



Helpful Freight Claim Information

The following is provided by BOSTONtec for general informational purposes. Please refer to Department of Transportation (DOT) and your carrier for specific regulations and policies.

Shortage or Damaged Freight at Time of Delivery

If shipment is inspected at the time of delivery and damage is found or suspected, the following steps are necessary:

1. Accept the delivery
2. If freight is suspected to be damaged or has visible signs of damage, take pictures as appropriate
 - a. Preferably take pictures while freight is still on board the truck
3. Notate any and all damages or shortages on your copy and the driver's copy of the Bill Of Lading (BOL).
 - a. Describe damages and condition of freight
 - b. Have the driver sign both copies
4. Retain all cartons, crates, containers and or packaging for future inspection by an claims adjuster
5. Retain all damaged product for inspection and determination of disposition
6. File a damage claim as soon as possible with the freight company. Drivers typically have claim forms on board their trucks. Include full price of product and freight cost in your claim
7. Send your replacement purchase order to btorders@bostontec.com.
 - a. For BOSTONtec tracking purposes, please note the original order number of the damages items.
 - b. BOSTONtec will ship the replacement as quickly as possible.
 - c. **Please note: BOSTONtec is not responsible for costs incurred to replace damaged product**

Important Notes:

- If the receiver is not able to properly inspect the shipment at the time of delivery, the above steps should be followed. The receiver should mark the BOL "possible damage" or "possible concealed damage." The order should be inspected within two-days and a claim be filed with the carrier within five business days if actual damage is found.
- **If damage or possible damage is not noted on the BOL copies, the receiver has five days to file a claim with the carrier. After five days, the carrier will decline to process the claim.**
- All shipments are FOB BOSTONtec factory therefore ownership transfers to the purchaser at the time product leaves the facility. Because only the owner of the property is eligible to submit a freight claim, BOSTONtec cannot file claims on behalf of customers or channel partners. Should you need assistance working with the carrier, however, please contact our shipping department.

US Department of Transportation Regulations

US Department of Transportation Federal Motor Carrier Safety Administration
United States Code
Title 49
Transportation
Subtitle IV – Interstate Transportation
Part B – Motor Carriers

Following are DOT regulations regarding basic rights and obligations with respect to loss and damage claims. For additional information visit www.dot.gov.

When Receiving Goods

A critical time in the establishment of a sound base upon which to build a cargo claim is when the goods are being received. A person knowledgeable about the receiving of freight should be assigned to that task. A shipping invoice, bill of lading, or other documents evidencing the goods given to the carrier and the carrier's copy of the bill of lading or freight bill should be checked against the goods at time of delivery.

Basically, the count and condition of the cartons, crates, etc., being delivered should be verified. As goods are being unloaded, cartons, crates, containers, etc., should be counted. If there is a shortage, a proper notation should be made on the carrier's copy and the receiver's copy of the bill of lading, freight bill, or delivery receipt. The notation should be as detailed as possible. Such detail is necessary since carriers or courts, normally will not accept notations to the effect of subject to further inspection "or" subject to hidden loss or damage, as an establishment of carrier liability. It is best that the drivers initial the documents notated by the receiver on the receiver's documents and the receiver initial the driver's notations on the driver's documents. Also, the receiver should check the labels on all cartons or containers to be certain that they belong to the receiver. Mis-deliveries can occur.

The receiver should carefully check for any visible signs of damage to the cartons or containers, including any unusual "rattles." If evidence of damage exists, the package should be opened immediately and a joint inventory and detailed description of the results of the examination should be endorsed on both the carrier's delivery receipt and the receiver's copy. The courts have generally ruled that a receiver of goods (consignee) may not open the containers and examine the contents before giving a receipt to the carrier, unless the containers indicate the probability of damage. The law on the subject of accepting damaged merchandise is quite clear. The fact that goods are damaged during transportation does not of itself justify a refusal to accept them.

When, however, the damage is such that the entire value of the goods is destroyed, a receiver may refuse to accept them, and hold the carrier responsible for their value. Whenever practical, however, goods should be accepted and all necessary steps taken to minimize the damage, including minimal movement of the goods and retention in original containers to await inspection by the carrier or its representative.

Filing a Claim

The notation of loss or damage at the time of delivery does not constitute the filing of a claim. Thus, *(after a notation of damage is indicated on the BOL)* a claim should be filed immediately in writing with the carrier. The carrier may provide a standard claim form upon request but the claim may also be filed in a letter format as long as it meets the above requirements.

A loss and/or damage claim must be filed within nine (9) months from the date of delivery, or in the case of loss within nine (9) months after a reasonable time for delivery has elapsed. A claim must be submitted to the carrier in writing and (1) contain facts sufficient to identify the baggage or shipment (or shipments) of property; (2) assert liability for alleged loss, damage, injury, or delay; and (3) make claim for the payment of a specified or determinable amount of money.

Most claims must be supported by the original bill of lading (or a bond of indemnity in lieu thereof), evidence of the freight charges, and the original invoice for the goods shipped if it is available. To save time, these documents should be attached to the claim form or letter and copies of the documents retained by the receiver for its records.

Inspection Report

Receivers should also request an inspection of the damage which request may be done orally to save time and then confirmed in writing. Carriers may or may not include an inspection of the goods as part of their investigation. Many times the amount of the claim does not warrant its sending out an inspector. If the carrier requests the receiver to complete an inspection form, the receiver should do so to the best of its ability.

When an inspection is made, it is a "joint" inspection by the receiver and the carrier's representative. Both sign the report so the receiver should read it thoroughly to insure its accuracy and the receiver should not agree to something which would relieve the carrier of liability unless the facts are correct.

Examples might be that all of the damage could have been noted at delivery rather than a partial notation, or inadequate or no interior packing, etc. The completion of an inspection report does not comply with the claim filing Requirements.

Claim Processing by Carrier

A carrier is required to respond in writing to a claim within 30 days of its receipt of the claim and indicate at that time if any additional documentary evidence or other pertinent information may be required by it to process the claim. The carrier must pay or decline the claim or make a firm compromise settlement offer within 120 days after receipt of the claim. If the carrier cannot process and dispose of the claim within 120 days, it must at the time of the expiration of the 120-day period and at the expiration of each succeeding 60-day period while the claim remains pending, advise the claimant in writing of the status of the claim and the reason for the delay in making a final disposition.

If a carrier pays a claim for the full invoice price of damaged goods, it is entitled to the goods as salvage. Receivers should not release damaged goods for salvage until the carrier has acknowledged liability for the full value.

Concealed Damage Claims

Shipments may be received where there is no visible evidence of loss or damage but after delivery, and after signing the freight bill without exceptions, loss or damage is discovered. This type of claim is called one of concealed loss or damage and presents one of the major problems in the claim handling and settlement procedures.

In these instances, the carrier, when it received the shipment, signed the bill of lading as receiving the goods in "apparent good order" without physically opening the cartons and inspecting the contents. Upon delivery, the receiver similarly accepted the shipment in "apparent good order" and made no notations to the contrary on the bill of lading or delivery receipt.

All receivers of freight should inspect the condition and count of the merchandise as soon as possible after delivery. A claimant's position can only be improved by the prompt reporting of any damage or loss. The receiver should retain the cartons or containers, including packing material, until an inspection has been made or waived. One of the major problems when dealing with concealed damage claims is establishing which party caused the damage.

It is possible that the merchandise may have been damaged prior to, during, or after transportation. In this type of claim the burden of proof ordinarily shifts to the claimant to show that the carrier caused the damage, or, stated differently, to show that others who handled the goods did not cause the damage. Carriers will consider

many factors during the course of their investigations of concealed damage claims--factors such as, but not limited to, the nature of the goods, adequacy of packaging, movement before pickup or after delivery, when the damage was reported, retention and condition of original cartons, etc.

A claimant need not accept a declination of a claim based solely upon the receiver not having made a notation on the receipt at the time of delivery. A claimant is allowed to present evidence to indicate the actual condition of the goods and to support its position that the damage was caused by the carrier. If it is difficult or impossible to determine definitely when, where, and how concealed loss or damage occurs, and who is responsible for it, there is no prohibition against the carrier offering a compromise offer of settlement. A claimant may accept or reject any such offer. If a receiver accepts a compromise offer of settlement from a carrier, the receiver might consider contacting the shipper as an additional source of recovery.