

## Cargo Claims Guide

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**904-247-0031**

### 1. WHAT IS A CLAIM?

A 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 (BOL) contract.

### 2. WHERE CAN I OBTAIN A CLAIM FORM?

Claim forms may be obtained from the American Fast Freight, Inc. website or by contacting the Claims Department.

### 3. WHEN DO I FILE A CLAIM?

Claims should be filed promptly once loss or damage is discovered. 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.

### 4. 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. ([For explanation of release rate commodities please see Tariff Item 204 Limits of Liability.](#))

### 5. WITH WHOM SHOULD THE CLAIM BE FILED?

The claim may be filed with either the origin carrier, the bridge carrier, or the delivering carrier.

### 6. WHAT ARE THE REQUIRED DOCUMENTS?

#### A. 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, include all page(S) of the invoice and show all totals.

#### B. LOT NUMBER/SHIPMENT #

The original paid freight bill 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.

#### C. REPAIR OR REPLACEMENT INVOICE

When sending a repair invoice, it should include a breakdown of hours, labor rate, and materials. (If applicable)

## **7. WHAT IS CONCEALED LOSS OR DAMAGE?**

When damage or shortage is discovered after the delivery receipt is signed clear it is termed as “concealed” in nature. When this occurs, the claimant must notify the carrier within 5 days of delivery in order to make any type of recovery. Failure to report damages or shortages within this time limit negates any liability on the part of the carrier. The carrier will send a representative to perform an inspection or will waive inspection if the valuation of the product does not warrant it. The inspection should be accomplished without delay. If the carrier does not respond within 5 working days from the date of notification, the consignee may make the inspection themselves and provide that information to the carrier along with their written claim. While awaiting inspection, the consignee must hold the shipping container and its contents in the same condition they were in when damage was discovered.

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

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 investigation.

## **8. WHAT IS THE BURDEN OF PROOF FOR A CLAIM?**

The law requires that the claimant accomplish three things:

- The carrier received the freight in good condition at origin
- The freight was short or damaged at destination
- The dollar amount of loss or damage and the true measure of the loss

## **9. 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, partial losses, or refused products (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.

## **10. 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. Contact the Claims Department for assistance. No salvage is to be dumped without written authorization from the carrier; doing so may jeopardize claim recovery.

### **11. WHAT HAPPENS IF A CLAIM IS DECLINED?**

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

### **12. 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 which identifies the claim. The carrier will pay, refuse payment, or make a firm compromise within 120 days after receipt of claim. In all cases, it is incumbent upon the claimant to be sure the claim is received by the carrier in writing. Always ensure the carrier involved with the claim acknowledges receipt of the claim.

### **13. CLAIM FILING CHECKLIST**

Prior to submitting your claim, Check the following items:

- The claim must be in writing, specifying dollar amount and reason for claim, identifying shipment, claimant name and address. Do not submit more than one claim on each Lot/Shipment number.
- The claim must be filed within applicable time limits.
  - Documents which should be included with a claim:
    - Original Bill of Lading or Bond of Indemnity
    - Original Invoice Showing all Discounts
    - Repair Invoice (if applicable)
- Send the claim to the Corporate Office of the Forwarder or Carrier.
- Retain copy of claim and all supporting documents for your files.

### **14. WHO SHOULD I CONTACT FOR CLAIM PREVENTION ASSISTANCE?**

If you would like advice or assistance with any aspect of your company's claim prevention program, please call Caribbean Shipping Services, Inc., Claims Department. 904-247-0031