

NOTES ON CLAIM PROCEDURES

Prepared through the courtesy of
the Claims Department at
Valley Cartage & Warehousing

As we are interested in serving our customers in every possible way, this guide has been prepared, which if followed, will expedite the handling of your claim. Some claims must be transmitted to our connecting carriers or agents because your shipment was damaged or was received short. Payment of these types of claims will take a little longer, however, you will be kept advised of our progress if settlement is not reached within a reasonable time.

WHAT TYPES OF CLAIMS ARE THERE?

1. Loss:

- A. If you do not receive all of the freight that is called for on the freight bill, make sure the delivery receipt is noted with the shortage at time of delivery.
- B. If the shortage does not arrive on a free-astray billing with a reasonable time, we suggest you contact your local terminal to see if the freight can be located or if you should proceed with filing of a claim.

2. Visible Damage:

- A. If your freight is damaged upon arrival, please make sure the freight bill is noted that the shipment is damaged and showing what is damage and the type of damage.
- B. If your claim is filed for the entire invoice value of the merchandise, the damaged material must be surrendered to the carrier for salvage.
- C. If the damaged item can be repaired, the claimant is under a legal obligation to repair the merchandise and mitigate the claim. Carrier liability would then be the cost of the repairs.
- D. All damaged merchandise must be retained by the shipper or consignee (including damaged parts which were replaced) until the claim is settled or the carrier has advised that it does not wish to pickup the salvage.

3. Concealed Loss or Damage:

- A. If the shipment was delivered to you with no apparent damage and Northway Carriers, Inc. has a clear delivery receipt, our contract to transport the freight has been completed.
- B. You then have fifteen (15) days in which to open your freight to see if the merchandise, which was concealed because of packaging, is in good order.

Notes on claim Procedures (cont.)

- C. If there is concealed damage, the carrier must be notified immediately. Depending on the dollar amount of the damage, we will schedule an inspection. The burden of proof that the damage occurred during transit, rather than after delivery, lies with the claimant. If this is proven, your claim will be honored. Normally, concealed damage claims are settled on the basis of 1/3 liability for the carrier, the shipper, and the consignee.
- D. If an inspection is preformed, have the inspector leave a copy of the inspection report with you for your records. The inspection report is not a claim. A formal claim must still be filed with the carrier.

WHAT NEEDS TO BE DONE TO FILE A CLAIM?

- A. All claims must be filed in writing with the carrier. The claim can be filed with any carrier who handled the shipment. We suggest that the claim be filed using a Cargo Loss & Damage Claim form, which can be obtained from the carrier.
- B. A claim can be filed in any written form you desire, however, use of the claim form will help insure that all of the required information is submitted.
- C. A copy of the original invoice for the merchandise shipped must accompany the claim. This invoice is proof that the goods were actually shipped and verifies the cost of the goods. The entire invoice must be submitted to allow the carrier to see any discounts or allowances which may apply to the shipment.
- D. Any other documents or information which you feel will aid in settlement of the claim should be submitted with the claim.
- E. All other documents, such as the freight bill, bill of lading or inspection reports should be in the possession of the carrier.
- F. The freight charges for the shipment must be paid prior to a check being issued in payment of the claim.

TIME LIMITS FOR FILING CLAIMS:

- A. The law and the Bill of Lading contract require that a claim for loss or damage be filed in writing with the carrier within nine (9) months from date of delivery or within nine (9) months of the date the shipment should have been delivered if the entire shipment is lost.
- B. Suits for loss or damage must be filed against the carrier no later than two (2) years and one (1) day from the date the carrier first advised the claim or a portion of the claim was being declined.