



# UNDERSTANDING FREIGHT SHIPPING: CARRIER LIMITS OF LIABILITY vs. SHIPMENT INSURANCE

While relying on the carrier's limits of liability is an adequate way for some shippers to protect their freight in transit, it's important to understand that carrier liability is NOT the same as shipment insurance — and may not cover the full value of your goods. **Learn the difference between carrier liability and shipment insurance to make sure your freight shipments are properly covered.**

## CARRIER LIABILITY — VS. — SHIPMENT INSURANCE

Carrier Negligence	Shipper must prove that the loss or damage was caused by the carrier's negligence in order to settle a claim.	No need to prove that loss or damage was caused by the carrier — it is covered in most instances.
Disaster Protection	Typically exempt from covering weather- and disaster-related loss or damage. 	Covers all types of weather- and disaster-related loss or damage (other than service guarantee failures).
Claim Repayment	Varies based on the limits set by the carrier on the bill of lading. Limits can range from \$0.10 to \$25 per pound — often much lower than the full value of the shipment.	Claim repayment based on the full value (invoice value + freight costs, minus the deductible) of loss or damaged goods. 
Claim Process	Different carriers have different claims forms and procedures, so a claim may need to be filed against each carrier individually.	Shipper can submit one simple claim form to the insurance company, regardless of how many carriers were involved.
Settlement Deadlines	Carriers have 120 days to resolve a claim, but this process can take longer if further documentation is requested.	 Claims are processed quickly and efficiently, with most resolved much faster than carrier liability claims.
Concealed Damage	Once the delivery receipt has been signed, it is difficult to file a claim for concealed damage.	Shipper has 30 days to uncover concealed damage and file a claim.
Coverage for Expediting Expenses	Does not cover the cost of expediting a replacement shipment due to loss or damage. Repair costs may be considered.	Covers the cost of expediting a replacement shipment due to loss or damage along with repair cost coverage (if packaging adheres to industry standards).