



October 2, 2014

## FAQs: Increase in IAM Membership Dues Receivable Protection Program (RPP) as an Included Benefit

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### Summary of 2015 Membership Changes

Effective January 1, 2015, IAM is changing the dues structure of the Supplier, Core and Governing memberships. Also effective January 1, all IAM Governing and Core Members will receive the Receivable Protection Program (RPP) as a benefit included in annual membership dues. In addition, for the first time RPP benefits have been expanded to cover exposure for U.S. Military and Government Shipments.

The purpose of this document is to provide you with comprehensive information about the changes, what you can expect, and how your company will benefit. We encourage all members to read through the entire document. If you have specific questions after reviewing the document, please email [Membership@IAMovers.org](mailto:Membership@IAMovers.org) with the words **Member Dues** in the subject line. For questions regarding the RPP, email [RPP@IAMovers.org](mailto:RPP@IAMovers.org).

### Changes in Membership Dues

#### What Membership categories are affected?

All membership categories have changed in some way. The changes in dues and initiation fees for both renewing members and new members can be found in the table below. Changes go into effect on January 1, 2015. Invoices reflecting these changes will be sent in early January, with payment due within 30 days.

Renewing Members	New Members
Supplier Member Dues - \$700.00 USD	Supplier Member - \$950 (Dues \$700.00 & initiation fee \$250.00)
Core Member Dues - \$900.00 USD	Core Member - \$1,150.00 USD (Dues \$900.00 & initiation fee \$250.00)
Governing Member Dues - \$3000.00 USD	Governing Member - \$3,000.00 USD (no initiation fee)

#### Why are Core and Supplier dues increasing?

This was not a decision IAM made lightly. As we have proven by raising dues only twice in the last 20 years, it is always IAM policy to identify new sources of revenue and cut expenses before thinking about increasing

dues. Despite this, IAM's costs continue to increase and, in order to maintain the high quality of service you expect, it became necessary to look at other options.

### **Will my company get additional benefits for the increase in dues?**

As of January 1, 2015, the Receivable Protection Program (RPP) will now be included for all Core and Governing Members. This program has delivered more than \$1,250 USD in value each year to participating companies and will become more valuable with greater participation from the Core and Governing Membership.

### **Is the entire \$250.00 USD dues increase for Core Members directed toward the RPP?**

No. \$150.00 USD will be directed into the RPP Reserve Fund and \$100.00 USD will be directed into IAM's general operating accounts to help offset increased costs and mitigate the effects of inflation.

### **Why are Supplier Member dues increasing if the RPP benefit is not included?**

The dues increase of \$50.00 USD to Supplier Members will be directed to IAM's general operating accounts to help offset increased costs and mitigate the effects of inflation. The increase is not related to the RPP benefit. IAM Supplier Members may participate in the RPP by upgrading their membership to Governing.

### **What is the value of upgrading from Core or Supplier to Governing Membership, especially if I do not perform work in the U.S. Government or Military arena?**

There are financial benefits of upgrading to Governing Membership (see chart below), however the most important reason to upgrade is the increased opportunity to have a voice in the Association. Governing members have broader voting rights on Association matters, and six of the eight IAM Executive Committee positions are chosen by and from the Governing Membership.

Beyond that, the financial incentives for joining the top tier of IAM Membership include:

<b>Additional Governing Membership Benefits</b>	<b>Financial Value</b>
Early Bird Annual Meeting registration rate for all attendees, regardless of registration date	Average of 3 attendees: \$375
10 percent discount on Annual Meeting exhibitor fees	A minimum of \$200
<i>One additional alphabetical listing in the IAM print membership directory (Governing Member Section) with a unique Governing Member icon that further identifies your company as an IAM member at the highest level), and a 35-word company description in both the print and online IAM directories. Minimum estimated value:</i>	\$1,000
Two additional copies of IAM's print membership directory (three total)	\$170 US / \$200 Overseas
Two additional one-year subscriptions to The Portal magazine	\$200 US / \$250 Overseas
Three qualifying individuals for IAM-YP individual membership <i>FREE</i>	\$300
Free membership in the IAM Logistics Network (ILN)	\$450
Total Financial Value: Core Membership = \$900.00 USD Governing Membership = \$3,000 USD with additional value of \$2,775 USD	\$2,775

If your company takes advantage of these Governing Membership benefits, you will not only have the opportunity to play a more significant role in IAM policy and leadership, you will save money.

### **How do I upgrade to Governing Membership?**

To upgrade, email [Membership@IAMovers.org](mailto:Membership@IAMovers.org) and type the word **Upgrade** in the subject line.

### **Why are Governing Members receiving the RPP benefit without an increase in dues?**

Due to the higher rate that Governing Members already pay each year and the fact that their dues are better balanced with IAM's Governing Member costs, IAM could extend this benefit to Governing Members without a dues increase. As with Core Members, \$150.00 USD collected from Governing Members' dues will be deposited into the RPP Reserve Fund each year.

### **My company already paid for 2015 dues. Will we be charged more?**

IAM will review your account and invoice your company the remaining balance for membership dues.

### **I recently paid \$650 to join the RPP. Will I get a refund or a credit?**

IAM will review your account and contact you directly.

Please direct any specific questions about membership changes to [Membership@IAMovers.org](mailto:Membership@IAMovers.org) with the words **Member Dues** in the subject line. For questions regarding the RPP, email [RPP@IAMovers.org](mailto:RPP@IAMovers.org).

## **About the Receivable Protection Program (RPP)**

The RPP is now included as a benefit of Core and Governing Memberships. And for the first time, the RPP will cover exposure for U.S. Military and Governments Shipments.

### **What is the Receivable Protection Program?**

The Receivable Protection Program (RPP) safeguards your company from those IAM members in financial difficulty. It accomplishes this in the following ways:

1. **Alleged Debtor List:** Your company will now receive the IAM Alleged Debtor List each month. This list names the IAM members who are allegedly delinquent on payments owed to other IAM members. This tool provides members with important advance notification of which members may not be paying their invoices.
2. **Invoice Dispute Resolution Process:** Your company will now be able to request IAM intervention on any invoice greater than \$3,000.00 USD owed to you by another IAM member. The invoice must be at least 120 days past due. This is the intermediate step by which IAM Staff intervenes with the allegedly delinquent member and tries to facilitate repayment of the outstanding debt. Since implementing this process in 2011, IAM has successfully resolved roughly \$355,000 USD on behalf of companies who participated in the RPP.
3. **Unpaid Invoice Compensation:** Your company will now be able to submit claims to IAM for payment on any unpaid invoice stemming from a household goods shipment owed to you by another IAM Core

or Governing Member. This is the last-resort mechanism by which your company can recover money lost due to another member declaring bankruptcy or ceasing to exist. IAM has paid out roughly \$80,000 USD to compensate members for unpaid invoices since the start of the RPP.

IAM calculates that these benefits collectively provide each RPP Member with a net benefit of more than \$1,100 USD of value per year.

### **What invoices are covered under the RPP?**

Previously, the RPP covered only commercial invoices from household goods shipments. Starting January 1, 2015, the RPP expands to offer protection for invoices from household goods shipments for the U.S. Department of Defense, U.S. Department of State, and General Services Administration. As a result, IAM can now spread risk among approximately 2,000 companies rather than 100 to 200 companies.

### **How does the Invoice Dispute Resolution Process work?**

Under this process, IAM intervenes with the delinquent member (Alleged Debtor) if the debt exceeds \$3,000 USD and is more than 120 days past due. If, after three interventions, the debt remains outstanding, IAM will add the delinquent company to the IAM Alleged Debtor List and ensure that the invoice is eligible for payout through the Unpaid Invoice Compensation review. The IAM Alleged Debtor List is circulated to companies who participate in the RPP each month and, beginning October 2014, will be distributed to all IAM Governing and Core Members.

### **How does a company get designated as an Alleged Debtor?**

As part of the Invoice Dispute Resolution Process, IAM Staff conducts a step-by-step procedure by which a company will be identified as an Alleged Debtor if no effort is made to resolve the outstanding debt. Ample time is provided to the Alleged Debtor to pay off the outstanding invoice before being placed on that list. Additionally, IAM staff will work with the debtor company to follow up on debts they may be waiting for from other IAM members.

### **If my claim is approved under the Unpaid Invoice Compensation component of the RPP, will IAM pay me the entire amount of the unpaid invoice?**

No. IAM must maintain certain limitations in the program to protect the solvency of the RPP Reserve Fund. The limits for payments under the RPP will be established for each fiscal year by the IAM Executive Committee. These annual payment limits are currently subject to the following:

1. A maximum total annual distribution limit of US\$250,000, or up to 50 percent of the available funds in the RPP Reserve Fund, whichever is lower.
2. A maximum annual compensation limit per individual participant that cannot exceed US\$25,000 annually, subject to a 20 percent deduction for each unpaid invoice.
3. In the event that it becomes necessary to make payments to multiple participants within the same fiscal year, and in the event that such payments exceed the RPP's maximum distribution limits for said fiscal year, proportional payments will be made.

### **Other trade associations, including LACMA and FIDI, operate programs similar to the RPP. If my claim is valid in all three programs, can I recover money from the RPP?**

IAM's policy on this subject is to work with FIDI and LACMA to determine what the expected payout from each program will be; decisions will be made on a case-by-case basis. However, our goal is for our members to be made as close to whole as possible, but not better than whole. IAM will review each claim that overlaps with

other programs and make payouts based on this goal, assuming the claim is approved under the RPP Operating Rules and Regulations.

**How do I submit claims?**

For now, RPP members will continue to submit claims by completing a claim form and emailing it to IAM at [RPP@IAMovers.org](mailto:RPP@IAMovers.org). In the near future, IAM will establish an online claims process through the self-service menu of our website. From there, you will be able to log in and submit claims, and review the status of pending claims.

In late 2014, IAM will host a webinar with instructions on how to submit a claim and request assistance.

If you have specific questions about the RPP, please email [RPP@IAMovers.org](mailto:RPP@IAMovers.org).