the shipping advice form (see para. 13 above).

E. INSURANCE CLAIMS

27. In so far as possible, the staff member should arrange to have his or her belongings unpacked and examined immediately upon delivery. If damage or loss is noted or even suspected, the staff member should file claims immediately against all carriers that handled the shipment. In the case of an air shipment, the claim against the airline for loss or damage should be filed within seven days from the date of release of the goods by the airlines.

28. If a sea shipment is to be delivered to a storage warehouse and is to remain in storage for one year or longer before it is delivered to the staff member's residence, the staff member or his/her representative should file a preliminary claim for possible damage against the steamship company at the time when the shipment is released by the steamship company. In addition, before the end of one year, the staff member or his/her representative should make a written request to the steamship company for an "extension of suit time" since the normal period of

1/ For insurance arranged through New York or Vienna, the current rate for extension of insurance to cover goods in storage before or after shipment is \$0.12 in the United States and Canada and \$0.21 elsewhere per \$100 of value per month or part thereof. A personal cheque made payable to Messrs. Marsh and McLennan, Inc., the insurance brokers for the United Nations, must accompany the request to the United Nations office for extension of insurance.

suit time is limited to one year. Any further extensions should similarly be requested from the steamship company. These preliminary steps are required in order to preserve the right to file a subsequent detailed claim if damage or loss is noted when the shipment is finally delivered to the residence.

29. In the event that a carrier appears to have lost part of a shipment, the staff member should, in the written claim against the carrier, request that a "short-landing" certificate be issued. If it appears that the whole shipment has been lost, a "non-delivery" certificate should be requested in writing if an arrival notification is not received from the carrier within 14 days from the shipment's expected arrival.

30. If the shipment was insured through the United Nations or UNIDO, Vienna, the staff member should take the following immediate steps:

(a) File a written claim against all carriers (see para. 27 above).

(b) Contact the agent of the insurance company (see para. 26 above) to settle the claim locally. For this purpose, provide the agent with a full statement of particulars regarding the damage or loss and copies of all claim letters against carriers (para. 27), the ocean bill of lading or airway bill, the detailed inventory and the signed delivery receipt. A "short-landing" or "non-delivery" certificate should be furnished to the agent as soon as it can be obtained (see para. 29).

(c) If the claim exceeds \$200, request a survey from the insurance company's agent. If there is no agent of the insurance company listed on the back of the shipping advice form (PT.27), the survey may be made by a representative of the American Institute of Marine Underwriters, Lloyds of London or a government agency which provides the service of examining and preparing a report on loss or damage to shipments. Survey agents do not generally have authority to settle claims.

(d) Pay for the survey and include the charges as part of the insurance claim.

(e) If the claim is \$200 or less, a survey is not required but repair estimates should be obtained from a reputable firm.

(f) If the agent of the insurance company is unable to settle the claim locally, the staff member should request the agent to forward the documentation directly to the underwriters. If the insurance company is not represented by an agent in the area, forward the survey report and the documents listed in subparagraph (b) above as well as repair estimates to the appropriate United Nations office mentioned in paragraph 18 above.

31. For shipments insured through the United Nations Office in Geneva, the staff member should follow the instructions received from the Transportation, Travel and Housing Unit in Geneva regarding claims procedures.

32. If the staff member's shipment was not insured through the United Nations, the staff member should contact the insurance company that insured the shipment.

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Settlement of claims

33. The staff member should note that, irrespective of whether or not insurance has been arranged through the United Nations, it is the staff member's personal responsibility to make sure that all documents required for an insurance claim are obtained and submitted to the insurance company. Failure to follow the procedures prescribed in paragraphs 27, 28, 29, 30 and 31 in a timely manner may render a claim unacceptable. Inquiries regarding the status of a claim should be addressed by the staff member directly to the insurance company or its local agent. However, in cases where insurance has been arranged by the United Nations and settlements appear to be unduly delayed or other difficulties are experienced with the insurance company, the United Nations will render assistance to staff members upon request.

34. Claims are payable at the rate of exchange in effect at the time of settlement. Payments in connexion with an insurance claim may be received from a carrier or the insurance company. In all cases where payments are received from a carrier, the insurance company must be notified through the United Nations office or the insurance company's agent that processed the claim, so that the amount of the insurance settlement may be adjusted to reflect the payment received and avoid duplication. If duplicate payments are received, reimbursement must be made to the insurance company.
