ESTIMATING VALUES IN STORAGE WAREHOUSES

There are several methods that can be used to estimate the maximum insurable value of property in the care, custody or control of a warehouseman. As the insurable amount may change during the policy period as property moves in and out of a warehouse, unless there are audit provisions, the policy should cover the *maximum value when the warehouse could be full*.

Of course, the best method would be for the warehouseman to keep accurate records of the released or declared value of each storage lot as it comes into and goes out of the warehouse. However, very few household goods storage companies have detailed records of this kind.

Any method that uses the square footage of the warehouse means the entire space of the location devoted to storage.

Method	Distribution of Value or Type of Storage	Method of Calculation
Per Vault Box – this method should only be used for traditional household goods warehouses	Greater than 50% of storage is at a released value ($0.60 per pound per article)	Number of vault boxes x $3,000
	Greater than 50% of storage is at a declared value (Depreciated or Full Value Protection)	Number of vault boxes x $5,000
Un-containerized storage – this method can be used when storage in kept on racks, boxes, or loose	Greater than 50% of storage is at a released value ($0.60 per pound per article)	$12.50 per warehouse square foot
	Greater than 50% of storage is at a declared value (Depreciated or Full Value Protection)	$16.00 per warehouse square foot
	Commercial Storage or High Value Property	$18.75 per warehouse square foot
Records Storage	Contracts are per storage box	$2 - $5 per box
	Contracts are per file	$1 - $2 per file
	Vital Records	$25 per storage box
Storage Type and Density – this method can be used when the warehouse contains household goods and commercial products	Greater than 50% of storage is at a released value ($0.60 per pound per article)	1-high vault stacking- $22.50 per warehouse square foot
		2-high vault stacking-$35 per warehouse square foot
		3-high vault stacking-$37.50 per warehouse square foot
		4-high vault stacking-$40 per warehouse square foot
	Greater than 50% of storage is at a declared value (Depreciated or Full Value Protection)	1-high vault stacking- $26 per warehouse square foot
		2-high vault stacking-$40 per warehouse square foot
		3-high vault stacking-$43.50 per warehouse square foot
		4-high vault stacking-$46 per warehouse square foot

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Commercial Commodity Storage – this method contemplates a mix of commercial products with less than 25% used household goods	All loose storage (not in vaults or on racks)	$12.50 per warehouse square foot
	Storage on racks up to 3 levels	$22.50 per warehouse square foot
	Storage on racks more than 3 levels	$35.00 per warehouse square foot
	Storage in small crates up to 2 high	$32.50 per warehouse square foot
	Storage in large vaults up to 2 high	$37.50 per warehouse square foot
	Storage in large vaults more than 2 high	$45.00 per warehouse square foot
Military Household Goods Storage	Any configuration	$4.00 per pound
Van Line or Other Carrier's Interstate Storage-in-Transit	Any configuration	$6.00 to $8.00 per pound

Special Note: In the unlikely event of a total loss in a storage warehouse, many insurers would want to adjust or estimate the claim of all storage customers before paying any third-party loss. Underinsurance in the warehouse liability limit could mean that each storage customer might only be paid a percentage of their loss. Many state fair claim practices rules discourage paying the "first in line" claimants as limit of coverage could possible by exhausted for the "last in line". Consequently, underinsurance of the warehouse liability limit could be a huge problem.

A loss to a single storage lot when the date of loss cannot be determined – that is, damage could have occurred during the entire period that the property was in storage – could be handled differently based on the insurance company. Some insurers would establish the date of discovery as the date of loss; other insurance companies might seek to pro-rate the claim among other insurers providing coverage during the storage period. Keep good records of warehouse liability coverage for at least three to five years.