The unforeseen

Despite taking many precautions, losses occur on a fraction of the cargo carried. Seatrade’s intention is to minimise any inconvenience in such unfortunate circumstances. This guide is to assist your claims handling process and thus be used in whole or in part as appropriate.

Next steps

- Contact Seatrade’s Claims department (legal@seatrade.com)
- Notify and follow instructions from your cargo insurance company
- Instruct a surveyor if this will assist you with the claim
- Review ways to minimise costs and mitigate losses incurred
- Collect all documents
- Submit your substantiated and quantified claim
- Protect against time bar
- Quality analysis and lessons learnt.
Contact Seatrade

It is important to contact our Claims department as soon as you are aware of a potential claim. There are legal time lines that have to be followed in order to notify carriers in case of a claim. The time lines vary although in majority of cases proper notification should take place within one day unless loss or damage is not apparent in which case three days are allowed. It is important to review in case another party is responsible for loss or damage, for example inland transportation.

The notification should include:
• Extent of damage, how many boxes, weight, value etc
• Cause of damage, as much information of cause of damage
• Where is the cargo now, how can Seatrade arrange survey
• Can cargo be salvaged? Photos? Other information at hand.

Notify your cargo insurer

It is important that you inform your cargo insurance company and follow their procedures. They will advise you on what to do and how to ensure that the terms and conditions of your insurance policy are followed. This will allow you to receive early settlement of claim and thus better cash flow. Your insurance company will usually take over the claim and recover from the liable party.
Surveyor

In conjunction with your insurance company, you will need to decide whether or not you want your own surveyor to assist you with the claim. A joint survey by both surveyors together avoids disagreement on facts. Ideally survey should be carried out while the cargo is untouched so that the surveyors can assess condition and causes on delivery.

Mitigating Losses

It is certainly in everyone’s interest that all losses are minimised; in fact the law provides that it is your duty to mitigate losses thus minimise costs for your insurance company as well as the carrier. This may take in the form of selling the cargo to secondary market or repack the cargo or otherwise in order to reduce total cost. Properly mitigated loss minimises risk of rejected claim.

Collecting Documents

Each claim is different, some of the documents normally required:

- Photographs showing damage or deterioration
- Bills of lading and proof title to claim
- Commercial invoice as submitted to customs
- Survey report and/or out turn report as applicable
- Destruction certificate/salvage receipt if applicable
- Additional cost invoices to mitigate losses
- Export and import documentation showing quantity and/or value.
Substantiated and quantified claim
Once you have collected the documents, these documents should be sent to Seatrade’s Claims department with details on causation and amount claimed. Please mention vessel name, incident and/or date and discharge port. It is important to outline cause of loss, quantity, market value together with details of any salvage proceeds. The information will allow a member of our claims team to investigate and revert.

Time Bar
It is important that all aspects of your claims are within the requirements of applicable regulations and/or legislation. The requirements can vary on case by case basis, which can be confirmed by your insurance company. In most cases your claim will be subject to one-year statute of limitations. Our obligation will expire if you fail to take appropriate steps.

Quality and lessons learnt
Seatrade takes every incident very seriously, whether there is a claim or not. All incidents are analysed by our Quality Manager. There are regular meetings with management, operations as well as trade teams in order to consider how we can avoid such incidents. Lessons learnt analyses are regularly circulated to appropriate parties in order to minimise risks within the Seatrade organisation as well as externally with our partners. Seatrade is also an active member of the 360 Quality Association with aim to ensure risks within the whole supply chain from farm to market are minimised.