



# Claim Policy

## Claim Policy & Instructions

In the unfortunate event of an arrival problem, Vanguard has formulated a set of required guidelines to document and present claims. Failure to follow these guidelines will make the claim for buyer's risk. Please note Vanguard's claim policy is for everything over five (5) percent buyer's risk. Vanguard does not believe these guidelines to be in anyway arbitrary or unfair. They are simply to enable us to present substantial and consistent documentation to our growers and suppliers, as well as to ensure Vanguard complies with all necessary regulations. Past experience shows that almost all claims lack one or more of the requirements outlined below. Our experience also shows that claims that are substantiated with all of the requirements outlined below stand a much better chance of being solved quickly and fairly. Kindly fulfill all of these requirements when reporting a claim:

1. **Fax Notification:** Vanguard must be notified of all claims immediately upon the carrier's arrival (within 24 hours for air shipments and within 72 hours for ocean shipments).
2. **Official Survey Report:** Upon receipt of your claim notification, Vanguard will request a specific Vanguard nominated marine surveyor conduct a full and unrestricted survey. If required, Vanguard will fax you the name, address, phone, and fax information for the required survey agent so that you may contact and arrange the survey quickly.

Note: Please instruct the surveyor not to guess at "what may have caused the problem" if he does not absolutely know the reason for the problem. He should not surmise causes such as "preshipment condition" unless he can prove his case beyond any reasonable doubt.

3. **Carrier Notification & Attendance at Survey:** Request in writing the carrier's representative to attend the official survey. Please fax a copy of the request directly to Vanguard on the same day you send the letter to the carrier in your city so that Vanguard may follow up with the carrier's representative in the United States.
4. **Photographs:** Please submit at least twenty (20) color photographs showing the problem. Please submit close-up photos, as well as photos of at least 10 different cartons showing the carton's grower LOT number on the end panel next to the opened carton. While digital photographs are appreciated and may help speed up the notification process, they may not act as a substitute for printed color photographs. Growers may or may not accept digital photographs and will consider this on a case by case basis.
5. **Temperature Recorder Tape:** Failure to present temperature recorder tape will immediately void the claim and make for buyer's risk. It is the buyer's responsibility to ensure the temperature recorder tape is not lost or stolen upon arrival.
6. **Airway Bill Exceptions (Air Shipments Only):** In the case of air shipments, instruct your clearing agent at your airport to "take an exception" on the airwaybill, which means to state in writing directly on the airwaybill any arrival problems or discrepancies (to include carton shortages). Please fax a copy of the airwaybill showing the exception directly to Vanguard on the same day. Air claims without the exception on the airway bill will not be entertained.
7. **Claim Amount Calculation (Salvage Report):** Please prepare and fax a detailed step-by-step report showing how the claim amount was calculated. If applicable, a copy of the salvage report and related accounting documents confirming the salvage value of the shipment should also be included.

The claim amount calculation (Salvage Report) must contain the following information.

- Vanguard Reference Number:
- Container Number / B/L Number:
- Carrier / Vessel / Voyage Number:
- Arrival Date:
- Commodity:



- Quantity:
- Loss Percentage by Size:
- Landed Cost:
- Customs Import Duty:
- Customs Broker Fee:
- Transportation Fee:
- Other Taxes (List in detail):
- Total Landed Cost:
- Selling Price (USD1=Local Currency):
- Total Selling Amount:
- Total Claim Amount:

1. **Final Claim Package:** Finally, the following documents must be received by Vanguard within 21 days of the carriers' arrival for a claim to be negotiated and settled.

- **Correspondence:** Copy of all claim correspondence with Vanguard's order reference #;
- **Survey:** Complete detailed official survey report including photographs;
- **Carrier Letter:** Copy of claim letter to carrier and carrier's reply;
- **Color Photographs:** At least twenty (20) photos;
- **Temperature Tape:** Original temperature recorder tape;
- **Salvage Report:** Detailed claim amount calculation and related accounting documents.

1. **Payment Procedures on Orders with Claims:** Even though Vanguard feels strongly that payments and claims are two separate issues, in the event that you have an arrival problem and our claim policy is followed as is required, Vanguard is willing to discuss and reach mutual agreement whereby you may be allowed to deduct the agreed upon "claim amount" from the payment due and remit the balance due on the invoice according to the payment terms that you have with Vanguard. This "claim amount" must reflect the percentages of loss in the official marine survey. This agreed upon "claim amount" is a preliminary settlement and is not to be considered final until final settlement is reached.

For example, if there is an arrival problem on a shipment with a CNF value of USD\$20,000 with a 16% decay problem as documented in the official survey report, then Vanguard would expect a payment of \$16,800 and paid according to agreed upon terms. The balance 16%, or USD\$3,200, can be held back until a final claim settlement is reached and confirmed.

Please sign below to indicate that you have received, reviewed, and agree with our three-page claim policy and return to us via fax. We must have a **signed** claim policy in our files from you before a shipment can be made. We appreciate your cooperation and continued support. Thank you.

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Company Name

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Signature

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Date

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Title

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Printed Name