

## How To File A Freight Claim

If you are a freight shipping veteran, chances are you have had to file a freight claim for a shipment that was damaged or lost. Unfortunately, the claim process for LTL shipping is drawn-out and often takes several months to complete. There are, however, a few simple but important steps that can be taken to ensure that you have the best opportunity to get fair compensation on your claim. The purpose of this white paper is to walk you through the freight claim process, provide instructions and tips on what to do when your freight is damaged or lost, and teach you how to go about filing a claim with the freight carrier or third party insurance provider. Let's get started!

### What Do I Do If My Freight Is Delivered Damaged?

The first thing to do if you realize your freight has been damaged during transit is also the most important; you **MUST** sign the POD for damage. The POD is the "Proof of Delivery" and acts as a delivery receipt for the goods being shipped. To "sign for damage" is to notate clearly on the POD that the freight was damaged when it was delivered, and to mark exactly what was damaged. Be as specific as possible when noting the damage. **If damage is not noted on the POD, the carrier will most likely deny your claim, so this step is VERY important.** It's also important to take pictures of any damage, as these pictures will be used later in the claims process as proof of carrier fault. You could also choose to refuse the freight, in which case most carriers will send the damaged product back to the shipper for inspection.

The next step is to determine whether the damaged freight is repairable. If the goods are damaged beyond repair and must be disposed of, you will file a claim for the full price of the item. In this case, you will need to include a written explanation of why the item was not repairable. On the other hand, if the damage is repairable you should file a claim for the cost of the repair, so make sure to keep your invoices and receipts.

Note that recent changes to the National Motor Freight Class guidelines indicate that concealed damages must be reported to carriers within five days of delivery. This means that if damage is not noted on the POD, you must act fast in letting the carrier know about the damage in order to have a chance at getting a payout.



### FreightPros at a Glance

Founded in 2009

282<sup>nd</sup> Fastest Growing  
Company - 2013 Inc500  
List

### Freight Solutions

LTL Quoting &  
Transportation  
Management

Full Truckload Services

Strategic Carrier Planning

Billing Auditing

Fantastic Pricing

### Why We Rock at Freight:

We Are Transparent with  
our Customers

We Treat our Customers  
as Partners

We Excel by Actively  
Embracing our Core  
Company Values:

- Support
- Produce
- Respect
- Balance
- Develop

## What Do I Do If My Freight Is Lost?

If your freight is missing, the carrier will spend about a week doing a dock check. A “dock check” is the process in which the carrier traces the last known path of the freight in an attempt to find the missing shipment. If the freight is not...found, the carrier will eventually declare the freight officially “lost,” which gives you the opportunity to begin the claim process. You will submit the claim for the cost of the entire product.

## What Do I Need To File A Freight Claim?

When the time comes to file the claim with the carrier, you’ll need a few documents to ensure your claim is submitted correctly.

First, you will need to fill out the claim document provided by the freight carrier. Each carrier claim document is different so make sure you use the correct documentation. You can get the claim form directly from the carrier claim department, or from your [third party freight broker](#). If you used third party insurance and are filing the claim through a third party, contact your broker and they will get you the third party claim documents.

Along with the claim document, you will also need to submit an invoice for the damaged or lost goods. This invoice is the second essential document that you will need for a successful claim. If the freight was partially damaged and then repaired, you will need to have the repair invoice showing the total cost of repair. If the item was damaged beyond repair, you’ll need the manufacturer invoice stating the total value of the item, as well as a written explanation or inspection detailing why the freight could not be repaired.

Please note that if the claimed item is something you manufacture or sell, the price on the invoice must reflect the cost you paid for the item or its parts, **NOT** what you charged your customer. **If you submit a claim that includes marked-up charges to your customer, the carrier will deny the claim and make you re-submit it.**

Third, if you are filing a claim for damage, you’ll need to include photos of the damage taken at the time of delivery. These photos, along with the signed POD noting damage, act as proof that the freight was damaged during transit, and not after delivery.

So what do you need to file a **damaged** freight claim?

1. Carrier Claim Document
2. Signed POD that notes damage
3. Invoice for damaged goods
4. Photos of damage if applicable

To file a **lost** freight claim, you’ll need:

1. Carrier Claim Document
2. Invoice for lost goods
3. An official declaration from the carrier that the freight is lost.

A note about shipping charges: Carriers can only approve a claim on loss or damage if the shipping charges are paid for. Carriers will deny a claim if the shipping charges are unpaid.

If the shipment did not deliver, you can include the shipping costs within the claim itself, asking to be reimbursed for what you paid.

### How Long Does It Take To File A Claim And Get Paid?

Filing a damage or loss claim with a carrier is a lengthy process, and patience is necessary. To submit the claim, you will follow the instructions in the carrier claim document. Some carriers allow claims to be filed through their website, while others require you to email, fax or mail the documentation to the carrier claim department. Once you've submitted the claim, the waiting game begins.

Two to three weeks after filing the claim, we recommend contacting the carrier's claim department to confirm that the claim has officially been submitted and is under review.

Freight carriers receive a large number of claims each day, so it's important to confirm that the claim is underway and did not slip through the cracks. Sometimes the carrier will assign the claim its own claim number, and other times the claim will be identified by the shipment's PRO number. You can always check the progress of the claim by contacting the carrier claim department and referencing the PRO number or the claim identification number.

Claims can take several months to be processed, and each carrier has different average waiting times. Unfortunately, once the claim is submitted and you have confirmed it is under review, nothing can be done to speed up the process. This is why it is so important to make sure your claim is filed correctly to avoid any hold-ups in the process.

### What Is Third Party Insurance?

You can read our [insurance blog](#) for a more in-depth description of third party insurance, but in simple terms, third party insurance is an insurance provider that your broker can employ for more protection of your freight.

While all carriers have some basic protection for the freight they transport, this coverage is limited. Third party insurance, on the other hand, often has much better coverage of your shipping items, as well as faster payout times. Instead of adhering to limited liability coverage through the carrier, third party insurance often has full coverage for most items and only a \$500 deductible. **If you are shipping expensive or breakable items LTL, we highly suggest acquiring third party insurance.**

### Why Did My Claim Get Denied?

There are several reasons that a carrier might deny a claim, but we see two reasons for claim denial more often than others. First, the POD was not signed at the time of delivery notating damage. If the POD is signed "clean," - not stating damage - then there is no proof that the item was damaged in transit, thereby releasing the carrier of any responsibility per their terms of use. Signing the POD for damage is crucial in getting your damaged freight claims paid.

The second most common reason that claims get denied or only partially paid is due to the carrier's limited liability coverage. Each carrier will have different limited liability coverage, depending on weight, commodity or freight class. Many carriers use a per-pound coverage system, which means that a damaged or lost shipment weighing 500 pounds would have a maximum payout of \$500, regardless of value. This is why getting 3rd party insurance on high-value items is so important!

### **In Conclusion...**

Filing and eventually receiving compensation for a claim on damaged or lost freight is a drawn-out process that requires patience above all. It is not uncommon for several months to pass before the carrier processes a claim. Remember the following steps, and you're on your way to successfully filing a freight claim!

1. Always inspect your freight at the time of delivery, and sign the POD for any damage that might have occurred. If the driver is already gone by the time you inspect the freight, contact the carrier or your broker immediately to begin the claim process. Time is of the essence.

2. Take pictures of any damage at the time of delivery. These pictures will be used as proof when you file your claim.

3. Make sure to file your claim using the carrier's specific instructions. If the claim is filed incorrectly, it could delay your claim approval. Make sure you include pictures, the POD, the carrier claim document, and any necessary invoices for damage or repair.

4. A few weeks after submitting the claim, check in with the claim department to ensure that your claim has been successfully submitted and is being worked on. If there is no record of your claim, you'll have to re-file. There's no way to speed up the claims process once it is submitted, so patience is key.

5. If you are shipping breakable or expensive items, look into getting third party insurance. With a \$500 deductible, they are excellent at paying out damaged or lost freight claims in a timely manner.