



# HANDLING CLAIMS

Customers generally file four types of claims: Loss (Shortage), Damage, Concealed Loss (Shortage) or Concealed Damage.

## THE BURDEN OF PROOF:

Always be on the lookout for dents, punctures, flattened corners, short counts, etc, **Note these discrepancies on the freight bill and have the carrier's driver initial them.** Call New Penn immediately and request an inspection. Once a consignee accepts goods with no qualifications, with no notation of discrepancy on the freight bill, the burden of proof is on the consignee or shipper to show where damage occurred.

In the case of an obvious loss, wait a few days before filing the claim. The missing freight may be located before the consignee has suffered any real loss.

Concealed damage claims cause the most trouble. The burden of proof for concealed loss or damage is on the owner of the goods (usually the consignee). According to NMFC Item 300135, concealed damage must be reported to the carrier within 5 business days from the date of delivery in order to insure that the goods can be inspected as soon as possible. **Please note that reporting a concealed damage does not implicate carrier liability and does not guarantee the carrier's participation in a concealed damage claim.**

For all damaged (visible/noted and concealed), the shipping container and inner packaging must be held along with the product for possible carrier inspection. The investigator may learn more about the cause of the damage or loss from the packaging than from the damaged merchandise itself.

## WHO HAS THE RIGHT TO FILE?

Ask yourself the question, "Who actually suffered the loss?" The claimant need not appear on the transportation contract. However, you must show some evidence of your equity in the shipment and that you actually suffered a loss.

## WHERE TO FILE?

The person who suffered the loss or damage has a right to file his claim with the carrier who picked up the freight, the carrier who delivered it, the carrier who issued the Bill of Lading or the carrier on whose lines the loss or damage occurred. **The claim must be filed in writing.** As a matter of procedure, the customer is best off to file with the carrier who delivered the shipment. Usually this carrier will have better access to the facts involved in the claim.

## WATCH THE TIME LIMITS:

Loss or damage claims must be filed **within nine months** after delivery, or, in the case of non-delivery, within nine months from the date of the bill of lading.

## HOW MUCH TO FILE FOR:

No one is supposed to profit from a claim.

If the carrier lost the entire shipment, the owner of the goods should file for:

- The invoice price of the goods less any trade discounts.
- The freight charges, if paid and not included in the invoice price.

If the carrier damaged all or part of the shipment, the owner should file for:

- The invoice price of all the goods less any trade discounts, salvage value or allowance.
- The freight charges on the damaged portion.
- The cost of repairing the damaged goods.

## FORMS:

You can start a claim by writing a letter to New Penn or using a "Form for Presentation of Loss Damage Claims". Just make sure you state the reason you are filing and itemize the amount claimed. However, the claim must be supported with the proper paperwork.

- Original bill of lading or a certified a copy.
- Original paid freight bill or a certified copy.
- Original invoice or a certified copy.
- Inspection report.
- Statement of non-delivery from both the delivering carrier and the consignee (claim for loss of the entire shipment).
- Copy of the carrier's document pertaining to the particular shipment involved, where the carrier has acknowledged loss and/or damage over the carrier's driver's signature (where loss or damage is noted at the time of delivery).

## CLAIM FILING TIPS:

New Penn makes an honest attempt to settle claims within thirty days. 90% of claims are settled within ninety days. All must be settled within 120 days unless we formally request more time. The odds for a quick settlement are good if you:

- File the claim as soon as you discover the loss or damage and determine that you are the one entitled to file.
- Use as many of the standard claim forms as possible.
- File the claim with New Penn's Home Office.
- Take all the steps you can to minimize the loss.