



NATIONAL FORWARDING COMPANY, INC.

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DATE: October 2, 2009

TO: Military Agents and Haulers of National Van Lines, National Forwarding Co.,
Subsidiaries and Affiliates

FROM: Kevin Spealman, Vice President, Claims and Customer Service

SUBJECT: **Mold and Mildew**

We have been experiencing some substantial costs associated with mold and mildew on household goods shipments recently, so I wanted to take this opportunity to emphasize just how costly it can be to overlook a mold or mildew problem when picking up a shipment, receiving one into your warehouse or delivering to the customer.

The latter is the point I would like to emphasize the most. Never, under any circumstances, leave moldy or mildewed items at the customer's home – if you even suspect a slight problem, do NOT leave anything in this condition at a customer's home.

If you are picking up a shipment from an NTS or other warehouse, you should carefully inspect all non-packed items, especially fabric, for mold or mildew. Look for visible signs, and use your sense of smell. Inspect randomly the contents of cartons as well. If there is any mold or mildew, do NOT under any circumstances accept the shipment. Once you take possession of moldy or mildewed items, the costs associated with taking care of the mold or mildew (which can be very high) will be ours to bear. Instead, call myself, Pam Johnson, or Tim Helenthal for instructions.

First and foremost is the health hazard. There is always a certain amount of mold in the air normally, but delivering contaminated shipments to a customer's home can result in potentially harmful or even deadly problems for some customers if they have mold allergies.

We currently have a shipment that was delivered to a customer's home in this condition, and it has already cost in excess of \$20,000 just to decontaminate the home and some of the household goods. The claim hasn't even been filed yet! Neither damage to the home, nor damage mitigation expenses apply to our maximum liability because they are not part of the household goods "claim." I have two more "lesser" claims from other carriers (National Claims Services clients) also resulting in huge losses.

The bottom line is, please make this a big part of your training. Train drivers to look (and smell) for this when picking up a shipment from storage, especially if it has been there a long time and/or is from a part of the country or world with high moisture or humidity. Train your warehouseman and delivery crews to watch out for this when taking in or delivering a shipment. And again – above all, never deliver a contaminated shipment to a customer.

Thank you, and please feel free to contact me at 800-325-6889 with any questions.

KS/lg