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# FREIGHT LOSS AND DAMAGE CLAIMS PROCEDURE

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## SHIPPER'S RESPONSIBILITIES

To prevent loss and/or damage of your freight, the following factors must be considered when a product, its packaging, and its package markings are designed:

1. Warehousing conditions
2. Weather
3. Road Conditions
4. The number, size and shape of other shipments travelling with it
5. Special loading and/or handling requirements
6. Unloading and delivery of freight

As the shipper, you must be responsible for:

1. Proper packaging
2. Proper markings on the packaging
3. Proper description on the shipping documentation

All existing tariff and shipping regulations related to your product must be followed. Minimum packaging requirements are outlined in the following two publications:

1. National Motor Freight Classification
2. Transporting Dangerous Goods by Truck

## CONSIGNEE'S RESPONSIBILITIES

As the consignee, you MUST identify and document any cargo loss and/or freight damage carefully and thoroughly. There are two types of loss or damage:

1. Visible or noted loss or damage
2. Concealed loss or damage

### VISIBLE LOSS OR DAMAGE

Visible loss or damage is apparent at the time of delivery. Noted means that a detailed description of the loss or damage was recorded on the ProNorth delivery slip and/or bill of lading and the consignee's copy of the delivery slip and/or bill of lading at the time of delivery. Damage noted on a packing slip will not be considered for the purpose of a claim.

At the time of delivery, you must:

1. Check each handling unit for visible signs of damage
2. Open any shipment that shows signs of loss or damage while the driver is still present
3. Examine the contents with the driver
4. Record an exact, detailed description of the results of the examination on both the ProNorth delivery slip and/or bill of lading and the consignee's copy of the delivery slip and/or bill of lading.

General terms such as box damaged or subject to inspection will not be considered as valid descriptions of damaged goods. A detailed description must be written on the delivery slip and/or bill of lading. Examples of detailed descriptions of damage could include "door handle broken off", "bottom drawer has dent possibly from forklift" or "cabinet has crack on left side at front of unit".

The delivering driver must sign the ProNorth delivery slip and/or bill of lading as well as the consignee's copy of the delivery slip and/or bill of lading at the time of delivery after the inspection has been completed.

**NOTE:** If you discover damage after delivery and the delivery slip and/or bill of lading has a vague notation or no notation (ie: is signed clear), you may find it more difficult to obtain prompt and satisfactory settlement of your claim.

## SHORTAGES:

At the time of delivery, the consignee must:

1. Check the labels on all handling units to be certain that they belong to you
2. Check for shortages as goods are being unloaded
3. Count the actual number of handling units

If possible, make a written tally record when a large number of items are being received or the shipment contains a number of different items.

Keep the shipment together until unloading is completed in case a recount is necessary. If there is a shortage, describe this shortage in exact terms on both the ProNorth delivery slip and/or bill of lading as well as the consignee's copy of the delivery slip and/or bill of lading. Again, a packing slip is not sufficient to note shortage of goods.

## MITIGATION OF LOSS:

You cannot refuse to accept a shipment because it is damaged or partially short. When practical, the shipment should be accepted and all necessary steps should be taken to minimize the loss. A claim should then be filed for the depreciation, repair costs, or replacement of short goods.

## CONCEALED LOSS OR DAMAGE:

Concealed loss or damage means that the loss or damage was not noticeable at the time of delivery.

## REPORTING CONCEALED LOSS OR DAMAGE:

If concealed loss or damage is discovered after you have given ProNorth a clear delivery slip and/or bill of lading, you must:

1. Notify ProNorth in writing within 48 hours of delivery. Notification can be given by telephone, but the telephone call must be followed up by written notification.
2. Keep the shipment (containers and contents) in the same condition that they were in when the damage was discovered.

## INSPECTION BY PRONORTH

ProNorth will arrange to inspect the shipment within 10 working days and give you a copy of the Inspection Report for claim support. Include a copy of the Inspection Report when you file your claim.

## FAILURE TO CALL FOR AN INSPECTION

Failure to follow the above procedure could result in the carrier to refuse to accept any liability.

## BURDEN OF PROOF

In a concealed damage claim, the burden of proof falls on the shipper and/or consignee. The shipper and/or consignee must prove that the damage was caused by ProNorth, not other parties that handled the goods.

## ADDITIONAL FACTORS IN A CONCEALED DAMAGE CLAIM

The following factors are also considered in a concealed damage claim:

1. Retention and condition of the original containers
2. Adequacy of packaging
3. Movement before pickup and/or after delivery
4. Nature of the goods being shipped

## SALVAGE

Legally, as the owner of the freight, the consignee must do what he/she can to keep the loss to a minimum. The consignee can reduce the loss by keeping damaged freight for a discounted price or having the goods repaired. Reducing the loss will expedite the settlement of the claim.

If the goods are a total loss to you, please call ProNorth for disposition or assistance. Any salvage must be retained for ProNorth disposition until after the claim is settled.

Failure to retain the damaged freight will result in the claim being denied.

## LOSS AND DAMAGE CLAIM FILING REQUIREMENTS

ProNorth realizes that a lost or damaged shipment causes inconvenience to you and your customers. We will make every attempt to settle your claim efficiently and effectively. YOUR BUSINESS IS IMPORTANT TO US. You can help by meeting the requirements for filing a claim.

### CARGO CLAIMS – HOW TO SUBMIT A CLAIM

#### TIME LIMITS:

The Highway Traffic Act – Carriage of Goods specifies that the claim must be received by the carrier within 60 days after the delivery of the goods or property that is damaged.

In the event of non-delivery of the entire shipment, the claim must be received by the carrier with 9 months from the date of delivery.

#### FILING THE CLAIM:

Only the shipper, the consignee, or a third party who has claim or title to the freight may file a claim. The claim must be filed with the original or destination carrier or with the carrier who was in charge of the freight at the time of loss or damage.

To file a claim with ProNorth, fax or mail your claim to:

ProNorth Transportation  
Claims Department  
348 Birchs Road  
North Bay, ON  
P1B 8Z4  
Fax: 1-866-352-6740

## DOCUMENTATION REQUIREMENTS:

You must provide the following documentation:

1. A completed ProNorth Claim Form
2. A copy of the ProNorth delivery slip and/or bill of lading
3. A copy of the manufacturer's invoice showing your cost of the lost or damaged freight or a copy of the repair invoice in the event repairs were made to the damaged freight.

NOTE THAT THE FOLLOWING DOCUMENTS BY THEMSELVES ARE NOT SUFFICIENT FOR A CLAIM:

1. Bad order reports
2. Appraisal reports
3. Notations on delivery receipts
4. Notations on a packing slip
5. Inspection reports or requests
6. Debit notes
7. Invoices to carriers
8. Proof of delivery requests

## HOW PRONORTH HANDLES YOUR CLAIM

Once your claim has been received with the proper documentation, ProNorth will acknowledge receipt of the claim and attempt to settle it within a reasonable time. Investigation of some claims may take longer.

ProNorth may have to refer your claim to other carriers if they were involved in the transport of the shipment. You will be notified when this is done.

If a delay in settling your claim occurs, we ask for your understanding.

### IMPORTANT FACTORS CONCERNING FREIGHT CLAIMS:

1. GST, PST and HST are not applicable on freight claims and therefore, not paid.
2. Freight charges on the shipment involving the claim must be paid in full before the claim will be processed.
3. Salvage must be retained and made available to ProNorth upon settlement of the claim.
4. A notation of "Subject to Inspection" on a delivery slip and/or bill of lading is not verification of damage being in existence at the time of delivery. Such notations will be handled as a concealed damage claim.
5. Unless the value of the shipment is declared on the bill of lading/waybill, the value of the goods will be the manufacturer's cost or \$2.00 per pound (\$4.41 per kilogram), whichever is less. All claim settlements, even if a value is declared, are subject to the terms and conditions of the standard bill of lading.