



September 2003 International Trade Newsletter

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Tips for filing transportation insurance claims

In the event that your shipment was lost or damaged follow these tips:

1. Notate all damages or discrepancies of the cargo on the Ocean, Air or Inland Bill of Lading, Delivery Receipts, Customs Entries, etc. Retain copies for yourself of all applicable documents.
2. Contact the supplier of the products and inform them of the loss.
3. Photograph any damages.
3. Was the freight insured? If so, contact the assigned survey company immediately to schedule a survey of the container. If the cargo is not insured you can hire an independent surveyor to assess the damage.

WARSAW CONVENTION TIME LIMITS FOR REPORTING CLAIMS

Air Carriers:

- 1) Obvious Damage - Seven Days
- 2) Concealed Damage - Fourteen Days
- 3) Non-Delivery - 120 Days

Ocean Carriers:

1. One Year to file claim for recovery of *loss and damage*.
Computed from the date of arrival of the vessel at the port of discharge.

2. Non- Delivery - 120 Days

Domestic Shipping

A. Rail and interstate truck carriers:
Nine Months

B. Local Truck Carriers:
Four Months

CARRIER LIABILITY

Air Carriers - \$9.07/LBS

Ocean Carriers - \$500.00/Containerized Shipping Unit (CSU)
("STC" (Said To Contain) or "SLAC" (Shipper's Load and Count) Important in determining "CSU")

Domestic Truck Carriers - .50/LBS

If your firm has purchased insurance from a Freight Forwarder or Customs Broker the Forwarder or Broker will obtain the following documents. If you have purchased insurance on your own the following documents must be submitted to the underwriter to begin the processing of the claim. If you have not purchased insurance you can file a claim directly against the carrier for the carrier liability using the documents listed.

DOCUMENTS REQUIRED TO FILE A CLAIM

1) Signed copy of the Bills of Lading.

When insurance is purchased through BDG, BDG will obtain this document.

2) All inbound and outbound inspections of the trailer or container.

Consignee must make the product available for inspection prior to use.

3) Copy of set of shipper's commercial invoices and packing lists.

When insurance is purchased through BDG, BDG will obtain this document.

4) Proof of loss: Any documents listing the exceptions.

Obvious Damage: Consignee must indicate on delivery receipt that damage or loss occurred.

Survey Report.

Concealed Damage: Consignee must notify the delivering carrier of the damage

5) Non-Delivery:

Consignee must notify the shipper and carrier that the product did not arrive as scheduled.

6) Copy of claim notifications filed against carriers & acknowledgment from the carrier.

Under Insuring

Under insuring is the practice of insuring a product for less than the value as declared on the commercial invoice. Insurance underwriters frown on this practice. The position the insurance underwriter will take can vary. In most cases if there is a claim and a shipment was under insured the underwriter will approve the claim for the prorated amount equal to the percentage under insured. For example if a product is valued at \$10,000.00 and insured for \$5,000.00. It is then considered to be under insured by 50%. Therefore if a claim for \$2,500.00 is submitted the underwriter will pay 50% of the claimed amount or \$1,250.00.

BDG Website Services

- Quotation Requests – On-Line Form
- Air Freight Track and Trace
- Archived BDG Newsletters

BDG International is an International Freight Forwarder, NVOCC, Custom House Broker, and Duty Drawback Specialist. We provide international transportation worldwide via air or ocean. Our services include complete export/import documentation support.

We invite you to contact our offices with any questions you may have.

BDG International, Inc.

846 Foster Ave.

Bensenville, IL 60106

Phone: 800-327-6392

Fax: 630-595-3049

www.bdginternational.com

E-Mail Addresses: import@bdginternational.com //

airfreight@bdginternational.com // ocean@bdginternational.com

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