

FREIGHT DAMAGE AND FREIGHT SHORTAGE

QUICK REFERENCES TO FILING FREIGHT CLAIMS:

- ✓ **Refusing a shipment**
- ✓ **Freight Damaged**
- ✓ **Concealed Freight Damage**
- ✓ **Freight Shortage**

The products AIR TECH SALES supplies are shipped "F.O.B. Factory" and delivered to the customer (consignee) by a trucking/freight company (carrier). In most cases the shipper (consignor) selects the carrier.

F.O.B. (Free or Freight on Board) determines the point legal ownership (title) of the product changes from the shipper to the customer. "F.O.B. Factory" means title changes from the shipper to the customer when the product is loaded for the first time aboard the carrier's truck at the shipper's factory or warehouse. The F.O.B. point is determined by the shipper, not by AIR TECH SALES. The carriers used by our manufacturers all carry insurance against any loss or damage during transit. F.O.B. factory means if there should be any freight damage or loss during transit the customer is responsible for filing a freight claim with the carrier.

Luckily most shipments are delivered complete in good condition and on time. Unfortunately, those that give us the most grief are delivered with freight damage or missing items (called a shortage). The only way to determine if there is freight damage or a shortage is to carefully inspect the shipment when it is delivered. **THIS IS THE CUSTOMER'S RESPONSIBILITY.**

The shipping papers (the bill of lading) will indicate how the product was originally delivered to the carrier. It will indicate if the freight started on pallets or in cartons. It will also list the type of product, quantities of cartons or pallets, weight and the day it was picked-up at the shipping point. So, if it was originally shipped on pallets and it arrives as loose boxes, obviously something happened in transit and the shipment needs to be carefully inspected. **INSPECT ALL DELIVERIES BEFORE SIGNING THE DELIVERY PAPERS.** Check each carton for damage. Once you sign the shipping papers without noting any damage or shortage it is very difficult to file a freight claim.

That brings us to the big problem of concealed damage. Concealed damage is damage that is not visible when the material is delivered. It is concealed inside a box or not within sight. This type of freight damage is very difficult to prove after you have received the material and signed for the shipment without noting damages. To prevent a conflict between the freight carrier and you inspect each shipment, each carton, and if necessary each item when you receive them. If a cardboard container shows any sign of tears, holes, unusual folds, dents, wrinkles, or sags, open it before signing for the shipment. A few minutes of inspection time can be very beneficial to your company. After the shipment has been sitting in your possession for any length of time how can a shipper be sure that it is concealed damage from them and not you dropping a box loading it onto your truck? It can get very costly if you find concealed damage a month after the shipment was received or worse, on the day the material is to be installed. After the fact, how can you prove the carrier caused the damage?

We all dislike this inconvenience, but the customer must file the claim so your company will receive reimbursement from the carrier. We have found that freight claims filed timely and in a complete manner, are resolved timely. If you wish, Air Tech Sales will assist your firm in completing the claim form.

Whether you file a claim or not is the customer's decision. Regardless, you must still pay AIR TECH SALES for the materials, even if it is damaged, destroyed or lost. If you do file a claim, the carrier will reimburse your company for damaged or lost products, replacement products, and in some cases your time to repair the damages. Contact the carrier's claims department before starting any repair work and be sure to save all damaged material and packaging until inspected by the carrier's claims department.

If the product is damaged beyond repair or lost you may want to reorder. This reorder will be billed to your company by AIR TECH SALES. You are expected to pay AIR TECH SALES for the original order and any reorders.

BEFORE REFUSING A SHIPMENT READ THE FOLLOWING

You may refuse a shipment, but think about the following eight items before you proceed:

1. Remember the material that is shipped to you is owned by you.
2. The freight company will store and use reasonable efforts to protect your property.
3. As a rule, carriers will not pay freight claims while your freight is in their possession.
4. The carrier will notify the shipper that the goods are on hand. The shipper usually will not take the shipment back because it is owned by the customer.
5. If freight is not claimed by the shipper or customer it becomes the carrier's possession.
6. The carrier has a lien for its freight charges and storage fees and can sell your goods to pay its lien.
7. You will still have to pay AIR TECH SALES for the shipment.
8. It is best for all concerned if you receive a damaged shipment and file a freight damage claim.

FILING A FREIGHT DAMAGE CLAIM

#1: YOU MUST SIGN THE DELIVERY RECEIPT AS DAMAGED WHEN DELIVERED.

If you do not sign the delivery slip as damaged your freight damage claim probably will be denied.

Things to remember when signing for damages:

- ✓ Note all damage on the delivery slip.
- ✓ Make a copy or photo of the delivery slip with your notations.
- ✓ Take photos of the damage and packaging.
- ✓ Save copies of all paperwork and photos related to the shipment and damaged materials.
- ✓ Ask the driver for the claims department phone number.
- ✓ If the driver refused to let you sign or check for damage do not sign the delivery slip, refuse the shipment and contact the carrier or AIR TECH SALES, 916-969-6730.

#2: NOTIFY CARRIER IMMEDIATELY OF THE DAMAGE:

Contact the carrier immediately and request a freight damage claim form and ask that a claim adjuster inspect the damage. Do not proceed with repairs to the damage without written authorization of the carrier. Do not destroy the freight or packaging until the claim is resolved.

#3: SAVE THE DAMAGED FREIGHT AND PACKAGING:

The freight needs to be available to the carrier for inspection or salvage pickup. This means the freight needs to be stored until the freight claim is resolved. Do not destroy the freight or packaging until the claim is resolved.

#4: FILE A FREIGHT DAMAGE CLAIM:

You must file the freight claim. AIR TECH SALES cannot file a claim for you but, we will assist your staff with any questions. Items to include in your claim are:

- ✓ Completed freight claim form
- ✓ Product invoice from AIR TECH SALES
- ✓ Original Bill of Lading
- ✓ Repair cost invoice (if applicable)
- ✓ Photos of damage and packaging
- ✓ Claim Adjusters inspection report
- ✓ Description of damage

FILING A CONCEALED FREIGHT DAMAGE CLAIM

#1: GOOD LUCK! DID YOU INSPECT THE SHIPMENT WHEN DELIVERED?

The freight carriers are very reluctant to approve concealed freight damage claims. They will say the freight was signed as undamaged when it was delivered. If you can prove the damage occurred during transit or was packaged improperly you may have a chance for a claim. If so, proceed to #2.

#2: NOTIFY CARRIER IMMEDIATELY OF THE CONCEALED DAMAGE:

Contact the carrier immediately and request a freight damage claim form and ask that a claim adjuster inspect the damage. Do not proceed with repairs to the damage without the written authorization of the carrier. Do not destroy the freight or packaging until the claim is resolved.

#3: SAVE THE DAMAGED FREIGHT AND PACKAGING:

The freight needs to be available to the carrier for inspection or salvage pickup. This means the freight needs to be stored until the freight claim is resolved. Do not destroy the freight or packaging until the claim is resolved.

#4: FILE A FREIGHT DAMAGE CLAIM:

You must file the freight claim. AIR TECH SALES cannot file a claim for you but, we will assist your staff with any questions. Items to include in your claim are:

- ✓ Completed freight claim form
- ✓ Product invoice from AIR TECH SALES
- ✓ Original Bill of Lading
- ✓ Repair cost invoice (if applicable)
- ✓ Photos of damage and packaging
- ✓ Carrier inspection report
- ✓ Description of damage

FILING A FREIGHT SHORTAGE CLAIM

#1: YOU MUST SIGN THE DELIVERY RECEIPT AS A SHORT SHIPMENT!

If you do not signed the delivery slip as being short your freight claim probably will be denied.

Things to remember when signing for shortage:

- ✓ Note what is missing on the delivery slip.
- ✓ Make a copy or photo of the delivery slip with your notations.
- ✓ Save copies of all paperwork and photos related the shipment and damaged materials.
- ✓ Ask the driver for the claims department phone number.
- ✓ If the driver refused to let you sign or check for damage do not sign the delivery slip, refuse the shipment and contact the carrier or AIR TECH SALES, 916-969-6730.

#2: NOTIFY THE CARRIER IMMEDIATELY OF THE SHORTAGE:

Contact the carrier immediately and request a freight claim form.

#3: FILE THE FREIGHT SHORTAGE CLAIM:

You must file the freight claim. AIR TECH SALES cannot file a claim for you but, we will assist your staff with any questions. Items to include in your claim are:

- ✓ Completed freight claim form
- ✓ Product invoice from AIR TECH SALES
- ✓ Original Bill of Lading
- ✓ Description of shortage