**Section 1457.490 Disposition of Loss or Damage Claims**

a) When a household goods carrier receives a written claim for loss, damage, injury, or delay to property transported, it shall pay, decline, or make a written firm offer to be held open for 30 days to settle to the claimant within 120 days after receipt of the claim by the carrier, except where the claimant and the carrier agree in writing to an extension of time for a definite period.

b) If the carrier declines to pay a claim or makes a firm offer to settle in an amount different from that sought by the claimant, the carrier shall give the claimant written notice of its action and reasons for its action. The carrier shall give written notice within the time specified in subsection (a).

c) If the carrier cannot process and dispose of the claim within 120 days after receipt, the carrier will, at that time and at the expiration of each succeeding 60 day period while the claim remains pending, provide the claimant with written notice of the status of the claim and the reason for the delay in making final disposition. The carrier shall retain a copy of the notice to the claimant in its claim file.

d) If the carrier notifies the claimant that it cannot process and dispose of the claim within 120 days after receipt, the claimant may elect to extend the time as provided in subsection (a) or may treat the notice as notice that the carrier has declined to pay the claim. The claimant will be deemed to have elected to treat the notice as notice that the carrier has declined to pay the claim, unless it notifies the carrier otherwise within 15 days after receipt of the carrier's notice.