

What to do if your shipment is damaged or lost



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IMPORTANT Please read carefully!

Hytrol Conveyor Company, Inc., sells most of its products on an F.O.B. origin basis. Once loaded in the outbound carrier's trailer, title is passed to the buyer. This means the filing of claims for loss or damage occurring while in transit is the responsibility of the buyer.

There are certain laws governing the filing of freight claims and they exist to protect the rights of both carriers and the shipping public. Briefly they are: 1) timely filing, 2) fair

determination of the amount of damage, and 3) properly documented and supporting evidence the damage actually occurred while in transit or in the possession of the carrier. The carrier legally cannot pay a claim until he has assured himself these requirements have been met.

The filing of claims is not complicated or confusing if a few simple "do's" and "don'ts" are observed. This pamphlet provides all the basic information necessary to file valid claims. Of course **Hytrol** will provide additional guidance when special circumstances warrant.

DON'TS

DON'T DELAY in calling for inspection.

DON'T ASSUME by the carrier's being advised of the damage, claim has been filed. It has not!

DON'T ASSUME an O.S.D. (over, short and damage) report is a valid claim. **EVEN THOUGH IT SAYS IT IS, OR ADVISES OF INTENT TO FILE CLAIM.**

DON'T FORGET to create a file for the accumulation of supporting documents for use when filing claim.

DON'T DELAY in filing claim against the carrier. Once the amount of damage is known, file claim. Don't allow your rightful claim to be outlawed because the time limit for filing was passed.

DO'S

DO notify the carrier **immediately** upon discovery and request an inspection.

DO at time of delivery, take exceptions on delivery receipt. Show receipt. Show number of pieces and kind of damage; for example, 2 cartons "gouged" or "corners crushed" or "open, contents exposed" or "recoopered (repaired)," etc.

DO stop unloading the truck until the carrier has inspected the damage or, if circumstances require, carrier agrees it is permissible to continue. Make note of date, time and name of carrier representative involved.

DO take photographs of the load and damage, if circumstances warrant.

DO create a file for each damaged shipment to keep all documents involved. (**VERY** important as supporting documents for claim.)

DO if feasible, open up damaged (gouged, crushed, torn, recoopered, partly open, contents exposed) packages in presence of carrier inspector or driver and take exceptions where warranted.

DO stop unpacking! Notify carrier immediately and request inspection. Inspection should be goods **in container as discovered** (if possible). Keep original container on hand for carrier inspection.

DO give carrier sufficient references so as to accurately identify the shipment (freight bill or delivery receipt date and number).

DO check if trailer seals are intact at the time trailer doors are opened. Record seal numbers for comparison with original records. (This applies to full trailers only.)

DO notify carrier immediately and ask for inspection. **IMPORTANT**, if carrier waives inspection, note time, date and the name of the person contacted. Carrier should be shown unloading tally, invoice, packing list or other corroborating evidence of shortage. Do **not** give such documents to the inspector. They will be needed to support your formal claim.

Continued on reverse

SHORTAGES (TRUCK)

DO take exception on truck line's delivery receipt and your own copy, showing number and kind of packages short. If shortage is out of individual packages, list the specific items which are missing (in such cases the package will probably show evidence of the original package having been recovered or the contents having been repacked.)

QUESTIONS & ANSWERS

Q: What is the time limit for filing claims for loss and damage?

A: In writing, not later than nine (9) months from date of delivery of domestic rail or truck shipments. Rail shipments from Canada allow only four (4) months. For carriers **other than** rail or truck, the provisions for the governing bill or lading apply. Do not hesitate to request advice from the carrier or **Hytrol** if not sure.

Q: Against whom to file?

A: Claims for loss or damage are usually filed against the **delivering carrier** because it is in the best position to determine the kind and extent of damage.

Q: Where to get claim forms?

A: The **delivering carrier** will readily supply you with claim forms and general instructions on how to complete them.

Q: Must I accept damaged shipments?

A: Generally, **yes**. However, if there is such extensive damage that there is little or no hope salvaging any part of the shipment, the carrier may agree to total rejecting of the shipment. It is the legal obligation of the receiver to minimize to the fullest extent possible the amount of loss for which the carrier is liable. The costs of such salvaging are a proper part of the claim. Unsalvageable material is properly rejected to the carrier.

Q: How do I determine the amount of the claim?

A: The amount of the claim should include the shipper's invoice value, plus freight if paid separately (and not allowed) plus the cost of the salvaging (labor and materials) where applicable.

Q: What supporting documents should be attached to the claim?

- A:**
1. Bill of lading (original copy)
 2. Paid freight bill (original copy)
 3. Shipper's invoice (certified copy or excerpt)
 4. Carrier's inspection report
 5. Delivery receipt (as applicable)
 6. Salvage receipt (as applicable)
 7. Photographs (if taken and helpful)
 8. Unloading tallies, manifests, packing lists (where shortage involved)
 9. Copies of pertinent correspondence (if any)

NOTE: Always retain at least one copy of all documents (sent with claim) in claim file.

Q: What if actual amount of claim cannot be determined within nine months?

A: To protect the nine months time limit, a letter should be addressed to the delivering carrier (**prior** to nine months from the date of delivery). The letter should state that a shipment (specifically identified by showing the carrier's freight bill number and date, the shipper, consignee, and date shipped), having a total value of a stated amount, was damaged in transit in an amount yet to be determined. Also, this letter is to comply with the time limit for filing of claim, pending final determination of the actual amount of loss and/or damage.

HYTROL CONVEYOR COMPANY, INC.