

PROCEDURE TO FILE A CLAIM



WHEN TO FILE A CLAIM

A freight claim is a formal demand by a shipper, consignee, or product owner to a carrier for financial reimbursement for a loss or damage to a shipment. Claims should be filed as soon as possible. Claims on ocean shipments touching the USA should be filed and settled within 12 months from the delivery date or the date cargo should have arrived but different countries and other modes of transportation may have different time frames for filing.

DEFINITIONS OF CLAIM TYPES

- *Damage* - freight with damage upon delivery.
- *Loss* - when freight is picked up but never delivered.
- *Shortage* - only receive part of the freight you were expecting.
- *Concealed* - loss or damage is discovered after delivery and reported after the driver leaves. You have 3 days to file a concealed damage claim. You will have to prove that the damage did not occur after delivery or at the destination.

WHO SHOULD FILE

You can file the claim yourself but if you are using a freight forwarder or cargo broker, you may want to have them file the claim on your behalf. If insurance was placed on the shipment, (and we always recommend insurance on ocean shipments) you should file a claim with your insurance company. Your insurance company will review your claim based on the terms and conditions of your policy (which is usually to your advantage) and in turn would subrogate against any companies they deem liable.

HOW TO FILE A CLAIM

Should you wish to formally claim directly with Sea Shipping Line or any other carrier it is important to provide full documentation to support your claim. We recommend that you include the following documents and submit them to the office that issued your bill of lading or to the agent at destination with a copy to the origin office:

- claim statement on your company stationary
- Proof of Delivery
- copies of original bill(s) of lading involved



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- certified copy of shipper's invoice
- packing list
- pictures prior to shipping if available
- pictures of damage including pictures prior to unloading the container
- survey report with original photos (if any)
- subrogation or authorization letter
- loading/stripping tallies and seals
- warehouse receipts
- list of container numbers involved
- salvage information
- repair/labor invoice
- any other pertinent information

WHAT HAPPENS AFTER THE CLAIM IS FILED

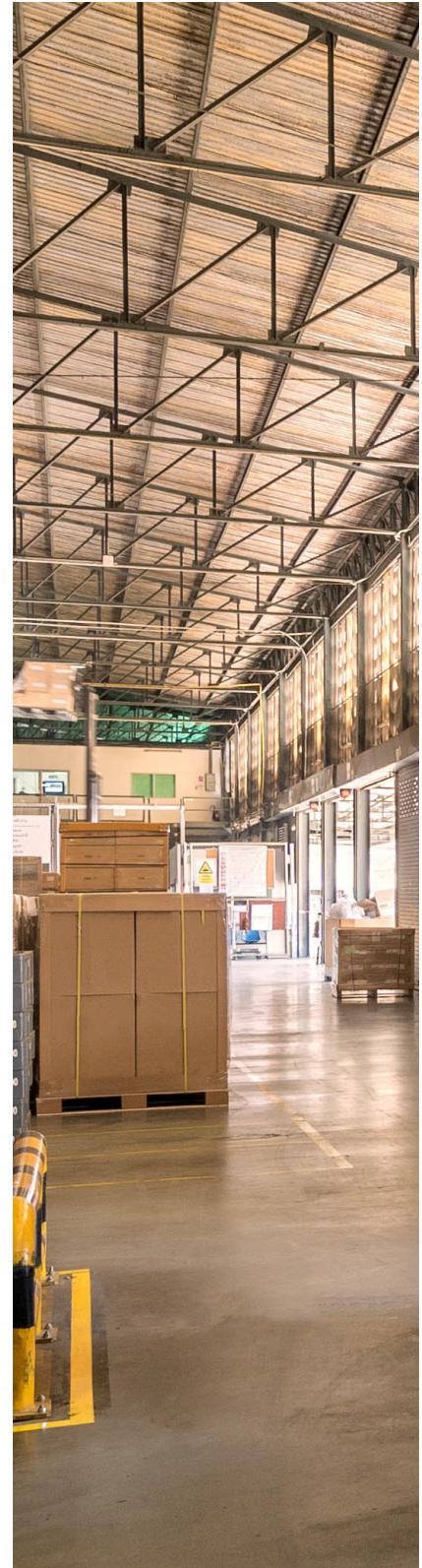
The carrier should acknowledge the receipt of the claim and assign its claim number and provide a response in a timely manner. Every situation is different and the time required for resolving the claim may vary, but it is important to report claims as soon as possible and to provide all requested documentation. If you do not receive a response, you should continue to follow up with the carrier or the agency involved. The claim should be resolved within the time limits which are generally listed in the terms and conditions of the bill of lading or the claim could be denied and the claimant would be time barred from any recovery.

REASONS YOUR CLAIM COULD BE DENIED

You did not provide full documentation to support the claim. You may be missing some essential paperwork (like the invoice, etc.) or the paperwork contains an error. You can re-open the file by submitting the correct paperwork.

You didn't mitigate the damage. As the claimant, you are responsible for minimizing the damage if possible. This may mean having cargo repaired rather than claiming for full value or it may mean taking steps to protect the cargo.

The cargo was accepted without any written notation of loss or damage. If there is no notation on the delivering carrier's documentation that indicates that the cargo is damaged, the carrier will generally deny the claim as the loss was not documented while in its care, custody and control. Always inspect your freight upon delivery and note any damages on the delivery receipt. Also, check the inside contents as soon as possible to identify any concealed damage.



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Your shipment was not packaged or secured properly. Claims will be denied if the cargo is not packaged and secured sufficiently to protect against the normal stress of shipment.

There was damage through no fault of the carrier based on the actual nature of the cargo. The claim will be denied if the damage was not caused by an act or omission of the carrier. For example: iron items will rust if left in open air. A carrier would not accept liability for rust as that is something that would naturally happen without any action of the carrier.

IN CONCLUSION

This procedure is only a general outline of claims and liability. Should claims arise, please consult your freight agent, insurance agent or your attorney to obtain the best information on the required procedure and your claim. Any claims against Sea Shipping Line would generally be based on Sea Shipping Line's legal liability which is limited by the Carriage of Goods by Sea Act (COGSA) to the lesser of the invoice value of the goods or \$500 per package or customary shipping unit (one container equals one shipping unit).