

# 5 Biggest Mistakes When Choosing a Mover

## Mistake # 1 Getting Moving Quotes Online or Over the Phone

The first step towards a quality move is an in-home inspection of the goods to be moved. Virtually anyone with a little time and effort can throw up a professional looking website filled with photos and testimonials and claim to be a reputable mover. You need to make sure that the company you are researching actually exists.

Beware of companies that provide no business address on their website. Often, Internet moving brokers do not even own any trucks. Most of them hand your move off to a different company—one you may know nothing about. Internet Moving brokers often try to convince you that they have the ability to provide an accurate estimate of the cost involved in a move without performing a visual in-home estimate of what you are moving.

An Internet moving broker will quote you a price online and then put their bid out to other companies who agree to move you at that price. In such an arrangement, it is not uncommon for a moving truck to show up at your house on moving day, look at what you have to move at the price quoted by the Internet moving broker, realize that your moving quote was vastly under-estimated, and just drive off—leaving you with no mover on your scheduled moving day. To whom are you going to complain? A company that only exists in cyberspace? Most Internet moving brokers add an additional layer between the company moving you and yourself. This additional layer reduces overall quality of your move and reduces the efficiency of communications with your mover.

The only solid estimate is one you get after having a moving company representative do an in-home inspection. Beware of companies that refuse to do an in-home estimate. Scam moving companies often don't want to take the time.

The size of your move will determine the cost. Local moves (usually under 50 miles) are charged at an hourly rate. Long distance moves are charged by the weight of the goods being moved. An in-home estimate is the only way to accurately estimate the size of your move. If you under "guesstimate" the size of your move over the phone to a moving company and they base their price quote on your "guesstimate", on moving day the actual price of your move could be double, triple, or even higher. This can lead to an unpleasant surprise. If you over "guesstimate" the size of your move, you may think that the quoted price is too high and you can't afford a mover. Often movers can move you cheaper than you can move yourself, especially on a several thousand mile move. For an accurate estimate—

## Insist on an In-home Estimate

## Mistake # 2 Only Getting an Estimate From One Company

You need to get an in-home estimate from more than one company to protect yourself from the “low ball” estimate. This is the number one way to get scammed. By getting more than one estimate (three is recommended), you can better decide if someone is trying to “low ball” your move. Do not choose the mover whose estimate is 25% to 40% lower than the others. His costs of doing business cannot be 25% to 40% lower than his competitors. If you choose an estimate this far apart from the others, what usually happens is that on moving day all of a sudden extra charges start piling up until you are above the estimates you got from the other movers. Worse yet, a dishonest (or rogue) mover may hold your goods hostage until he gets his money.

Many people will decide to throw out the high estimate, throw out the low estimate and go with the one in the middle. This is an accepted rule of purchasing. But this common rule of purchasing does not hold true for moving cost estimates. All movers use a standard set of measurements for estimating the weight of your shipment. This Table of Measurements (called a cube sheet by movers) allows movers to compute the total cubic footage that your shipment will occupy on the truck.

For example, a 3-cushion sofa is 50 cubic feet, a dining room table is 30 cubic feet, a kitchen chair is 5 cubic feet, a small carton is 1.5 cubic feet, a medium size carton is 3 cubic feet and so on for every item in your house. When the estimator has added up all of the items, and totaled their cubic footage, he then multiplies the cubic footage by a weight factor to arrive at a total estimated weight. For example, 2,000 cubic feet @ 7 pounds per cubic foot equals a 14,000 pound estimated weight.

If this method is the industry standard for computing a shipment’s weight, how can three different movers get three different weight estimates for your move? The simple answer is that the two lowest estimates did not count all of the items to be moved, thus having less total cubic feet to be moved. Less cubic feet=less estimated weight=lower estimated charges. The highest weight estimate is the most accurate because only an idiot sales person would intentionally up the estimated weight resulting in a higher priced estimate for the move. Consumers are all too often seduced by bottom line costs of each movers estimate and fail to compare apples-to-apples. This leads to the lowest price often being selected only to result in anger and disappointment when the actual shipment weight turns out higher and the final move price is higher than the estimate.

Professional movers urge consumers to look beyond the bottom line cost and try to compare apples-to-apples when comparing cost estimates so that they aren’t taken advantage of by persons who try to obtain their business by underestimating shipment weight.

## Get More Than One Moving Estimate

## Mistake # 3 Not Understanding Estimate Types

Moving company services and prices are published in a “tariff” regulated by the US Department of Transportation. Before January 2008 all movers used the same tariff.

In an effort to spur competition in the early 1980’s, the moving industry (as well as the airlines and other industries) were deregulated. The government allowed companies to “discount” the tariff. Essentially the lowest price was the one with the biggest discount.

In January 2008, the government deregulated the moving industry even further by requiring each interstate moving company to file their own tariffs. So tariffs (which means rates) are still an important part of the estimate for your move.

The estimate you get will depend on the type of move that you are planning. Local moves (under 50 miles) and intrastate moves are regulated by the different states. Local moving rates are usually hourly and are based on the number of crew members the size of your move requires. Intrastate moves (over 50 miles within the same state) are weight based moves. For local and intrastate moves, ask the moving company representative about the state rules and regulations. Not all states allow discounts.

With interstate (or long distance) moves regulated by the DOT, prices are calculated on a combination of the shipment weight and the miles traveled. There are three types of estimates for interstate moves.

1. Non-binding estimates are weight based and does not bind your mover to the price quoted. The primary factor in these estimates are the level of discounts rather than the weight estimated. Since the shipment weight will be known after weighing, you only pay for what you ship and the mover knows that they are getting paid for everything that they move. These estimates are inherently fair to both parties. And yes, you do have the option of witnessing the weighing of the truck if you so desire. Honest movers will never object.
2. Binding estimates hold your mover (and you) to the price quoted. Often binding estimate shipments are not even weighed. You and the mover agree on a price for him to move what you show him to be moved. The problem with binding estimates is that you could be paying for more estimated weight than you actually have if the shipment was over-estimated.
3. Not to Exceed estimates are the best option. You can take advantage of the discounts of the non-binding estimate as well as the assured price of the binding estimate. If the actual weight is more than the estimated amount, the mover is bound at the agreed upon price. If the actual weight is less than the estimated amount, you pay the lesser price. It is a win-win for you.

## Not to Exceed Estimates Assure Your Price

## Mistake # 4 Choosing an Unlicensed or Uninsured Mover

If you are moving within a state (an intrastate move), make sure that your mover is licensed by your state's Department of Transportation, Public Utilities Commission, or the Bureau of Consumer Affairs. A call to your local state movers association can help you determine if a mover is properly licensed. A list of state associations can be found at [www.protectyourmove.gov](http://www.protectyourmove.gov).

If you are moving to a different state (an interstate or long distance move), make sure your mover has been issued a US Department of Transportation number. A US DOT number is registered with the Federal Motor Carrier Safety Administration (FMCSA) and is required to transport household goods between states. FMCSA is also responsible for making sure your mover has proper public liability and property damage insurance in case they are involved in an accident on the roadways while moving your goods. Again, you can check your mover's license at [www.protectyourmove.gov](http://www.protectyourmove.gov).

Ask your potential mover if they have Workman's Compensation insurance. Accidents happen. But what most homeowners don't realize is that if a worker is injured on your property, it is you—the homeowner—who can be held liable for all medical costs, unless the employee is covered by Workman's Compensation insurance. Hospital bills for serious accidents can be extraordinarily expensive and homeowner's insurance policies normally exclude such injuries. Workman's Compensation insurance adds significant costs to job overhead. These expenses could be the cause of wide variations in prices between estimates of costs for your move. Uninsured movers who do not carry insurance will most likely be cheaper to hire as they do not have insurance premiums to pay. Workman's compensation premiums can increase wage costs from about 20% up to 100% depending upon the state. If you have doubts, ask to see their "proof of insurance" in the form of an "Insurance Certificate" issued by their insurance carrier.

There are a variety of reasons why full insurance may not be carried by a mover, such as:

- \*Not a full-time mover
- \*New in business
- \*Simply wants to cheat to underbid his legitimate competition
- \*Can't afford insurance premiums
- \*Doesn't stand behind their work

## It Is Your Risk If Your Mover Is Uninsured

## Mistake # 5 Not Understanding Valuation and Insurance

It is important that you understand the difference between Valuation and Insurance. Valuation has its basis in transportation law and is regulated by the US DOT. The valuation is the level of liability the carrier agrees to assume, depending upon the level of protection requested by you the customer. The method of handling claims are specified by you on the Order for Service and the Bill of Lading.

Insurance was developed to spread the risk of loss and is a contract to indemnify the shipper against loss from the perils expressly stated in the policy. Insurance is regulated by each state and there may be 50 different sets of regulations that cover policy rates, claim procedures, statues of limitations, and policy limits. This can get confusing when moving from one state to another.

There are two options for placing a value (thus Valuation) on your shipment. The value that you select sets the limits of the mover's maximum liability for loss or damage to your goods. These optional levels of liability are not insurance agreements that are governed by state laws, but instead are authorized under Released Rates Orders of the Surface Transportation Board of the US Department of Transportation.

Option 1—Minimal Protection at 60 cents per pound per article is provided free. Under this option, the carrier assumes liability for no more than 60 cents per pound per article for loss or damage. This means that claims are settled based on the weight of the individual article(s) multiplied by 60 cents. For example, if a 10 pound stereo component valued at \$1,000 were lost or destroyed, the carrier would be liable for no more than \$6.00 (10 pounds multiplied by 60 cents). You must make a specific statement on the Order for Service and the Bill of Lading agreeing to this coverage.

Option 2—Full Value Protection is the most comprehensive plan for the protection of your goods. When you select this option, articles that are lost, damaged, or destroyed will at the carrier's option, be either repaired, replaced with articles of like kind and quality, or a cash settlement will be made for the repairs or for the replacement of the articles at their current value, regardless of the age of the lost or damaged items.

Under the Full Value Protection option you have two choices for establishing the carrier's maximum liability on your shipment:

The first choice is to declare a value based on the weight of your shipment, multiplied by a minimum amount. This amount varies from carrier to carrier, but is usually in the \$4.50 to \$6.00 range. For example, if your shipment weighs 4,500 pounds, the minimum value you must declare is \$27,500\*(4,500 pounds multiplied by \$6.00 per pound, if \$6.00 is the carrier's requirement).

The second choice is to declare a lump sum amount (for example \$30,000). This amount is based on your estimate of what it would cost to replace your shipment in the event of catastrophic loss.

## Your Mover Is Not an Insurance Company



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