

## Our Policy on Freight Claims

Hydro Engineering Inc. creates a Bill of Lading (BOL) which includes the point of origin (F.O.B. point) as our factory here in Salt Lake City, Utah. Various points throughout this document are provided by the National Motor Freight Classifications Handbook (NMFCH).

When the freight company arrives at our loading dock the shipment is inspected before loading. This inspection includes; the number of items and the weight of each item as shown on the Bill of Lading. The driver must inspect the condition of the items and the packaging (crating) as prescribed by his/her company. **At this time it's the driver's responsibility to protect the trucking company by insuring that all packaging is acceptable.** If the driver accepts the condition the items and the packaging they are then loaded on the truck. **Remember the driver has the right to refuse the shipment for any reason.**

When the freight companies representative (driver) signs the Bill of Lading accepting the shipment, **title to the equipment then passes to the freight company.** The freight company then owns the freight (your equipment) until it is safely delivered into your possession. The shipment does not become your property until you sign the Bill of Lading accepting the freight.

Our packaging far exceeds all standards for crating and in most cases is considered to be overbuilt. Even the best packaging cannot protect your shipment from abuse whether the damage is caused from loading and/or unloading during a dock transfer or just "over the road" damage. This can be caused by a truck that is lightly loaded causing the suspension of the vehicle to produce a rougher than normal ride.

Upon receiving your shipment you must inspect the packages (crates) carefully to ensure that it has not been physically damaged. **If any item appears to show physical damage (on the outside) make sure you note the damage on the freight bill before accepting the shipment by signing the Bill of Lading.** If the damage is excessive you may refuse the shipment and not sign the Bill of Lading.

**DO NOT SEND THE DAMAGED FREIGHT BACK TO Hydro Engineering Inc. after you have agreed to receive the shipment by signing the Bill of Lading.**

**Hidden or concealed damage:** upon opening the crating you may find that damage may have been hidden from view by the packaging. **We strongly urge you to open all packages in the presence of the delivery driver and inspect the contents carefully.** If this is not possible at the time of delivery **DO NOT MOVE THE PACKAGES UNTIL YOU HAVE INSPECTED THEM. Time is of the essence, the NMFCH guidelines state that you have 15 days to file a freight claim for hidden damage, this time limit varies with different freight companies and tariffs some may be as short as 24 hours.**

**IF YOU SIGN THE BILL OF LADING YOU ARE SOLELY RESPONSIBLE FOR NOTING DAMAGE ON THE FREIGHT BILL, NOTIFYING THE CARRIER OF HIDDEN DAMAGE AND FILING A FREIGHT DAMAGE CLAIM.**

### Steps to filing your freight claim:

1. If the damage is visible note it on the freight bill, make the driver aware that you intend to file a freight claim and do so in writing immediately by faxing the bill of lading to the freight company and calling them for an inspection of the damage.

**IT IS QUITE NORMAL FOR THE DRIVER TO STATE THAT THE FREIGHT MAY HAVE BEEN IMPROPERLY PACKAGED. THE DRIVER IS NOT RESPONSIBLE, OR AUTHORIZED TO PROCESS FREIGHT CLAIMS.**

2. You must request that the freight company send out an inspector to check the damage and fill out a report. Improper packaging is not a valid reason to deny your claim, remember they accepted the shipment in good condition and with the packaging (crating) as provided by Hydro Engineering Inc. **The freight company will supply you with a reason if your claim is denied.**
3. The final step requires that you provide the freight carrier with an estimate for repair of the damage when filling out the carriers "Standard Form for Presentation of Loss and Damage Claim". We will help you with costing out the parts and labor to make the repairs. You must then create an invoice for the freight company to pay.

If you require assistance or guidance please contact our freight department.

**We appreciate your business and look forward to a long lasting relationship with you!**