



## FREIGHT CLAIMS PROCESSING & PROCEDURES

**Caribbean Shipping Services, Inc. (CSS)**, makes every effort to receive and transport customers' shipments both loss and damage free in order to preclude claims.

Our incidence of claims is far below industry standards, which is evidence of our commitment to delivering your cargo loss and damage free. However, we realize loss and damage does occur whether that is the fault of CSS or another carrier involved in the transport.

When a claim is filed, CSS will make its best effort to produce a fair settlement in a prompt time frame.

Hopefully this information will assist you in understanding the process involved and to facilitate expediting a resolution.

### PROTECT YOUR INTERESTS

- Cargo claims are regulated by the Federal government under 49 USC 14706.
- Go to: <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=f43cbb4059c65c8278935f358f6b13d0&rgn=div5&view=text&node=49:5.1.1.2.13&idno=49#49:5.1.1.2.13.0.1.1>
- Federal regulations mandate that it is the **responsibility of the consignee** to inspect their shipments upon delivery for loss and damage and duly note any discrepancies on the delivery receipt.
- Accurate piece counts and inspection of cargo must always be made and any exceptions to condition or count clearly noted on the delivery receipt while the delivery driver is at your location.
- Please do not sign the delivery receipt "subject to count and inspection" as this notation will not release you from your obligation to inspect for loss or damage and note any discrepancies at the time of delivery and will not be a consideration when an investigation of a claim is performed.
- If loss or damage has occurred and a claim needs to be filed, please proceed as explained in the next section.

### REPORTING DAMAGE OR LOSS

- 1) Contact your local CSS office to discuss whether a carrier inspection is necessary. Please advise them if the damage was visible at time of receipt of your shipment or if it was concealed and discovered during your entering the product into inventory.
- 2) Depending on the value of the goods, we may choose to waive our right to inspection. If an inspection is to be made we will arrange to have an inspector contact you and schedule the inspection. If inspection is waived, CSS will complete and fax you a copy of the waiver form for your records.
- 3) As much as possible, leave the shipment intact and be sure to retain all product and packaging material relating to the damaged shipment. **Do not destroy or dispose of the packaging materials, including the shipping carton, until an inspection has been performed or waived.**
- 4) Repairs to damaged product should not be made prior to an inspection.

**Please note that an inspection of damaged goods is not a formal claim or an admission of liability. Inspections are merely a photographic and documented record of the condition of the cargo when the inspection was performed.**

## FILING A CLAIM

- 1) Once an inspection is completed for damages, or in the event a shortage that was discovered at time of delivery and is not located within a reasonable period of time, complete a written Claim for Loss or Damage (you can download a copy of this form from our web site ( <http://caribbeanshipping.com> ) and Mail, Fax, Or Email it with all supporting documentation to:

**Caribbean Shipping Services, Inc.**  
**2550 Cabot Commerce Drive, Suite 100**  
**Jacksonville Beach, FL. 32226**  
**Phone: 904-247-0031**  
**Fax: 904-247-0103**  
**Email: CSSClaims@caribbeanshipping.com**

- 2) Documents that should be included with the completed claim form are:
  - An original or certified copy of the bill of lading.
  - An original or certified copy of your invoice (from your vendor).
  - A copy of the paid freight bill.
  - A copy of the delivery receipt.
  - A copy of the inspection report (if performed) or a copy of the inspection waiver form if the inspection was waived.
  - Any other particulars that will support the claim including a detailed explanation and copy of documents supporting repair costs including itemized parts, labor, rates per hour, materials, disposal fees, etc.
- 3) Retain copies of all documents submitted with your claim for your records.

## DAMAGES – MITIGATION

Under current federal law, a claimant is required to mitigate their claim to the fullest extent possible. To illustrate, if the product is repairable, the claimant is obligated to repair and the claim filed for the reasonable repair costs. If the product can be discounted, it should be sold at the discounted price and the claim filed for the difference between the amount it was sold for and the actual value of the product. Repairing or discounting only applies if those values are less than the replacement value of the product.

If the product cannot be repaired or discounted and the claim is paid for “replacement value”, the product becomes the property of the carrier paying the claim. Do not discard or remove the product once a claim is approved without the written consent of CSS.

If you prefer to retain the product (salvage) CSS will take a reasonable salvage discount, reducing the amount paid on the claim.

Invoices for freight charges relating to the involved shipment **must be paid in full prior to the claim being concluded**. Our contract precludes setting-off un-liquidated damages or loss claims from outstanding invoices.

## TIME LIMITS

**Please note Caribbean Shipping Services, Inc. must be notified of concealed damages within 5 days of the delivery of the cargo.**

**Written loss and damage claims must be filed within nine months (9) of the date of delivery of the cargo or in the case of a shortage, within nine months (9) after a reasonable time for delivery has elapsed.**

Federal regulations allow a carrier 120 days from receipt of a claim to make a determination of liability and either pay, decline or make an offer of settlement.

If a claim must extend beyond the allowable 120 days, CSS will notify you in writing prior to the expiration of the allowable 120 days why the claim cannot be resolved and additional information we may need from you. We will mail a written status every 30 days thereafter until a resolution is reached.

Regulations allow the carrier 30 days from receipt of a claim to acknowledge we received the claim. We will mail an acknowledgement letter once we receive your claim and it will include our assigned claim number. To prevent delays in answering any inquiries surrounding the claim please reference the CSS claim number at the top right corner of the acknowledgement letter when making inquiries.

CSS makes every effort to resolve cargo claims as quickly as possible and strives to maintain a 30-day maximum for gathering associated documentation and making a determination of liability.

## REPLACEMENT GOODS – AIR SHIPMENT

Unless there is a pre-existing contractual agreement with CSS, there is no reimbursement for air freight charges to ship replacement product.

## WHAT HAPPENS IF YOU DO NOT AGREE WITH THE OFFERED SETTLEMENT OR PAYMENT ?

Since liability is based upon evidence and the interpretation of that evidence, it is possible for there to be an honest disagreement on application of the law to the available evidence. Since we are in a commercial relationship, resolution of these issues should also be done in a businesslike manner. All disputes over the offered settlement or payment on a filed claim must be resolved through binding arbitration. The rules for arbitration are posted on our web site [www.caribbeanshipping.com](http://www.caribbeanshipping.com) and the form to institute this process (Arbitration Demand) is also on our web site. There are time limits for initiating this process.

Arbitration is a simple process and can be done without a lawyer if you choose. While filing fees must be paid to the chosen Arbitration Service upon initiating the process, the fees are reimbursed to the prevailing party in the process in the Arbitrator's award.

Copies of the arbitration rules and forms are also available upon request from our Claims Department.

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