



*TRUCKING, INC.*

## **Watkins & Shepard TRUCKING, INC.**

### **CARGO CLAIMS POLICY AND PROCEDURES BULLETIN EFFECTIVE October 5, 2012**

This Cargo Claims Policy and Procedures Bulletin is to inform our customers of the steps and information required to present a claim for lost or damaged freight. Following these procedures will greatly simplify the review process and will result in a more timely and satisfactory payment of a claim.

#### **1. MAKING DELIVERIES TO OUR CUSTOMERS**

In some cases, the customer will have received a telephone call from the delivering terminal or the driver prior to delivery. Please arrange to have the necessary space ready to receive the freight and personnel available to document the freight count and condition, as well as to assist the driver in unloading. Some freight is of a size and weight that the driver alone cannot handle it safely. This is especially true of deliveries to facilities that do not have dock-high receiving doors. If the driver determines that he or she cannot deliver the freight alone without a substantial risk of damage or injury, he or she will obtain additional personnel or deliver the freight to a public warehouse facility for the consignee's account. In these cases, Watkins & Shepard will not be responsible for any labor, warehouse or delivery charges, and unless damage is noted at the time of transfer to the public facility, Watkins & Shepard will not be responsible for any claims that may arise. Also note that Watkins & Shepard does not deliver to residential areas.

#### **2. CLAIM FILING DEADLINE**

The deadline for filing any claim for damage or shortage is nine (9) months from the date of delivery regardless of whether the damage is hidden or noted on the proof of delivery. All claims filed after the claim-filing deadline will be denied. To file a claim please call our Claims Department at **(800) 824-0913**.

#### **3. FREIGHT COUNT AND INSPECTION**

At the time of delivery our driver will present one or more of the following documents to you:

- Watkins & Shepard freight bill
- Freight Movement Record
- Shipper's bill of lading

The freight bill details the shipper, consignee, piece count, description, applicable rate and extension and unless prepaid or billed to third party, the total freight charges. In addition, it may detail collection information, such as COD charges, freight collect charges or third party billing information.

The shipper's bill of lading is our authorization to transport the freight and will detail the shipper, consignee, piece count and the description, but will not detail the freight charges. Watkins & Shepard is responsible for the piece count shown on the freight bill or bill of lading, (i.e., the number of boxes, pallets or shipping containers) and is not responsible for order specifications (i.e., model or style numbers.) If freight is palletized and documented as a pallet, Watkins & Shepard is not responsible for the number and types of freight on the pallet unless otherwise indicated on the freight bill. Discrepancies of this type must be reconciled between the shipper and the consignee.

All unloading, counting and inspection of any damage or shortages must be done with the driver present and assisting in the unloading process. Any unloading by the consignee without the driver present will be considered "shipper load shipper count" and no claim will be paid for shortages. In the event there is a shortage in the number of pieces, please note there is a shortage by indicating the number of pieces shipped and the number received on the freight bill or original copy of the Freight Movement Record. If the Bill of Lading or a packing list is accessible, please try to determine by item number the exact pieces missing from the shipment.

#### **4. DAMAGE NOTATIONS**

All unloading and notation of any damage or shortages must be done with the driver present and assisting in the unloading. Watkins & Shepard Trucking drivers are compensated for unloading and will assist during the entire process. If during the unloading process damage is observed a notation must be made on the freight bill or freight movement record provided by the driver. A complete description of the damage is required. If the damage is to freight packaged in a carton the specific box must be identified by model or style number. If you observe damage to the carton, container, carpet roll packaging or other shipping container, you must open the carton, container or packaging and examine the freight for damage. If damage to the freight is discovered, a complete description of the damage must be noted. Our driver will assist you in this process. We will not accept notations such as "subject to later inspection" or "boxes crushed" without prior authorization from our Claims Department. Any damage incurred because of inadequate packaging will be the responsibility of the shipper and not Watkins & Shepard. If you have any questions during this process, please call our Claims Department at **(800) 824-0913**.

#### **5. REFUSING TO ACCEPT DAMAGED FREIGHT**

While it may appear to make sense to refuse damaged freight and give it back to the driver, in many cases the driver cannot take it. Our drivers delivering freight are usually on a "peddle run" with shipments to a large number of consignees and may have freight left on the truck to deliver after a particular delivery. The driver does not necessarily return to one of our terminals immediately—instead, he or she may be dispatched to pick up a new load. Watkins & Shepard asks that consignees accept and retain damaged freight with our assurance that arrangements will be made for pickup and/or disposal. In most cases, the consignees are instructed to file a freight claim with the carrier for the value of the item plus the appropriate freight charges, but as outlined in Section 8 below, repair may be a better option to supply sufficient merchandise to the dealer (and eventually the end user) in a timelier manner. If a shipment is refused, please request for a copy of the freight bill to keep for your records. Refused shipments that are later return shipped will be subject to additional charges.

## 6. CONCEALED DAMAGE

Watkins & Shepard recognizes that some shipping cartons or other shipping containers may not show evidence of damage on the exterior and damage may not be discernible until the container is opened. In those situations, it is often difficult to assess where damage occurred and who is responsible. If damage is discovered after delivery and no notations were taken at the time of delivery, the damage must be reported no later than 15 calendar days from the date of delivery for any claim to be considered. Notification must be made immediately after discovery of damage to our Claims Department by calling **(800) 824-0913**. For damage reported in this manner, Watkins & Shepard will only be liable for a portion of the replacement or repair costs, respective to the number of parties who have handled the merchandise (i.e., if three parties handled the piece, one being Watkins & Shepard, we would be liable for one third of the repair or 1/3 of limit of liability.)

The original carton must be retained and set aside for possible pickup or inspection. Failure to do so could result in the denial of a claim. If inspection proves that there is damage to the carton that is respective to the damage of the merchandise, Watkins & Shepard will not be liable. Freight damage of this type should be noted on the freight bill at the time of delivery (see section 4. Damage Notations). All items must be kept at the location they are delivered by Watkins & Shepard before being moved to another location (i.e., client's home, showroom, etc.). If any items have been transferred to another location before Watkins & Shepard has the opportunity to inspect, any claims will be denied.

## 7. CLAIM LIABILITY LIMITS

Watkins & Shepard will not assume liability for claim amounts that exceed the values listed below unless otherwise agreed in writing prior to shipping:

Sofas	\$700	Loveseats	\$500
Chairs	\$325	Recliners	\$325
Case goods	\$850	Carpet	\$20/sq yard

It is the responsibility of the consignee to acquire additional insurance to cover the difference between the actual invoice cost and the Watkins & Shepard limit set forth above. For carpet claims Watkins Shepard will only be responsible for the amount of carpet actually damaged. For instance if the roll is 250 square yards and 50 square yards are damaged, Watkins Shepard would be responsible for 50 square yards, not 250.

## 8. REPAIRS TO DAMAGED FREIGHT

Watkins & Shepard's Claims Department must authorize repair estimates before initiating repairs. Do not initiate repairs to damaged freight without the advance approval of the Claims Department. Repairs without authorization will not be reimbursed. In several regions, Watkins & Shepard has set up a process with outside repair agents to assess repair situations and costs in a timely manner. In many instances we can determine over the phone if repair is appropriate. A timely claim must still be filed to receive reimbursement for repairs. In all cases, Watkins & Shepard retains the right to reimburse you for the invoice cost of freight and retain the freight for salvage.

## 9. FILING A CLAIM

Watkins & Shepard uses the STANDARD FORM FOR PRESENTATION OF LOSS OR DAMAGE CLAIM. A copy of this can be obtained from our Claims Department. When filing a claim, this form must be completed in its entirety. The following supporting documents are required:

- ❑ Watkins & Shepard freight bill or Freight Movement Record;
- ❑ A copy of the manufacturers invoice to the dealer with a description of the article, price charged and any discounts;
- ❑ A copy of the bill of lading stating the quantity or size of the item;
- ❑ If Watkins & Shepard authorizes a damaged article to be repaired by a sublet shop or parts to be purchased for the repair, a copy of the invoice and your evidence of payment (i.e., check or cash receipt) must be attached; and
- ❑ If the damaged freight is repaired in-house Watkins & Shepard will pay the hourly rate of \$15.00/hr. (U.S.) and \$23.00/hr. (Canadian).

When all required documents are completed and the claim form has been signed and dated, please mail to:

Larkin Smith  
C/O Watkins & Shepard Trucking, Inc.  
1500 Blaine Street  
Helena, MT 59604

Or fax: 406-532-6516

Or Email: [LarkinS@wksh.com](mailto:LarkinS@wksh.com)

The staff of our Claims Department can be contacted at **(800) 824-0913**. Please contact the person specified below for cargo claims:

**Larkin Smith – Claims Manager – Ext. 210**  
Lisa Mayes – Claims Support – Ext. 234

## 10. MISCELLANEOUS

- ❑ Drop shipment goods (i.e., trailers, boxcars, containers or loads that are shipper load and count whether in Watkins & Shepard equipment or not or loads brought into our terminals via another carrier) will be inspected for damage at the time of receiving by Watkins & Shepard. Any damage noted at the time of receiving will be the responsibility of the shipper or other carrier and not Watkins & Shepard.
- ❑ Concealed damage to the customer – each party that has handled the merchandise will be liable for the respective portion of the claim.
- ❑ Watkins & Shepard's liability is contingent upon the following: the relationship between weight and sufficiency of packaging, construction, and value of merchandise. This will be evaluated on an individual basis regarding all styles shipped with each manufacturer. See LIMIT OF LIABILITY for Watkins & Shepard limits on claims paid.
- ❑ Shipments returned to the original Shipper. Watkins & Shepard will not be liable for any damages on return shipments, unless damage has been noted prior to the return and determined that Watkins & Shepard is already liable.