



## Freight Claims: Understand the 4 Types & Make Sure You're Covered

At Worldwide Express, we do everything we can to ensure your products go from your door to the consignee as planned. But as someone who has experience working with freight shipping, you know all-too-well that unfortunate incidents occur and your products are sometimes damaged or lost in transit.

As a shipper, one thing you can do is educate yourself on the freight claims process and the different types of coverage that are available. This can help you quickly and accurately process documentation and attempt to recover from your losses.

# Key Types of Freight Claims

Here, we define the four most common shipping claims you will encounter. Plus, we look at the differences between carrier liability and **freight insurance** so you can better understand your coverage whether you are shipping **less-than-truckload** or **full truckload**.



## Type #1

### Damage

This is the type of shipping claim you will file with a carrier if a consignee visibly detects damage when the shipment arrives at their location.

**SHIPPER TIP** To file a claim with the carrier, there must be documentation of the damage on the proof of delivery. Without this notation, there is no way to reliably prove if and when the damage occurred.

## Type #3

### Shortage

Shortage claims are filed when the shipment is delivered, but is incomplete or missing pieces compared to the items listed on the BOL.

**SHIPPER TIP** You can do your part to avoid pieces falling off or bundles from breaking apart by ensuring shipments are properly packaged. However, this will provide no strict guarantees.

## Type #2

### Loss

A “loss” claim is filed when a shipment is picked up but, for whatever reason, does not make it to the consignee.

**SHIPPER TIP** Accuracy on the **bill of lading (BOL)** will help you prove the freight was shipped and what the contents were. Additionally, you will want to check with all parties to ensure there is no proof of delivery documentation that exists.

## Type #4

### Concealed Damage or Shortage

Concealed damage or shortage claims are necessary in cases where the shipment has been delivered but damage or loss is discovered after the driver has left and the consignee opens boxes and peels back shrink wrap.

**SHIPPER TIP** Like all shipments, be sure your BOL is accurate, and shipments are packaged properly. As an added safeguard, before all of this, partner with a 3PL who has a vetted network of dependable carriers who will treat your shipments with care.



### Did you know?

Under the law, in particular the Carmack Amendment, carriers are exempt from liability if the loss or damage to a shipment was due to a handful of circumstances including an “act of God,” “act of public enemy” and “act of the shipper.” Basically, carriers are off the hook in many cases if something happens to a shipment that was beyond their control.

# Carrier Liability vs. Freight Insurance

So now that you know the key types of shipping claims that you as a freight shipper may file, it's important to understand how your shipments are covered in the case of loss or damage.

The most common forms of protection that cover shipments are carrier liability and freight insurance. They often are confused but are very different regarding the amount you are paid and who is responsible for payment.



## Carrier liability

Quite often, shippers make the assumption that their shipments are completely covered by carrier liability. But that is simply not the case. In fact, carrier limits of liability determine the maximum amount a carrier can be held liable for in the event of damage, loss or delays to your freight shipping due to the carrier's negligence. In many cases, in order to settle a claim, you must prove that the damage was the carrier's fault.

## Freight insurance

For additional protection, you can purchase insurance for your shipments. This is particularly true when shipments are valuable, perishable, time-sensitive, or consist of items such as heavy machinery or used goods. In these cases, it is highly recommended that you insure these products.

### Here are a few of the benefits you'll receive from insurance:



#### Full value repayment

As you now know, liability for loss or damage has limits, regardless of the actual value of the shipment. But with shipment insurance, your freight shipments are fully protected if anything happens.



#### Disaster protection

Under carrier liability, weather- and disaster-related loss or damage is typically exempt from reimbursement. While insurance won't cover service guarantee failures, it will still cover the cost of the goods.



#### Flexible coverage

Not only are you covered with shipment insurance, but that coverage applies to any freight carrier you choose through Worldwide Express — including multiple modes of transport.



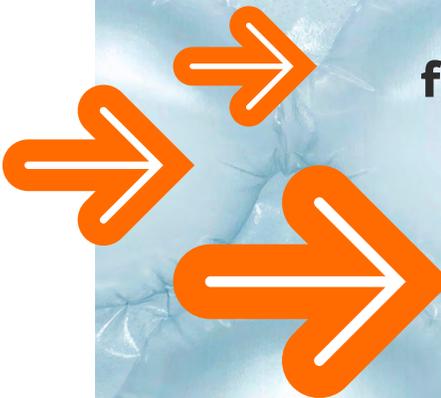
#### Faster claims process

Carrier limits of liability offers no official deadline for settling claims. Some claims can take months before anything is resolved. With shipment insurance, claims are submitted directly to the insurer and typically processed within a few weeks.

**Do you need the expertise of a dedicated shipping partner?**

Learning every detail about the freight claims process is a massive undertaking for any shipper. It also can be challenging to understand when to choose carrier liability or freight insurance for your shipments. At Worldwide Express, our customers know they can rely on our expertise when they have questions about shipping claims or when trying to file one themselves.

They also can turn to us for coverage options to ensure their shipments are protected. That's the benefit of working with a third-party logistics partner like Worldwide Express.



**Do you have questions about freight claims, carrier liability or freight insurance?**

Speak with our team today to get the answers.

**CONNECT WITH AN EXPERT**