



Understanding Rate Exempt Areas

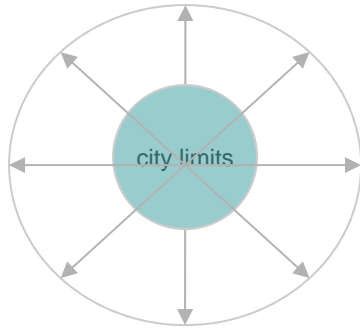
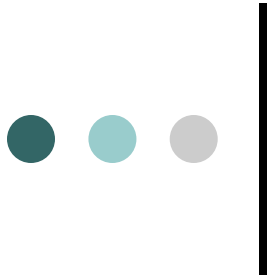
for household goods moves within Illinois





What is a rate-exempt area?

- 10 air-mile extension of city limits of incorporated city, village, or town.
- Also called “terminal area” or “commercial zone.”



Commercial Zone:

Extend city limits 10 miles in all directions.



Rate exempt area

if:

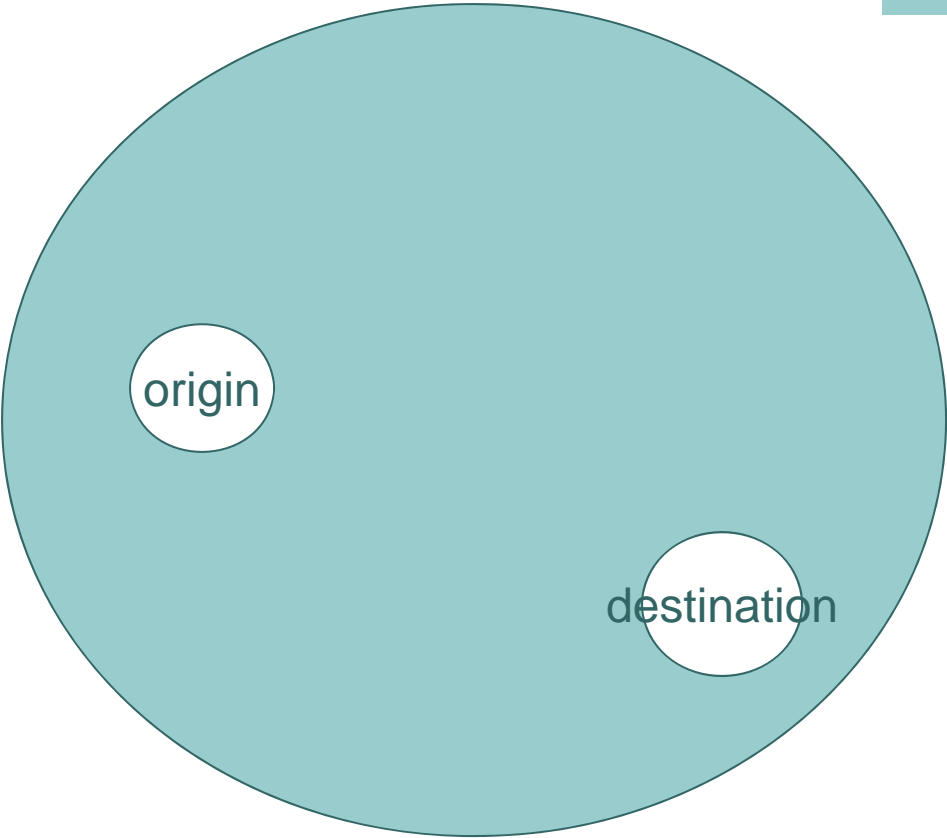
both origin and destination of a move are wholly within the same commercial zone,

then:

the move may be considered “rate exempt.”



Remember!
commercial zone
may not be a
perfect circle!





What does rate exempt mean?

- You are not required to use your tariff rates
- **These** other requirements **do** still apply:
 1. written estimate
 2. bill of lading – including valuation selection by customer
 3. Consumer's Guide to Moving in Illinois



One commercial zone may overlap other cities.

Overlap does not affect commercial zone boundaries of individual cities.

No “leap frog” among commercial zones is allowed.



Remember:
No rate exempt areas
for moves
wholly within Cook County.



But wait!

- What happens if origin and destination do not fall within the same commercial zone?
- Is any exception allowed?



The Exception is called “Pick a Point”

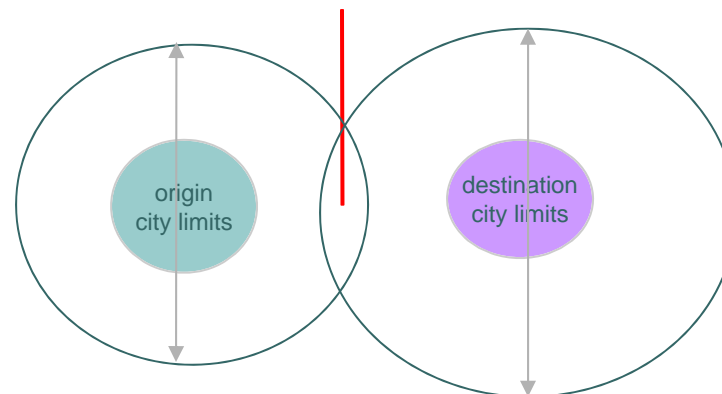
- If commercial zone of origin does not include destination point
- AND if either origin or destination is outside of Cook County,
- AND an incorporated town is located inside “football” shaped area created when origin and destination commercial zones overlap,
- THEN that town can be the “base point” for the move.

Use transparent template that is to scale of Illinois Official Highway Map.

Both origin and destination can NOT be within Cook County.

Either origin OR destination may be within Cook County if the other point is outside Cook County.

If both origin and destination are not in the same commercial zone, an incorporated town inside “football” can be “base point” for the move.





Confused?

You are not alone.



How to be sure base point qualifies as rate exempt:

- ✓ Using “10-mile circle” template that matches scale of Official Illinois Highway Map, place cross-hairs on new base point to determine commercial zone.
- ✓ If BOTH origin and destination of move fall within the new base point’s commercial zone,
- ✓ and if either the origin or the destination (or both) is outside Cook County,
- ✓ then the new base point’s commercial zone can be considered the rate exempt area for the move.



Cautions:

- If questioned, it's always your responsibility to explain how you came up with the rates for a move.
- Use of the tariff is always presumed first.
- If you are not using your tariff rates for a move, be sure to write "rate exempt" somewhere on the bill of lading where you (or someone else in your company) can easily recognize it.
- Also be sure to list the new base point if "picking a point."



Remember:

- Just because a rate-exempt area exists, you are not obligated to deviate from your tariff rates.
- You may always use your tariff rates.
- “Rate exempt” does not automatically imply “discount.”
- In a rate exempt area you may charge whatever rates fit the situation, including rates higher than your tariff.
- **YOU STILL MUST DETAIL** on the estimate and b/l the number of men and trucks you intend to send, so the customer will know what to expect on move day.