



Marine Cargo Claim Information Pack



Notice to Broker:

This claim information pack is intended to advise and assist our mutual client in the event of a claim arising under the Marine Cargo Insurance Policy.

Our recommendation is that the Policy Document and this pack are presented to the client simultaneously, for discussion and understanding.

Notice to Insured:

This claim information pack is intended to advise and assist you in the event of a claim arising under the Marine Cargo Insurance Policy.

WE RECOMMEND THAT THE CONTENTS OF THIS PACK BE DISTRIBUTED TO ALL MEMBERS OF YOUR ORGANIZATION WHO ARE LIKELY TO BE INVOLVED IN THE RECEIPT, DISPATCH, MOVEMENT AND ADMINISTRATION OF CARGO.

How to File a Cargo Claim

General Notes

If you are an exporter insuring your shipments under a Marine Cargo Policy, it is most likely that your overseas customer will be the first to become aware of the potential claim.

There is a listing on the reverse side of the Marine Insurance Certificate explaining the steps the receiver should take, including the names and addresses of claims agents in major ports of the world, (an ACE Worldwide Marine Claims Directory is also available for the identification of overseas claims offices. Please ask your broker if you require a copy).

Should there be no ACE representative in the locale, the claimant (your overseas customer) is directed to contact the nearest correspondent of the American Institute of Marine Underwriters (AIMU) or Lloyd's agent.

If you are an importer, there are certain instructions to be given to those people in your organization who receive or take delivery of your cargo.

It is most important that all packages be examined and counted before signing for the shipment. If there are any signs of potential loss or damage, such as breakage or wetting of the shipping package, or the number delivered does not match that shown on the Bill of Lading, an exception should be taken by noting the damage and/or shortage on the Bill of Lading or delivery note before you accept delivery.

If your merchandise is of a fragile or delicate nature subject to breakage, it is important that you unpack and check its condition as soon as possible, even if there is no visual damage to the packing. Your cargo may have sustained what is known as "concealed damage".

What to Do in the Event of a Claim

Any shipment that arrives damaged or incomplete requires IMMEDIATE ACTION

Upon Receiving Cargo:

1. Examine all packages for external damage. Note signs of damage and shortage on the bill of lading and/or delivery receipt before you accept delivery
2. Count the number of packages. Note shortages on the bill of lading and/or the delivery receipt
3. If the shipment contains fragile items, open the packages to check for breakage - even if there is no external damage. If there is "concealed damage", contact the carrier immediately.

If there is damage or loss

1. Take photographs - if possible - of damaged packages and goods.
2. Do not discard damaged packing materials or contents.
3. Make every effort to minimize the loss, or prevent further loss, as stipulated under the insurance contract. Reasonable expenses incurred in minimizing loss are reimbursable
4. Immediately notify your insurance broker, who will then contact ACE INA Insurance to request a survey of the shipment
5. Immediately put all carriers on notice in writing, holding them responsible for the loss or damage. Include the bill of lading and/or waybill and/or delivery note number, as well as the name of the transporting vessel or other mode of transport. A description of the loss should also be included, and the carrier(s) should be informed that a final claim will be filed when the full extent of damage has been confirmed

Documents Required to Support your Claim

Select what applies to your shipment:

- Original ocean bill of lading and/or waybill and/or inland pro bill
- Original shippers invoice covering the entire shipment
- Original insurance certificate and/or declaration showing the insured value
- Packing lists
- Interchange receipts
- Copy of claim filed against carrier(s)
- Export/import declarations
- Customs entry
- Dock receipts at the time of loading/unloading
- Survey report
- Delivery receipt noting any exceptions of loss and/or damage
- Your formal claim, including repair and/or replacement invoices

Contact Numbers in Canada

Direct:

416.594.2605

Fax:

416.368.0641

For further advice on loss prevention and claim preparation, contact your broker.

How to File a Cargo Claim

It is important to remember that often the most crucial period in the marine claim process is the first few moments, immediately subsequent to initial loss/damage discovery.

In the event of loss or damage being discovered, if you are unsure of the best action to take, and before you sign any delivery document to acknowledge receipt of the goods, we recommend that you read through this list - it will take less than five minutes.

Immediate Action

Once loss or damage is discovered, there are three things you must do without delay:

1) Make every effort to minimize the loss and/or prevent further loss.

(As provided under the "Duty of Assured" clause of most Marine Cargo policies). This could include, for example:

- (i) separating damaged cargo from sound
- (ii) spreading out damp or wetted items to aid drying
- (iii) re-bagging
- (iv) temporarily sealing leaking drums/carboys
- (v) re-coopering or re-banding

Reasonable expenses incurred in taking such steps are reimbursable in addition to any payment of the claim itself.

It is incumbent upon the insured/claimant to act as a prudent party in minimizing all damages.

2. Notify your insurance agent or broker so that, if required by underwriters, a survey of the damage can be arranged promptly. Until specifically advised by your insurance agent or broker that a survey will not be necessary, you should assume that a loss investigation survey will be effected.

Wherever practicable, the damaged cargo and all original packing materials should be retained in the condition received, until after the survey, unless further damage will result by doing so.

Once a survey is arranged, the carrier or his agent should be notified of the time and place of the survey so that they may be represented. The carrier may often opt not to attend the survey, however, he must be given the opportunity to do so.

3. Hold the carrier responsible. It is essential that:

- (i) if any loss or damage is discovered prior to the departure of the delivery transport, then any delivery documents presented for signature as proof of delivery/acknowledgment of receipt, must be endorsed with a statement identifying loss or damage. This statement should be brief, and unless you are confident that the full extent of damage is known, no specific details regarding such extent should be entered, a suitable suffix to any such endorsement is "full report and claim to follow".

How to File a Cargo Claim (continued)

- (ii) a claim be made in writing against the carrier (inland or ocean/air) as soon as the loss is known (see sample letter), this can be in any form, but must include:
- (a) the Bill of Lading and/or Air Waybill and/or Delivery Note number;
 - (b) the name of the carrying vessel and/or vehicle registration number;
 - (c) a description of loss or damage;
 - (d) a statement holding the carrier responsible for the loss or damage.

A typical notice of cargo claim against the carrier is provided in the example letter on the following page.

(At a later stage, once the full extent of loss and corresponding claim amount has been clearly ascertained, a second letter should be forwarded to the carrier, identifying these points).

Example Letter

Example of Notice Against

- 1. Ocean**
- 2. Air Carrier**
- 3. Road**

Today's Date

Example Shipping Company
123 West Dock Road
Toronto, Ontario
Z0Z 0Z0

Dear Sirs,

Re: (choose from the following items)

Ocean

Vessel:
Voyage:
From:
Arrived on/or about:
Bill of Lading Number:
Shipment:

Air Carrier

Flight:
From:
Arrived on/or about:
Air Waybill No.:
Shipment:

Road

Vehicle Registration:
From:
Arrived on/or about:
Deliver Note Number:
Shipment:

The above referenced shipment was delivered to our premises/forwarding warehouse on (insert date) with shortage and damage. A final claim will be filed when the full extent of damage has been ascertained. In the meantime, please be advised that we hold you responsible for all shortage and damage. Please acknowledge receipt of this notice, and advise us of your claim reference number as soon as possible.

Yours truly,

N.E. Body,
Shipping Manager

The Marine Cargo Claim Process Supporting Documentation

A number of documents are required to support a marine cargo claim.

The extent of documentation required depends on the exact circumstances and conditions of the claim in question, however, there are a number of standard documents which are normally required to substantiate a cargo claim.

A list of these documents is presented below.

Their inclusion on presentation will assist the ACE INA Insurance representative to consider and process your claim promptly and efficiently.

Documents Required to Support your Claim

Select what applies to your shipment:

- Original ocean bill of lading and/or air waybill and/or inland pro bill
- Original shipper's invoice covering the entire shipment
- Original insurance certificate and/or declaration showing the insured value
- Packing lists
- Interchange receipts
- Copy of claim filed against carrier(s)
- Export/import declarations
- Customs entry
- Dock receipts at the time of loading/unloading
- Survey report
- Delivery receipt noting any exceptions of loss and/or damage
- Your formal claim, including repair and/or replacement invoices

Additional Action

What can be done to expedite the claim process?

1. Always liaise/correspond via your appointed intermediary/agent/broker. This is usually your insurance broker.
2. Always quote underwriters 'and brokers' claim reference numbers when making any form of communication.
3. Forward additional or supplementary information/documentation to your broker as soon as it becomes available.
4. Set up your own claim file, so that if necessary, more than one person can respond to any supplementary advices/queries that underwriters may have.

What else can be done to substantiate the claim?

1. If any employees/personnel, attendant upon delivery or when damage was discovered, made any significant observations, then it may be useful to ask them to make a short written statement of such observations. Such statements are particularly useful in cases where cargo is dropped or poorly handled by forklifts, tail lifts and other mechanical handling equipment, or when cargo arrives poorly stowed and/or secured.
2. The ultimate enhancement of the written statement, as identified above, is of the provision of photographic evidence. Although we cannot expect every receiver of goods to constantly retain a camera on the premises, specifically for use in the event of cargo being received in a damaged condition, the value of such an option cannot be too highly stressed.

Loss Prevention

Prevention will always be better than cure, although in certain circumstances, proposals for ongoing prevention cannot be considered until the initial cure has been administered. If you have any particular concerns with respect to the physical aspects of cargo transportation, then maybe we can help.

ACE produces a number of useful, up-to-date publications on marine cargo insurance and cargo handling. ACE can also call upon the services and experience of their own marine surveyors, who are based at various locations around the world. Please ask your broker to contact us if you need any further support or advice on loss prevention.



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