

## You Hit What?

### --Advice on Submitting Claims for Damage to Your Facility

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We all hope it doesn't happen, but occasionally Auxiliarists who are active on patrol will experience damage or failure of their facility that is eligible for reimbursement from the Coast Guard. (This includes related equipment such as a boat trailer or towing vehicle and mobile radio facilities.) My purpose here is to help you assemble your claim in a manner that speeds and maximizes your reimbursement.

The first distinction to make is whether your damage is **patrol related** or **catastrophic**: For a **patrol related** claim you must be under orders and the damage must have an identifiable cause such as striking submerged debris, making contact with another vessel, pier or other object, or crew error (the standard of denial of a claim resulting from crew error is gross negligence, which I have yet to encounter). A **catastrophic** claim is for failure of a major component of your facility as a result of normal "wear and tear" which may occur at any time. While documentation differs and is discussed below, both types of claims must be submitted to your Order Issuing Authority (OIA) within 6 months. If longer, your claim may be denied unless you provide an acceptable explanation of why there is good cause for the delay. And, of course, the coxswain or pilot must report the incident or failure to your OIA within 24 hours and your facility made available for inspection, if requested.

**Patrol related documentation:** Your submission to your OIA must include: your completed AUX Claim Worksheet, signed and dated,

including your explanation and crew statements, and with a specific amount requested in the first box of Part X, your orders for that day, and two written estimates of the repair/replacement costs (an exception may be made when circumstances make obtaining a second estimate difficult or would cause additional cost, but you should provide a reason). Photographs of the damage should be included.

A sub-category of patrol related is failure of a part with a **latent defect** which leads to damage that occurs because you were where you were under orders. As an example, some small part fails that causes sufficient steering difficulty leading to an allision with a pier. While you will not be compensated for the part itself, you will be for the resulting secondary hull damage.

**Catastrophic Claims:** This is the tricky one. It is a new category and subject to all manner of confusion. My goal here is to help you help yourself recover as much as possible. First, understand that simply because your engine fails while you are on patrol does not make your claim patrol related with full compensation.

This recently established benefit allows a facility owner to be reimbursed for failure of a major component (e.g., engine, transmission and such ~ the guide given is something that is at least 10% of the facility's total value) due to normal wear and tear. The compensation you will receive is calculated by applying the percentage of Coast Guard usage to total usage. This does not mean the percentage of patrol-related hours since you purchased the boat/plane, but those hours as a percentage of the total life of the component.

So how do we figure this out? Hopefully you are all keeping engine logs, documenting the start/stop hours for each patrol and each individual use. If not, help yourself by starting now, because eventually something will die and you will be in a better position to receive some reimbursement if you have adequate documentation.

The easiest scenario to calculate is when you purchase a boat new and offer it as a facility immediately (or you have replaced that component since you started recording hours). Usually, though, the facility is purchased used, or is possessed for some time before being offered. In those cases, if the facility has an engine hours meter and you've been keeping track, the percentage calculation can more easily be made. Occasionally, the facility owner does not know how many hours the boat (I'm excluding planes because they will all have an engine hours meter) had been driven before it was purchased. If the claim is for replacement, the percentage of hours given to Coast Guard use since purchase can be applied to the depreciated value of the component. If the costs are for repair, it is possible we can apply generally available boat use averages for your area to approximate a percentage. Some long-time facility owners will not have kept records from years prior to the establishment of this claim procedure, but we will make every effort to work with you to arrive at a reasonable approximation of hours provided to the Coast Guard.

**Documentation:** You will need to include, in addition to the items mentioned above (except crew statements if you were not on patrol at the time), your purchase and registration documents, your initial and your current Offer of Use and Acceptance form, your maintenance logs (or invoices that demonstrate proper maintenance), and your hours logs distinguishing patrols and personal use. Other documents may be requested depending on the specific nature of an individual claim.

I hope this helps. If there is anything I've discussed you would like to clarify, I can be reached at 510 437-3348 or [Joanna.L.Nevesny@uscg.mil](mailto:Joanna.L.Nevesny@uscg.mil).

For a complete overview of the claims submission process consult the "Auxiliary Claims Handbook" (MLCLANTINST M5890.3A) available from DIRAUX.