



Freight Damage + Loss/Shortage Policy

Recording and Reporting: Do not refuse freight because of damage, loss or shortage. The delivering carrier must be requested to record on the delivery receipt (DR) any loss/shortage and any damage to goods and/or cartons at time of delivery, whether the DR is in paper form or an electronic handheld device. Pictures of the damaged goods and/or cartons must be taken and submitted with every claim.

Concealed Damages (LTL): Any concealed damage found after the receipt of goods, must be reported to Smith System within ten (10) business days of taking delivery. Carrier liability ceases after ten (10) business days. Pictures of the damaged goods and/or cartons must be taken and submitted with every claim.

Concealed Damages (FTL): Truckload carriers do not handle freight and shipments travel direct to destination. Therefore, truckload carriers are not liable for concealed damages. Smith System will accept concealed damage claims after receipt of goods for the cost of goods only, but such claims must be reported to Smith System within twenty (20) business days of taking delivery. Smith System's liability ceases after twenty (20) business days. Pictures of the damaged goods and/or cartons must be taken and submitted with every claim.

Customer's Own Carrier: If customer elects to select the carrier and ship third party bill, then the customer is responsible for filing any freight damage and any loss/shortage claims with the carrier. In such cases Smith System is not liable and the customer is to issue a purchase order to Smith System for replacement goods and/or parts.

Replacement Goods and/or Parts: Smith System may repair or replace, at its sole discretion, any portion of the damaged goods. Smith System will not be liable for labor costs associated with the repair or replacement of freight damaged goods. The tables found on the following pages outline ownership of costs associated with replacements resulting from freight damage or loss/shortage.



LTL

Less-Than-Truckload

	LTL SHIPMENT REPLACEMENT GUIDELINES FOR FREIGHT SHIPPING VIA SMITH SYSTEM'S CARRIER			
	Who Pays for The Replacement Goods And/Or Parts		Who Pays for the Shipping Costs Associated With Replacement Goods And/Or Parts	
	Dealer/Customer	Smith System	Dealer/Customer	Smith System
Loss/Shortage Was Noted On DR		X		X
Loss/Shortage Was Not Noted On DR	X		X	
Freight Damage Was Noted On DR		X		X
Freight Damage Was Not Noted On DR But Was Reported Within 10 Business Days Of Receipt Of Goods		X		X
Freight Damage Was Not Noted On DR And Was Reported 11+ Business Days After Receipt Of Goods		X	X	

Smith System®

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LTL

Less-Than-Truckload

	LTL SHIPMENT REPLACEMENT GUIDELINES FOR FREIGHT SHIPPING VIA CUSTOMER'S CARRIER			
	Who Pays For The Replacement Goods And/Or Parts		Who Pays For The Shipping Costs Associated With Replacement Goods And/Or Parts	
	Dealer/Customer	Smith System	Dealer/Customer	Smith System
Loss/Shortage Was Noted On DR	X		X	
Loss/Shortage Was Not Noted On DR	X		X	
Freight Damage Was Noted On DR	X		X	
Freight Damage Was Not Noted On DR But Was Reported Within 10 Business Days Of Receipt Of Goods	X		X	
Freight Damage Was Not Noted On DR And Was Reported 11+ Business Days After Receipt Of Goods	X		X	

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FTL

Full Truckload

TRUCKLOAD SHIPMENT REPLACEMENT GUIDELINES FOR FREIGHT SHIPPING VIA SMITH SYSTEM'S CARRIER				
	Who Pays for The Replacement Goods And/Or Parts		Who Pays for The Shipping Costs Associated With Replacement Goods And/Or Parts	
	Dealer/Customer	Smith System	Dealer/Customer	Smith System
Loss/Shortage Was Noted On DR		X		X
Loss/Shortage Was Not Noted On DR	< - If reported within 20 business days of receipt of goods - >			X
Freight Damage Was Noted On DR		X		X
Freight Damage Was Not Noted On DR But Was Reported Within 20 Business Days Of Receipt Of Goods		X	X	
Freight Damage Was Not Noted On DR And Was Reported 20+ Business Days After Receipt Of Goods	X		X	


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FTL

Full Truckload

TRUCKLOAD SHIPMENT REPLACEMENT GUIDELINES FOR FREIGHT SHIPPING VIA CUSTOMER'S CARRIER				
	Who Pays for the Replacement Goods And/Or Parts		Who Pays for the Shipping Costs Associated With Replacement Goods And/Or Parts	
	Dealer/Customer	Smith System	Dealer/Customer	Smith System
Loss/Shortage Was Noted On DR		X		X
Loss/Shortage Was Not Noted On DR 	< - If reported within 20 business days of receipt of goods - >	X		X
Freight Damage Was Noted On DR	X		X	
Freight Damage Was Not Noted On DR But Was Reported Within 20 Business Days Of Receipt Of Goods	X		X	
Freight Damage Was Not Noted On DR And Was Reported 20+ Business Days After Receipt Of Goods	X		X	

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