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CLAIM PROCEDURE - LOSS AND DAMAGE GENERAL RULES

1. SHIPPER/CONSIGNEE RESPONSIBILITY

SHIPPER RESPONSIBILITY: In sealed trailers/containers/full loads, SHIPPER is responsible for load and count (unless GENEX and SHIPPER agree otherwise in writing), proper packaging, unitization and adequate blocking and bracing of lading for transport. SHIPPER is responsible for providing all necessary paperwork substantiating claims. The SHIPPER is also responsible for notifying their consignee of this loss and damage procedure.

CONSIGNEE RESPONSIBILITY: In the event of damage, the consignee is responsible to mitigate the loss. This would include, but not be limited to, sorting, recouping and salvage including cooperating in any investigation of the loss or damage to the lading.

GENEX/CARRIER RESPONSIBILITY: GENEX will be responsible for load and count when SHIPPER and GENEX agree in writing. GENEX will accept and process claims, including claims within the control of CARRIERS.

2. DISPOSITION OF DAMAGED PRODUCT

Normally, when the carrier or Freight Forwarder pays a total loss on damaged material, they are entitled to the damaged goods and are sometimes in a position of disposing of them through salvage markets or however they can realize the best return. In some cases it may be best, in order to minimize the claim, to assist them in locating salvage markets or accepting material on an agreed depreciated amount. In disposing through salvage, products with your customer's name on them, care should be taken that defective goods not reach the marketplace and create liability claims problems. The shipper/beneficial owner has the right to withhold their product from a salvage market. However, in doing so, must allow the carrier a salvage allowance.

Care should also be exercised in retaining such salvage for whatever disposition the carrier(s) or Freight Forwarder wish to make of it.

The carrier(s) or Freight Forwarder have various options with regard to the disposition of salvage:

- 1) They may wish to pick it up and dispose of it through a salvager.
- 2) They may ask for assistance in selling the salvage or arranging a market for it.
- 3) They may allow the beneficial owner to scrap it and request salvage allowance..

3. ACCEPTANCE/REFUSAL

The consignee is responsible for receiving damaged product, holding it for inspection and investigating the claim. Therefore, refusal of damaged product is contrary to the claim procedure and may incur charges which are not recoverable through the claim process. These costs may be charged to the party responsible for payment of freight charges as set forth on the original bill of lading.

When you become aware of loss or damage or the potential for loss or damage to a shipment, you **must IMMEDIATELY** notify GENEX Freight Claims
1-800-521-0191 (outside Illinois) or (847) 446-0440 (inside Illinois).

GENEX will work with you to get the damaged goods inspected (if necessary) and compile the documentation of the claim. A detailed explanation of the general procedures for receiving damaged material and documentation of claims follows on the reverse side.

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INBOUND SHIPMENTS

1. DAMAGES - TWO TYPES

APPARENT - Readily Visible

If damage is apparent when trailer doors are opened, photographs make the best evidence. Make a sign showing the trailer number, date and time, and place it at the back of the trailer so it will show in the photographs. Take pictures of load condition, blocking and bracing, holes in the roof, water damage, etc., as appropriate. The person receiving the shipment should take exception to good order by describing any damage both on the consignee's copy of the delivery receipt and on the copy retained by the driver. The driver's signature must be obtained as an acknowledgement of the condition of the shipment at the time of delivery. All packing materials must be retained until the carrier and/or inspector has had an opportunity to inspect the damage and prepare a report. All calls should be made to GENEX to advise where the damaged goods can be inspected, the general nature of the loss/damage and the consignee's best estimate of the amount of loss. GENEX will immediately advise the insurance underwriters or carriers who will decide where an inspector should see the damage. If carrier inspection rights are waived, you will be so advised.

Trailer seals should be closely scrutinized at time of delivery. The seal number should be listed on both the consignee's and the delivery carrier's copy of the delivery receipt. If the seal was not intact at the time of delivery, clarification should be given as to whether the seal was broken by an employee of the consignee or the driver. If a seal is broken, its number should be verified from the actual seal itself and not from documents.

CONCEALED

If there is the slightest indication of damage to the shipping package it is critical that the receiving clerk open and inspect the contents in the driver's presence before signing the delivery receipt and allowing him to depart. If a physical inspection of all shipping packages cannot be made at the time of delivery, the receipt should be noted "**SUBJECT TO INSPECTION**" on both the consignee's and the delivering carrier's copies.

All exterior and interior packing materials should be kept until it is decided whether an inspector will view the damaged goods.

2. SUBMISSION OF CLAIMS TO GENEX

GENEX will acknowledge all claims within 30 days of receipt, advising you at that time of a claim number. Any additional documents which may be needed will be requested at that time. It generally will take no longer than 30 days for GENEX to process a fully documented claim and, if difficulties arise, Federal regulations require that such claims be disposed of within 120 days, unless GENEX notifies the SHIPPER in writing of the status of the claim and the reason for the delay.

3. CLAIM FILING STATUTES

Failure to file prompt notice of a claim can prejudice recovery rights and preclude favorable acceptance of the claimed loss. Claims must be filed with GENEX within **nine months** of the delivery date of the cargo, or in the case of non-delivery, within **nine months** of the anticipated delivery date.

4. HOW TO FILE FREIGHT LOSS AND DAMAGE CLAIMS

CLAIM DOCUMENTS REQUIRED

The following documents must be submitted to GENEX when filing loss or damage claims:

(1) SIGNED COPY OF BILLS OF LADING--For each carrier involved. These are needed to demonstrate that the entire shipment was made, and how. These papers may also contain information as to the condition of the goods at each stage of transit.

(2) COPY OF THE PAID GENEX FREIGHT BILL--All freight charges must be paid in full before any claim can be processed.

(3) ALL INBOUND AND OUTBOUND INSPECTIONS OF THE TRAILER OR CONTAINER-- Cartmen should be notified that the condition of the trailer and seal record must conform to the inspection they signed when receiving a trailer at the rail ramp.

(4) COPY OF SET OF SHIPPER'S COMMERCIAL INVOICES (AND PACKING LISTS, IF AVAILABLE)--covering the entire shipment. These are needed to calculate the value of the damaged or missing parts of the shipment and to establish title.

(5) PROOF OF LOSS--Any documents or papers (slips issued by the carriers) which list exceptions to good order and help substantiate loss or damage being claimed.

(6) MISCELLANEOUS CLAIM DOCUMENTS--Other documents such as tracing correspondence and letters which might help in obtaining settlement from the carrier should be submitted with the claim. Once all of the documents are assembled, the claim and attachments should be forwarded immediately to GENEX.

If you comply with the claims procedures outlined in this section, claims will receive prompt attention and will be settled as quickly as possible.