

## 1. Cargo Claims

As with any transportation service, damage or loss of cargo may at times occur. In the event of a potential cargo claim for loss or damage of goods immediately notify your manager of the situation. Read or re-read the article, “Protecting your company when presented with a Demand” posted on the intranet. This article provides insight on how to deal with customers when they make a claim. It is important that you do not make any payment, assume any obligation, incur any expense or admit to liability.

## 2. Claims Handling

Preserve all packaging, damaged goods and seals. Do not discard the packing material or any other evidence a surveyor may want to inspect. Do request or take photographs and examine the shipment as soon as it arrives. Obtain all documents such as delivery receipts, dock receipts and or warehouse receipts to check for remarks in respect to loss, damage or discrepancy. Take all reasonable measures to minimize and prevent added damage or loss whenever possible. Any proven act that results in the further damage or loss can be made as a part of the claim against Fracht. Ensure you have the customer’s written instruction before allowing the shipment to continue in transit after damage has been reported.

### Step 1

- Make a note of the date, time, the full name of the person you spoke to and their contact information.
- Find out if there is cargo insurance for the shipment with both the shipper and consignee.
- If there is, the customer should contact the insurance company as per the insurance certificate for further handling.
- If we covered the insurance the customer can go to [www.coveragedock.com](http://www.coveragedock.com) to file their claim.
- Ask them in writing to file a claim with their cargo insurance provider also stating that Fracht’s liability may be limited as soon as possible.
- If there is no insurance find out the nature of the damage, how and where it might have happened and the approximate amount of damages.

### Step 2

Use the **Preliminary Claim** form from the Template folder to file a claim with all parties involved (steamship line, airlines, truckers, warehouses, rail etc.). This is to notify them and hold the carrier responsible for the loss. Keep copies of all these claims in the file. You will need to do this the same day as you get the notification from the customer because of time limitations on filing claims which are:

Ocean	3 Days from date of delivery. It must be a written notice that raises presumption of carrier responsibility.
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International Air	<p>7 Days from time of delivery, for visible damage.*</p> <p>14 Days from time of delivery, for concealed/ hidden damage.*</p> <p>120 Days from the date goods should have been delivered for non-delivery.</p> <p>*Time limits for countries of destination that have accepted Montreal Protocol No. 4 are always 14 days and 21 days respectively.</p>
Interstate Rail and Truck Carriers	<p>9 months from the date of delivery. It must be a formal written claim and must include a demand for payment of a specific amount.</p>
Local Trucks and Air Carriers	<p>Time Frame for reporting these claims are dictated by State Law and therefore may vary</p>

Step 3 Once you receive the written claim from the customer, send the customer the **Preliminary Claim Acknowledge** form found in our Template folder within 48 hours.

Step 4 Send copies of the following documents to Jordan Dailey ([Jordan.dailey@fracht.com](mailto:Jordan.dailey@fracht.com)) with CC Kristin Balthazar ([Kristin.balthazar@fracht.com](mailto:Kristin.balthazar@fracht.com)) for further handling (email should include Fracht file #, Customer file # and Carrier file #) :

- Master B/L or AWB both sides. (Evidence of contract of carriage, proof of the condition of goods before shipment)
- House B/L or AWB.
- Commercial invoice. ( Calculates the value of cargo, identifies the insurable interest in the cargo, identifies the terms of sales)
- Packing List. ( Will establish evidence of the number of goods shipped )
- All Delivery, Dock & Warehouse Receipts. ( Identifies the last carrier, evidence that the goods arrived in a damage condition)
- Copy of the inspectors report if any. (In case of damage cargo)
- Customer claim, including all of the supporting documentation. ( Calculate the amount of claim)
- Photographs. ( Proof of condition of goods upon arrival )
- Preliminary Claim form(s). ( Evidence of prompt notice to responsible parties)
- Preliminary Claim Acknowledge form.
- Relevant email chains.

### 3. Carriers Liability

The carrier, as well as Fracht’s liability is limited by law. When the carrier does have liability for a claim it is generally limited as follows to cover for a loss.

- Ocean Freight:** \$ 500.- per outer package (containers can count as a package. For FCL shipment we are most likely liable for no more than \$ 500.-).
- Air Freight:** \$ 9.07/lb or \$ 20/kg (Warsaw Convention) or 17SDRs/kg (approx. \$ 10.50/lb or 23.15/kg) under Montreal Amendment 4 of the Warsaw Convention.
- Domestic Airlines:** \$ 0.50/lb customary
- Domestic Truckers:** \$ 0.50/lb customary, but varies
- Warehouses:** Varies, consult their tariff
- Railroads:** Varies, consult their tariff

Carriers are not liable for losses outside their control such as any Acts of God for example hurricanes, fire, floods, tornado, earthquake etc. other exclusion may be applicable.

#### 4. Amendments

<i>Rev</i>	<i>Date</i>	<i>Description</i>	<i>Prepared by</i>	<i>Approved by</i>
0	01/18/2016	New Document	D. Saldana	R. Wiederkehr
1	11/26/2012	Contacts and Info updated	J. Dailey	R. Wiederkehr