

UNDERSTANDING THE WAREHOUSE RECEIPT AND BILL OF LADING IN THE EVENT OF A CATASTROPHE

When major events such as Hurricane Sandy strike, a large concentration of people unfamiliar with the claims handling process are drawn into the territory of filing an insurance claim.

Even commercial accounts can be facing their first major loss and naturally feel a great deal of anxiety with the process. Depending on the circumstances, services can be limited, and the policyholder is somewhat at a loss as to what to do.

For a warehouseman or a motor carrier, there is documentation that the claim adjuster will be asking for in the process of the claim investigation.

Those items will consist of:

- Original Warehouse Receipt/Storage Agreement, Household Goods Bill of Lading and Freight Bill
- Are the parties (Shipper/Consignee) and Carrier clearly identified?
- Is the weight of the shipment properly noted at both pickup and delivery
- Is the valuation section of the warehouse receipt or Bill of Lading properly noted as to the customers selection of either:
 - \$.60 per pound
 - Declared Value
- Were any separate all risk certificates of insurance issued to the shipper; if so are copies complete with all names and amounts of insurance clearly noted on the documents?
- Has the Shipper signed and dated the warehouse receipt or Bill of Lading?
- Household Goods Inventory
- Are all items that are being stored/shipped documented on the inventory?
- Are items that are PBO (Packed by Owner) clearly noted as such?
- Were any items of extraordinary value declared and noted on the warehouse receipt, Bill of Lading or the Inventory?

Mover's Choice and our underwriting partners has retained the services of Jean Gardner, Esq with Hill Rivkins LLP. Jean has over 25 yrs of experience in all lines of inland marine, transportation and property insurance and has been retained to travel out personally meeting with a representative of each of our insureds that have been affected by this storm. The purpose of her visit is to ensure our insureds of the insurer's concerns and desire to assist in this process to allow them to get up and running as quickly as possible, minimize risk of business interruption as well as allow and walk through how to make proper customer contact.

It is important that our insureds understand that while they may not have liability for the initial storm, secondary loss liability could arise if they fail to take reasonable steps to prevent further damage. Our insureds are informed by both Jean as well as the York adjuster assigned to their claim that coverage for the remediation process exists under the Mover's Choice Inland marine Moving and Storage coverage form under supplemental payments section 6. Sue and Labor and additional expenses. Here coverage is applied to the cost the insured incurs for labor and materials necessitated in repacking,



re-crating, the extra labor expenses to separate damaged from undamaged property, watchmen to protect property, expediting labor expenses, etc.

Debris removal when not liable is also a section of the policy where coverage can be afforded to assist with reasonable costs to remove the debris of the lost or damaged property. It is important for our insureds to understand that while monies will exist for the remediation process to minimize further loss is covered, costs for restoration of their customers goods is not.



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