



CARGO CLAIMS GUIDE

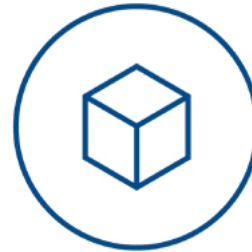
DOMESTIC

A cargo claim is a demand in writing for a specific amount of money that contains sufficient information to identify the shipment received by the originating carrier, delivering carrier or carrier on whose line the alleged loss, damage or delay occurred within the time limits specified in the bill of lading contract.



When Do I File A Claim?

Claims should be filed promptly once loss or damage is discovered. The time limit for filing a claim is 9 months from date of delivery, or in the event of non-delivery, 9 months after a reasonable time for delivery has elapsed. If a claim is not received by the carrier within this time, payment is barred by law.



Who Should File A Claim?

A claim may be filed by the shipper, consignee or the owner of the goods. Be certain to clearly show the name and complete address of the claimant.

If a shipment moved at a released rate, it may be to the consignee's benefit to contact the shipper prior to filing.



With Whom Should The Claim Be Filed?

The claim may be filed with the delivering carrier.

What Are The Required Documents?

- 1. Original invoice:** The original invoice verifies that the amount of the claim does not exceed the terms of sale (value of the goods) at destination, and excludes any prospective profit. The original invoice must disclose all discounts and allowances, if any.
- 2. Original paid freight bill:** The original paid freight bill is showing that freight charges on the shipment against which the claim is filed have been paid in full. In order for a claim to be finalized, all freight charges must be paid.
- 3. Repair or replacement invoice:** When sending a repair invoice, it should include a breakdown of hours, labor rate and materials. (If applicable)

What Is Concealed Loss Or Damage?

When damage is discovered after the delivery receipt is signed and the cartons are opened, it is termed concealed damage. When this occurs, the carrier should be immediately contacted at the delivery terminal to request an inspection. While awaiting inspection, the consignee must hold the shipping container and its contents in the same condition they were in when damage was discovered. The inspection should be accomplished without delay. The carrier will send a representative to perform the inspection or will waive inspection. If the carrier does not respond within 5 working days, the consignee may make the inspection themselves.

See NMFC Item 300135 – Request for Inspection should be confirmed in writing by mail.

The inspection report is not a claim. It is the responsibility of the claimant to file a cargo claim within the prescribed time frame and to respond to any requests from the carrier for supporting documentation. The claim will then be concluded based on facts determined during the investigation.

What Documents Are Needed to File a Damage or Shortage Claim?

Produce Claims:

- Ascent Global Logistics Claim Form
- A copy of the commercial invoice to support the claim dollars
- A copy of the invoice of salvage
- Pulp documentation – temp tales
- USDA inspection
- Destruction Certificate
- A copy of the signed delivery receipt with the shortages or damages noted
- Photos of freight and packaging
- Written documentation of any communication report to the Carrier from the Client or Ascent Brokerage Office

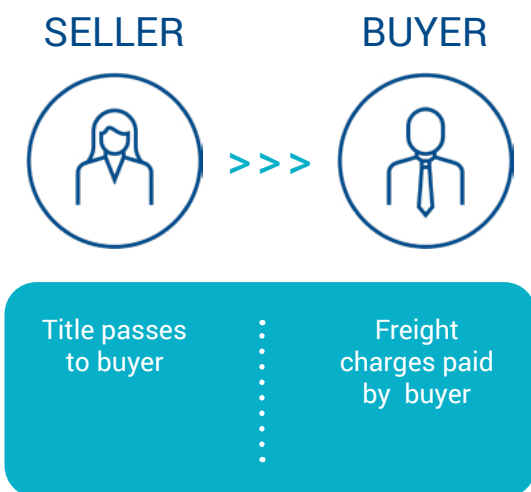
Other Claims:

- Ascent Global Logistics Claim Form
- A copy of the commercial invoice to support the claim dollars
- Estimated repair
- Destruction Certificate
- A copy of the signed delivery receipt with the shortages or damages noted
- Pictures of freight and packaging
- Written documentation of any communication report to the Carrier from the Client or Ascent Brokerage Office

Additional Requirements (Repairable Damage Claims Only):

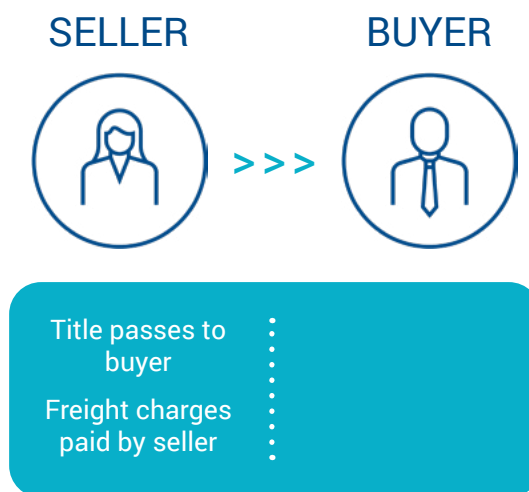
- A detailed repair invoice that reflects material and labor costs
- Freight Owners have an obligation to mitigate the cost of repairs

EFFECTS OF TERMS OF SALE ON DISTRIBUTION:



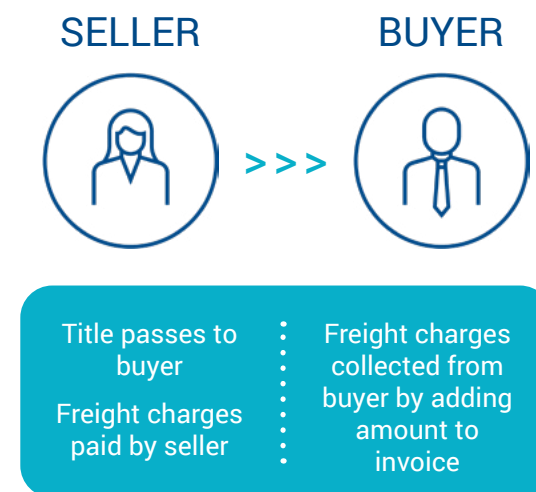
1. FOB Origin, Freight Collect

- Buyer pays freight charges
- Buyer bears freight charges
- Buyer owns goods in transit
- Buyer files claims (if any)



2. FOB Origin, Freight Prepaid

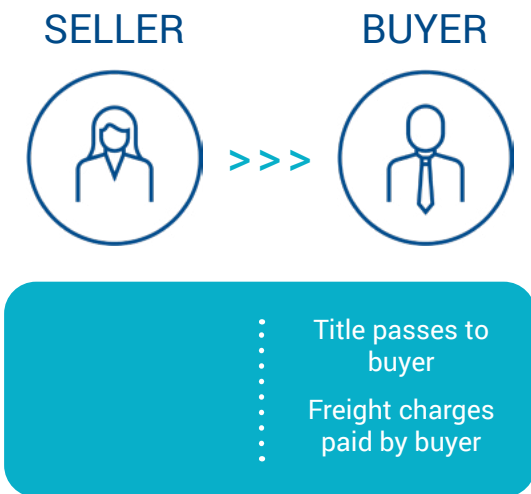
- Seller pays freight charges
- Seller bears freight charges
- Buyer owns goods in transit
- Buyer files claims (if any)



3. FOB Origin, Freight Prepaid and Charge Back

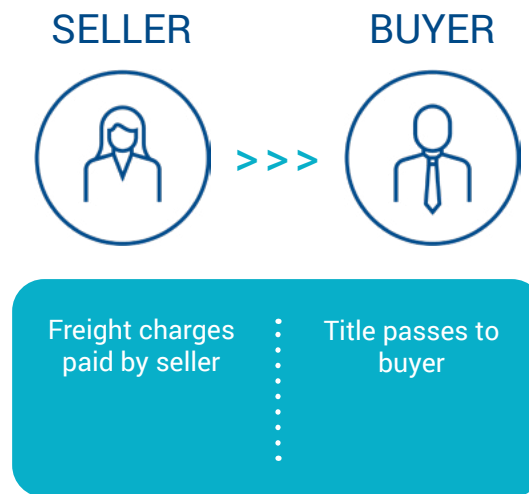
- Seller pays freight charges
- Buyer bears freight charges
- Buyer owns goods in transit
- Buyer files claims (if any)

EFFECTS OF TERMS OF SALE ON DISTRIBUTION:



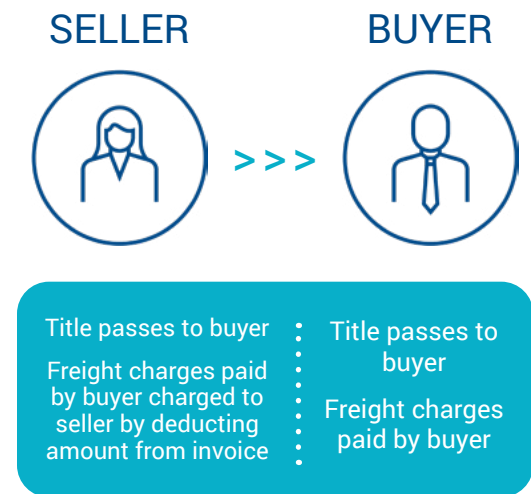
4. FOB Destination, Freight Collect

- Buyer pays freight charges
- Buyer bears freight charges
- Seller owns goods in transit
- Seller files claims (if any)



5. FOB Destination, Freight Prepaid

- Seller pays freight charges
- Seller bears freight charges
- Seller owns goods in transit
- Seller files claims (if any)



6. FOB Destination, Freight Collect and Allowed

- Buyer pays freight charges
- Seller bears freight charges
- Seller owns goods in transit
- Seller files claims (if any)

Should I Pay The Freight Bill?

Section 10761 of the Interstate Commerce Act (49 USC 10761) prohibits a carrier from collecting any charges different from those published in the carrier's effective tariff. The payment of freight charges may not be postponed due to alleged loss or damage. These charges should be paid in full and the portion applicable to the lost or damaged item should be included in the freight claim.

The following items are important to remember:

- Claims and payment of freight charges are two entirely different transactions
- ICC regulations prohibit withholding payment of freight bills because of a pending claim (Administrative Ruling No. 128)
- Without payment of the freight charges, payment for transportation has not been made. A valid claim will not be paid until freight charges are made

What Is The Burden Of Proof For A Claim?

The claimant must prove three things:

1. The freight was picked up by the carrier in good condition
2. The freight was damaged in transit or at delivery
3. The damage resulted in a specific (monetary) amount of damage

What Should Be Done With The Damaged Goods? (i.e. Salvage Retention)

Salvage must be retained until the claim is resolved, or until the claimant is given disposition by the carrier. No salvage is to be dumped without written authorization from the carrier.

Additional Requirements (Repairable Damage Claims Only):

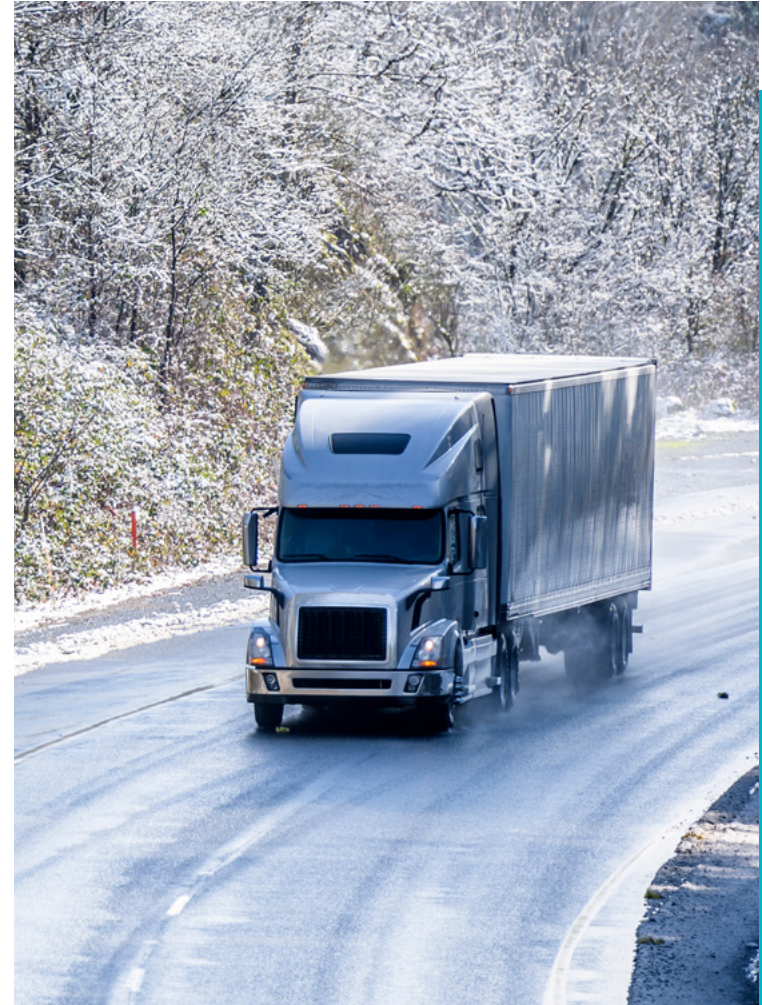
- A detailed repair invoice that reflects material and labor costs
- Freight Owners have an obligation to mitigate the cost of repairs

What Happens If A Claim Is Denied?

If the claim is declined and the claimant feels it should have been paid, the claimant should present his/her rebuttal in letter form to the examiner who declined it. If the claimant has additional information or evidence, that should be included. Always refer to the assigned claim number when corresponding with an examiner.

What Is The Proper Follow Up On A Claim? (i.e. Claim Status)

The carrier will acknowledge the claim in writing within 30 days and assign a number that identifies the shipment. The carrier will pay, refuse payment or make a firm compromise within 180 days after receipt of the claim. In all cases, make sure the carrier involved with the claim acknowledges receipt of the claim.





Claim Filing Checklist

Prior to submitting your claim, be sure to check the following items:

- The claim must be in writing, specifying dollar amount and reason for the claim, identifying shipment, claimant name and address. Do not submit more than one claim on each form
- The claim must be filed within applicable time limits
- Send the claim to your local delivering terminal or to the general claims office
- Retain a copy of the claim and all supporting documents for your files

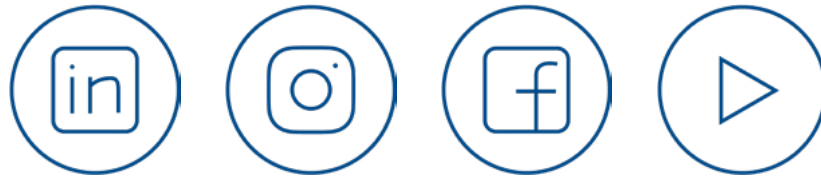
Documents which should be included with a claim:

- Original bill of lading (or bond of indemnity)
- Copy of paid freight bill
- Original invoice showing all discounts
- Repair invoice (if applicable)
- Inspection report (if applicable)

If you would like advice or assistance with any aspect of your company's claim prevention program, please call Ascent Global Logistics.

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