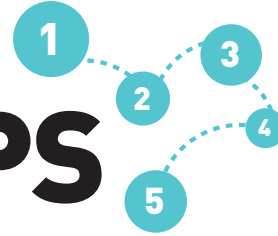


# CARGO CLAIMS: THE FIRST 5 STEPS



Nobody likes a claim. They are bad for shippers, bad for receivers, bad for carriers and bad for 3PLs. Unfortunately, they still happen, and when they do, they can be painful and time consuming. However, you can mitigate this aggravation by following a few key steps in the first hours and days that follow the notice of overages, shortages or damages (OS&D).



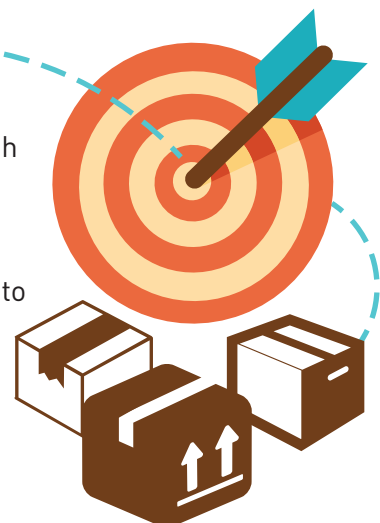
## 1 BE QUICK

Make sure the team that receives your freight knows to note any and all irregularities on the bill of lading or proof of delivery. Noting OS&D on the BOL does not mean a claim needs to be filed, but it will help you in the event that the freight is damaged. By noting the irregularities on the document and taking photos with the carrier's driver present, it will greatly increase your chance of a swiftly handled claim.



## 2 BE PRECISE

Immediately contact your carrier or 3PL when you notice a discrepancy with your delivery. Send photographs and a description of the damages or shortages. This information is used to create a detailed statement of loss and begin the formal claims process. In order to file a claim, you will need to advise the cost of repair or cost of replacement, and provide evidence that supports those costs; for example, an invoice or estimate of the cost of repair or replacement. If possible, retain the packaging as well.





### 3 BE OPEN

The carrier has the right to inspect the damaged freight and making it available to them, or their nominated party, will speed up the claim process. Provide the carrier or your 3PL with the location of the goods, the contact information and the optimal times you could have them on the site. With that being said, never discard the freight until the claim has been settled and closed. The carrier also has the right to take possession of the cargo if the claim is paid in full.

### 4 BE INFORMED

In Canada the carriers' liability is limited to a two dollars per pound (\$2.00/lb), unless a higher coverage is negotiated prior to pickup and is indicated on the bill of lading. Adding a declared value to the bill of lading that exceeds \$2.00/lb will often come with a surcharge, so it is prudent to verify in advance with your carrier or 3PL what the surcharge would be. If you feel that you require coverage greater than \$2.00/lb, then inquire with your 3PL about obtaining cargo insurance. Their premiums tend to be more affordable than the carriers' surcharges would be.



### 5 BE CURIOUS

Cargo claims often have three or more parties involved and can sometimes get complicated. It's a good idea to ask questions before, during and after a claim. Understanding the process and clearly documenting any exception will not only make the process simpler, it will often make it quicker. Speak to your Milgram Sales Representative or your Operations Coordinator the moment you have a question.



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