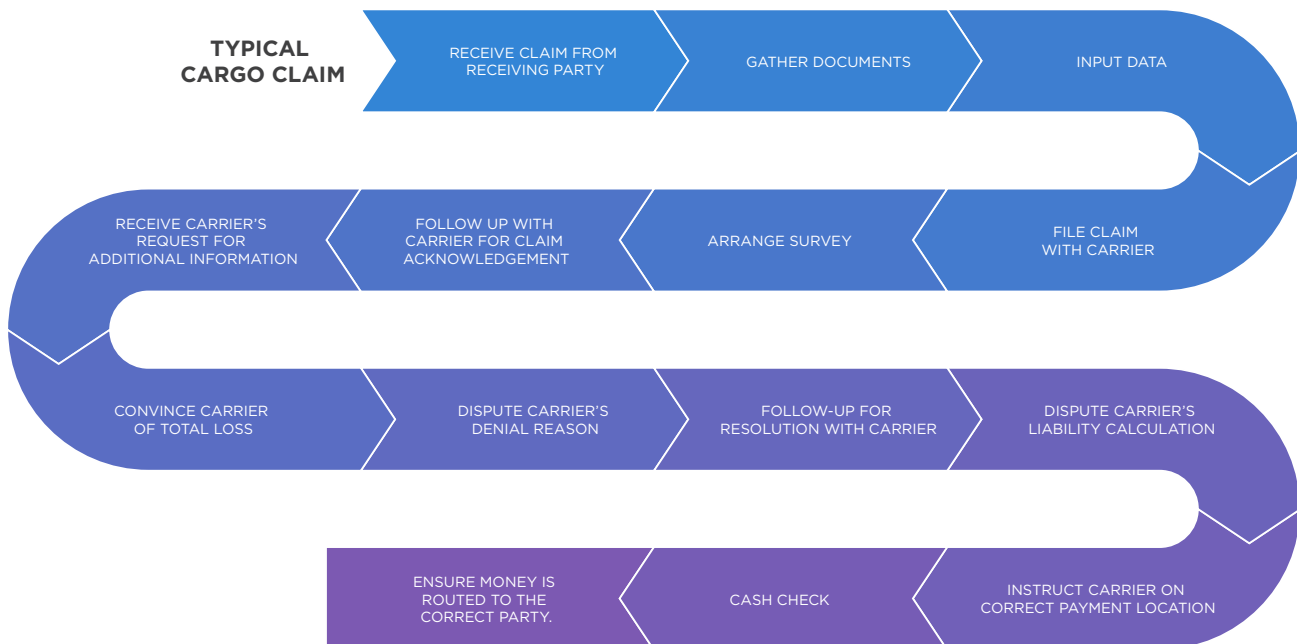# Claim Drain and How to Fix It

Time

A typical cargo claim follows the path of the graphic below.

If your employee spent only 15 minutes per item in the list above, that's already 3.5 hours per claim. And if there are complications or additional back-and-forth, that time could easily multiply.

- The average cargo claim takes 65 days to resolve.
- The most complex claims, including those with international shipments, disputed liability, or unresponsive carriers, can take many more months.
- The first duty of a carrier's claims department is to deny claims, and lack of response from the claimant is the most common reason for denial.

Resolving a cargo claim is a complex process that can require specialized knowledge in order to successfully get a recovery from a carrier. However, even when employees are armed with the right tools and knowledge, many underestimate the sheer amount of time this process takes.

TYPICAL CARGO CLAIM

RECEIVE CLAIM FROM RECEIVING PARTY → GATHER DOCUMENTS → INPUT DATA

RECEIVE CARRIER'S REQUEST FOR ADDITIONAL INFORMATION ← FOLLOW UP WITH CARRIER FOR CLAIM ACKNOWLEDGEMENT ← ARRANGE SURVEY ← FILE CLAIM WITH CARRIER

CONVINCE CARRIER OF TOTAL LOSS → DISPUTE CARRIER'S DENIAL REASON → FOLLOW-UP FOR RESOLUTION WITH CARRIER → DISPUTE CARRIER'S LIABILITY CALCULATION

ENSURE MONEY IS ROUTED TO THE CORRECT PARTY. ← CASH CHECK ← INSTRUCT CARRIER ON CORRECT PAYMENT LOCATION

ECIB

Volume

The average cargo claim takes 65 days to resolve. While that claim is winding its way toward completion, more claims occur.
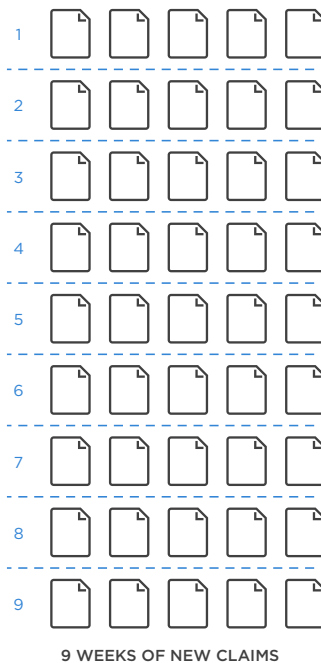
Take a sample company who files 5 cargo claims per week. For the first week, the drain on resources is minimal: 2-3 hours to gather all the information and file the claims. But at the end of that 65-day window, over 9 additional weeks will have passed, meaning 45 additional claims.

On week 10 (and every subsequent week), that internal resource will have an average of **50 claims** at various stages in the process. At an optimistic 3.5 hours per claim, that's 175 hours every 10 weeks, or **half a full-time person.**

THE WEEK OF SUBMISSION ▶ **65-DAY RESOLUTION PERIOD** ▶ **OVERVIEW OF RESOURCES**

5 CLAIMS / 1 WEEK
@ 2-3 HOURS EACH MINIMUM

1
2
3
4
5
6
7
8
9

9 WEEKS OF NEW CLAIMS

10 TOTAL WEEKS OF CLAIMS
×
3.5 HOURS / CLAIM

175 HOURS

How ECIB Can Help

The average cargo claim takes 65 days to resolve. While that claim is winding its way toward completion, more claims occur.

A. Return your people to core competencies

B. Faster turnaround

C. Better recoveries

D. Better data, root cause analysis

ECIB has:
- Specialized system for tracking claims data and ensuring rigorous followups with carriers.
- Knowledgeable staff trained in legal liability rules and the up-to-date intel for getting carriers to pay what is contractually owed.

For more information on our cargo claims management program, visit us at www.ecibglobal.com