

# CLAIMS 101

## WHAT IS A CLAIM?

A claim is a written statement that:

- Identifies a specific shipment,
- Provides a description of any loss or damage pertaining to the shipment
- Request a specific sum of money
- Provides reason(s) why Pegasus should be held liable.

## WHO SHOULD FILE THE CLAIM?

A claim may be filed by the shipper, consignee, or owner of the goods. Be sure to clearly indicate the following as they will assist in the prompt conclusion of the claim:

- Name and complete address of the claimant
- Telephone number, fax number and e-mail address (if available)

## WHAT IS A WRITTEN NOTICE OF INTENT TO FILE?

- A “Notice of Intent to file Claim” is a written statement that advises the carrier that damage was found and noted at the time of delivery. It also alerts the carrier that a formal claim and supporting documents will follow. This document is extremely important because it satisfies the requirement of alerting the carrier within the allotted timeframe documented in the terms and conditions of the bill of lading.

\*\*\*Note\*\*\*

An inspection report or notation on the delivery receipt does not constitute a notice of claim.

## IS THERE A TIME DEADLINE TO FILE CLAIMS FOR LOSS OR DAMAGE?

Claims should be presented/ filed promptly to allow investigations to take place while facts are reasonably “fresh”.

- Verbal notice of damage does not constitute the filing of a claim
- A Notice of Intent to Claim must be filed in writing within (48) hrs from the date of delivery for shipments **noted damaged**.
- A Notice of Intent to Claim must be filed in writing within (72) hrs from the date of delivery for shipments with **concealed damage**. Consignee must retain original shipping carton and contents and make them available for inspection.
- All claim forms will need to be filled out completely (including claim amount) in order to be considered valid.

## HOW DO I GET A CLAIM FORM?

Claim forms may be requested via:

- Fax: 469-671-0349  
Attn: Pegasus Logistics Claims Department
- Email: [claims@pegasuslogistics.com](mailto:claims@pegasuslogistics.com)

## WHERE DO I FILE A CLAIM?

Send your claim to:

Pegasus Logistics Group

ATTN: Claims Department

306 Airline Drive, Suite 100

Coppell, TX 75019

Email: [claims@pegasuslogistics.com](mailto:claims@pegasuslogistics.com)

Fax: 469-671-0316

## WHAT DOCUMENTS ARE NEEDED TO SUPPORT MY CLAIM?

- **Claim Form** - A formal demand for reimbursement for cargo loss or damage which includes the claimant, damage descriptions and the amount being claimed.
- **Proof of Value Original vendor's invoice** – complete original invoice which verifies the claimed amount does not exceed the terms of sale (value of good at destination), and excludes any prospective profit. The original invoice must disclose all discounts and allowances if any. A clear photocopy of the complete original invoice is acceptable.
- **Legible copy of freight bill or paid freight bill/s, if available** - Include the original paid freight bill or a signed statement verifying freight charges have been paid in full on the shipment against which the claim has been filed. For a claim to be concluded, all freight charges must be paid.
- **Delivery Receipt (POD)** - serves as evidence of receipt and condition of the goods when they arrive at final destination.
- **Original bill of lading** - serves as evidence of the receipt, as well as the kind, quantity, and apparent condition of the goods.
- **Invoice for repair** (if applicable) – serves as evidence of repair and includes a breakdown of hours, labor rate, and materials.
- **Photos of Damage Goods** - serves as visual evidence relating to the verification of the damage
- **Packing List**
- **Carrier Inspection Report**, if applicable

## WHAT IS THE PURPOSE OF THE DELIVERY RECEIPT?

- The primary purpose of a delivery receipt is to preserve a precise record of facts existing at time of delivery so far as these facts can be reasonably identified.

## **WHAT ARE VAGUE NOTATIONS OF DAMAGE?**

The following terms are not acceptable on a delivery receipt and will not substantiate a claim as they are too vague and unclear:

- Subject to inspection
- Subject to count
- Damages

## **WHAT ARE SOME EXAMPLES OF ACCEPTABLE NOTATIONS OF DAMAGE?**

- 1 of 8 cartons damaged on corner
- Fork lift damage to bottom right of unit
- 1 box damaged - product exposed

## **WHAT IS CONCEALED LOSS OR DAMAGE**

Concealed loss or concealed damage means that no one has noted any external evidence of the loss or damage which is discovered when the consignee opens the package on or after delivery. In order for this type of a claim to be considered, the claimant must provide conclusive evidence that the damage or shortage occurred while the shipment was in the possession of the carrier.

When the damage to contents of a shipping container is discovered by the consignee that could not have been determined at time of delivery, it must be:

- Reported by the shipper or consignee to Pegasus Logistics within **(72)** hours of delivery
- A request for inspection should be made at that time.
- All merchandise must be maintained in the original shipping container, in the same condition it was in when the loss or damage was discovered.

## **WHAT IS A COMPROMISE SETTLEMENT AND WHEN IS IT OFFERED?**

- If, after our investigation of the damage it is undeterminable which party was negligent (consignor, carrier or consignee), the carrier may make a compromise settlement offer.
- It is the choice of the claimant to accept or reject the compromise offer.
- Compromise offers are generally divided in a manner where each party shares (consignor, carrier or consignee) 1/3 of the responsibility for the loss.

## **WHAT IS DECLARED VALUE?**

Declaring value simply raises the financial legal liability of the carrier beyond the limitations stated on the carrier's or forwarder's freight bill, tariff or other contract of carriage.

## **DO WE STILL HAVE TO PAY THE FREIGHT BILL IF A CLAIM HAS BEEN FILED?**

Payment of freight charges may not be delayed due to alleged loss or damage. Charges should be paid in full and the portion applicable to lost or damaged item included in the freight claim.

Remember:

- Claims and freight charges are two entirely different transactions
- Without payment of freight charges the transportation contract has not been completed.
- A valid claim must not be paid until freight charges are paid.

## **WHAT ARE SHIPPER'S RESPONSIBILITIES?**

To prevent loss and damage during normal transportation handling, the shipper has the following responsibilities:

- Proper packaging.
- Proper markings on the packaging.
- Proper description on the shipping papers.

## **WHAT ARE RECIPIENT'S RESPONSIBILITIES?**

- The recipient must carefully identify and document loss and/or damage on the delivery receipt at time of delivery.
- When recording loss or damage, the recipient should use specific details and try to avoid general or generic terms such as "box damaged" or "torn". This type of notation does not provide adequate support for your claim.
- Please note: A notation of "subject to inspection," by itself, is not considered a valid notation of loss or damage.

## **WHAT IS MITIGATION?**

Claimants have a legal obligation to mitigate claims and reduce the damages as much as possible. This can be accomplished through:

- Repair - Claims for repair should reflect the claimant's cost for parts and labor.
- Sorting damaged and undamaged pieces to reduce the quantity being claimed (see labor rate in the section titled Claim Filing).
- Cutting sheet, roll and wire goods to salvage and reuse as much material as is possible.
- Sale through the most profitable means available. (Claim would then reflect the difference between the destination value and the amount recovered through the secondary sale.)
- Retaining damaged but useable goods for an allowance.
- Any other means resulting in a reduction in the claim equal to or greater than that which the carrier may have obtained through salvage of the goods.

## **WHAT DO I DO IF THE CLAIM IS DECLINED?**

If the claim has been declined and the claimant has additional information:

- Always refer to the assigned Waybill/claim number when corresponding with the Claims Analyst
- A rebuttal letter should be sent to the Claims Analyst.
- The rebuttal letter should clearly indicate why the claimant believes the claim payment should be reconsidered and include any evidence or documentation not previously submitted.

## **WHAT HAPPENS WHEN A CLAIM IS FILED?**

- We will check to see if the damage was noted at the point of origin and therefore was not caused in transit.
- We will review photos to see if there is an obvious cause of the damage.
- We will research in order to see if there is any indication that the cargo was not properly packaged or prepared for shipping.
- If there are indications that the damage was caused in transit then we will proceed with processing the claim.
- If it appears the claim will or may exceed \$1,000.00 (deductible) we will notify our insurance carrier who will assign an adjuster.
- They may require inspections of the cargo, interviews, and support documentation.
- Unless there are substantial indications that the carrier is not at fault, a repair cost will be determined and paid