



UPS Capital®

Motor carrier liability claims: a long and winding road.

In 1935, Congress enacted the Carmack Amendment. Adopted to achieve uniformity in rules governing interstate shipments, the Amendment — even today — spells out rights, duties and obligations of shippers and carriers when it comes to cargo claims. However, it doesn't guarantee insurance coverage, or necessarily make winning a claim easy.

To win a claim, the shipper must prove:

- Goods were in good condition when given to carrier
- Goods were damaged when delivered (or weren't delivered)
- Amount of damage
- Any asserted defense does not apply



5 exceptions that relieve the carrier of all liability

- 1 Act of God
- 2 The public enemy or act of war
- 3 Act or default of shipper
- 4 Public authority
- 5 The inherent vice or nature of goods transported

but wait...

There are 377,000+ long-distance trucking companies in the U.S., each with its own tariff, liability limits and cargo liability guidelines. That's a lot of fine print and many sentences begin with "Carrier shall not be liable if..."

LIABILITY	CARRIER A	CARRIER B	CARRIER C
Liability/lb.	\$25	\$10	\$5
Excess liability cost (not insurance, subject to proving carrier liability)	\$3.35 per \$100 (min. charge \$71)	\$1 per \$100 (min. charge \$45) \$4 per \$100 (min. charge \$53)	\$0.60 per \$100 (min. charge of \$45)
Mexico/Canada/lb.	As low as \$0.50	As low as \$0.50	As low as \$2
Commodity exceptions/lb.	Cell phone \$3-\$10	Flat screen, plasma TVs \$5	Copy machines \$2



Concealed damage claims

You only have

5 days

to provide notification of concealed damages to the carrier of record.¹

there's more...

Most shippers negotiate a rate structure with each carrier. To get better rates, they often agree to water down the compensation they receive in the event of carrier liability. **This can create a false sense of security.**

A real-world example

A truck carrying a pallet of smartphones is robbed.

Each of the 8 boxes weighs **50 lbs.** = **400 lbs.** of stolen smartphones

With standard carrier liability of **\$10 /lbs.,**

the shipper is reimbursed **\$4,000²**

Total retail value: **\$480,000**

The shipper is on the hook for the other **\$476,000**



UPS Capital®

There's a better way

An all-risk cargo insurance policy from UPS Capital® provides a superior risk-mitigation alternative to carrier liability (or your business commercial policy).

Bottom line protection
Coverage up to the full sales value of your goods

Real insurance
A policy configured just for your business

Time
90 days to report and file a concealed damage claim³

Savings
Likely costs less than excess liability coverage

Fast claims
92% of claims are paid within 5 business days

Be sure. Be insured.

Let the licensed insurance specialists at UPS Capital Insurance Agency, Inc. analyze your supply chain and structure an all-risk cargo insurance policy to effectively protect against losses.

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¹ According to NMFC policy. If there's no claim in five business days, burden shifts to shipper to prove the loss occurred in the carrier's custody.

² 400 lbs. x \$10/lb.

³ 90 days provided standard in CargoEdge policies offered through UPS Capital Insurance Agency, Inc.

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