

WHITEPAPER

Global inland marine claims: Why the same loss can produce different outcomes

A collaborative perspective on transportation claims

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Executive summary

Global commerce moves through interconnected transportation networks, but claims remain governed by local law, contract and market practice. The same commodity may sustain the same physical damage and be insured against similar risks, yet the investigation, liability analysis and resolution can differ depending on where the loss occurs, how the movement was contracted and which carriage regime applies.

The United States and United Kingdom share a common factual and investigative foundation. The applicable legal and contractual frameworks—including Carmack for qualifying U.S. interstate carriage, CMR for qualifying international road carriage, and properly incorporated domestic conditions—may nevertheless produce different liability and recovery outcomes.

For multinational insurers, consistency should not be confused with uniformity. Global standards can govern timeliness, evidence preservation, coverage discipline, mitigation, valuation, recovery and communication. Local expertise should determine how those standards are applied. Shared intelligence should then return the lessons of individual claims to underwriting, risk engineering, brokers and policyholders.

The opportunity for international collaboration

A collaborative U.S.–U.K. model produces more than technical accuracy. It supports earlier issue identification, better expert selection, clearer coverage decisions, defensible quantum, stronger recovery strategy, reduced friction and more useful risk insight. It also helps global clients receive a recognizably consistent service when geopolitical disruption changes routes, transit assumptions or commercial relationships without changing the need for jurisdictionally sound claim decisions.



Comparative perspective

These are not competing claims models. The strongest global practice combines the U.S. emphasis on the evidentiary story of the cargo with the U.K. emphasis on the legal and contractual story of the movement.



One shipment, two essential stories

Every transportation loss has two connected stories: the physical record of what happened to the goods and the legal and contractual context governing the parties. Both U.S. and U.K. claims teams need both stories; neither jurisdiction can evaluate liability reliably without the other.

Common investigation	Shared evidence	Legal consequence to assess
Movement and parties	Origin, destination, route, through bill, contracting/performing carriers	Interstate/intrastate/international scope; applicable regime
Contract and notice	Carriage terms, bill/consignment note, notices and dates	Incorporation, claim and suit time limits
Cargo and causation	Tender/delivery condition, custody, incident evidence	Defenses and burden of proof
Loss and mitigation	Survey, invoices, repair, salvage and preservation	Recoverable quantum and mitigation
Limits and coverage	Declared value, weight, liability terms and policy	Valid limitations, exceptions and separate insurance attachment



The United States: Evidentiary discipline within a statutory framework

Within its scope, 49 U.S.C. §14706 addresses motor-carrier and freight-forwarder liability for actual loss or injury to property and permits agreed limitations in defined circumstances. Rail carrier liability is separately addressed in 49 U.S.C. §11706. Operational shorthand sometimes calls Carmack a strict-liability regime, but the carrier is not an absolute guarantor: scope, causation, recognized defenses and legally effective limitations still matter.

U.S. and U.K. claims professionals alike establish cargo condition at tender and delivery, custody, causation, the nature and extent of loss, and the evidence supporting defenses and recovery.

Interstate, intrastate and cross-border scope

Carmack generally governs qualifying U.S. interstate motor carriage and certain movements from the U.S. to adjacent foreign countries; purely intrastate carriage ordinarily falls under state law, although an in-state leg of a continuous interstate journey may still be interstate commerce. A Mexico-to-Texas movement is not automatically governed by Carmack merely because it enters the U.S.; the direction of travel, carrier receipt, through bill and any separate U.S. domestic leg require analysis. A U.S.-to-Canada movement under a qualifying through bill has an express statutory basis for Carmack, subject to the particular carriage arrangement.

The United Kingdom: Contract, carriage and context

For U.K. domestic road carriage, the contract and properly incorporated terms can materially shape responsibility and limitation. The RHA Conditions of Carriage are a prominent commercial example. For qualifying international road carriage, CMR has force of law through the Carriage of Goods by Road Act 1965. Early identification of the route, contracting parties, carrier roles and applicable conditions is therefore essential. In the U.K., as in the U.S., the factual record must be evaluated alongside the applicable statutory, convention-based or contractual obligations; physical custody and contractual responsibility are not always identical.

Cross-border liability: Carmack, CMR and through bills

For qualifying international European road carriage, CMR generally supplies a common liability regime, including the standard 8.33 SDR per kilogram limitation under the applicable Protocol, subject to exceptions. Carmack generally measures actual loss subject to valid limitations, rather than imposing that general CMR weight ceiling. A single international through bill does not automatically extend CMR limits to a U.S. inland leg: the mode, governing contract, place of loss and applicable carriage law must be assessed. A separate domestic U.S. carriage agreement may produce a different result.

Establishing liability and measuring recovery: A comparative U.S.–U.K. claim study

Illustrative comparison: Identical loss facts, different carriage contracts

A manufacturer ships specialized electronic control equipment valued at US$250,000, weighing 2,000 kg gross. A rollover causes a substantiated total loss with no salvage value. The cargo was properly packed and received in good condition; the carrier had custody when the damage occurred. For this example, liability is established and no defense applies. Compare (1) a qualifying U.S. interstate motor movement governed by Carmack with no valid released-value limitation and (2) a qualifying international European road movement governed by CMR, with no increased declaration or exception displacing its ordinary limitation.

Under the Carmack Amendment (49 U.S.C. §14706), the potential recovery is the proven actual cargo loss of US$250,000, subject to the stated assumptions. Under CMR Article 23, the ordinary cargo-value ceiling is 8.33 SDR per kilogram of gross weight short: 2,000 kg × 8.33 SDR = 16,660 SDR. At an illustrative exchange rate of US$1.40 per SDR, that is US$23,324, or approximately 9.3% of the proven cargo loss.

Important qualifications. CMR does not automatically govern purely domestic U.K. carriage; contract and properly incorporated domestic conditions (such as RHA terms) must be reviewed. CMR Article 23(4) may additionally allow certain carriage charges, customs duties and other transport charges. Articles 24 and 26 address declared value and special interest in delivery; Article 29 can displace limitations in qualifying misconduct cases. The illustrative SDR/USD rate is not an actual settlement-date rate. Applicable dates, currency conversion, carriage documents, and governing law require verification. Under Carmack, a valid written or electronic released-value arrangement may likewise change the result.



Executive takeaway

The same substantiated loss can generate very different carrier recovery outcomes. Claims teams should distinguish insured cargo value from carrier liability and anticipated subrogation recovery when setting reserves, evaluating mitigation and communicating with stakeholders.

Sources: 49 U.S.C. §14706(a), (c); Convention on the Contract for the International Carriage of Goods by Road (CMR), Articles 23, 24, 26 and 29, as amended by the 1978 Protocol. Comparative illustration only.

Illustrative comparison: Identical loss facts, different governing regimes

A manufacturer ships specialized electronic control equipment with a proven cargo value of US$250,000 and gross weight of 2,000 kg (approximately 4,409.25 lb). During carriage, the vehicle overturns and the cargo sustains a substantiated total loss without salvage value. Packaging, condition at tender, custody and the extent of damage are documented. Compare a qualifying U.S. interstate road movement subject to Carmack with a separate qualifying international European road movement subject to CMR. Neither regime is assumed to govern the other movement.

Step 1 | Establish liability and evaluate defenses

Under Carmack, the claimant establishes a prima facie case through evidence of good condition at tender, damaged condition at delivery and the amount of actual loss. The carrier must then demonstrate freedom from contributing negligence and that an excepted cause produced the loss. The five traditionally recognized exceptions are:

1. Act of God
2. Public Enemy
3. Act of the Shipper
4. Public Authority
5. Inherent Vice or Nature of Goods

In this rollover example, the evidence establishes the prima facie case and none of the five exceptions is supported. The CMR comparison separately assumes carrier liability under Article 17, without an applicable Article 17 defense. The CMR liability analysis is not identical to Carmack's five-exception framework.



Five traditionally recognized exceptions and practical claims consideration

Act of God
Extraordinary natural event; evaluate foreseeability, precautions and causation.

Public Enemy
Qualifying hostile enemy action, not ordinary theft or routine criminal interference.

Act of the Shipper
Shipper-caused packaging, loading or other conduct; evaluate carrier contribution.

Public Authority
Qualifying government action directly causing the damage.

Inherent Vice or Nature of Goods
Loss arising from the commodity's inherent characteristics rather than carrier-caused damage.



Step 2 | Distinguish actual loss from weight-based limitations

Carmack generally measures liability by actual loss or injury to cargo; it does not impose a universal statutory per-pound ceiling. A motor carrier may nevertheless invoke a legally effective released-value agreement, potentially expressed as dollars per pound, where applicable statutory and contractual requirements are met (49 U.S.C. §14706(c)(1)). Such limitations are not presumed merely because a rate sheet or bill of lading contains a figure; the governing agreements, applicable terms and enforceability require review. This issue may arise in LTL or full-truckload movements. Under CMR, the standard cargo compensation ceiling generally operates by convention at 8.33 SDR per kilogram of gross weight lost or damaged, subject to applicable provisions and exceptions.

Step 3 | Calculate illustrative cargo recovery

Scenario	Basis of calculation	Potential cargo recovery
Carmack no valid released-value limitation	Proven actual loss	US$250,000
CMR ordinary weight-based ceiling	2,000 kg × 8.33 SDR/kg = 16,660 SDR; illustrative 1 SDR = US$1.40	US$23,324
Carmack valid released-value agreement (alternative scenario)	4,409.25 lb × hypothetical US$2.00/lb	US$8,818.50

The US$2.00/lb Carmack scenario is a conditional illustration, not a standard Carmack ceiling or a prediction of customary U.S. settlements. The SDR rate is an assumed teaching rate, not a rate fixed for a particular claim. The comparison addresses cargo value only; CMR Article 23(4) addresses specified charges, while Articles 24 and 26 concern declared value and special interest and Article 29 addresses qualifying misconduct. Each requires fact-specific analysis.



Executive takeaway

The same proven cargo loss may generate different recovery outcomes because the liability regime, available defenses and enforceable limits differ. U.S. teams should first establish the prima facie claim and evaluate defenses, then examine released-value limitations where supported by the carriage documents. CMR teams should consider the Convention's defenses and standard weight-based ceiling at the outset, along with exceptions. Cargo insured value, carrier legal liability and potential subrogation recovery remain distinct measures.

Legal authorities: 49 U.S.C. §14706(a), (c); Missouri Pacific Railroad Co. v. Elmore & Stahl, 377 U.S. 134 (1964); CMR Articles 17, 23, 24, 26 and 29 and the 1978 Protocol. Confirm current SDR conversion and governing contracts at the relevant date. Comparative illustration only; not legal advice.

A shared investigative foundation

The shared investigative foundation is apparent in the evidence assembled by claims professionals on both sides of the Atlantic. The same shipment records, custody evidence, condition assessments and mitigation measures inform the analysis, even where the governing liability regime assigns different legal consequences.

	Stage	Shared standard	Local lens	Collaborative advantage
	**1. Frame**	Identify commodity, movement, parties, loss facts and urgency.	Confirm governing law, carriage regime, contract and client authority.	The team develops one factual map and one responsibility map before positions harden.
	**2. Preserve**	Secure goods, records, digital data, notices and inspection access.	Apply jurisdiction-specific notice, evidence and recovery requirements.	Evidence remains useful across coverage, liability, mitigation and recovery workstreams.
	**3. Investigate**	Test condition, custody, causation, extent and mitigation.	Use local legal tests and contractual allocations to guide inquiry.	Questions are technically complete and legally relevant, avoiding repetitive or unfocused investigation.
	**4. Decide**	Separate coverage, liability, quantum and recovery conclusions	Apply policy wording, law, contract, defenses and limitations.	Decision-makers can see both the evidence and the rule applied to it.
	**5. Resolve**	Communicate promptly; protect salvage, mitigation and recovery.	Observe local negotiation, settlement and procedural expectations.	Correct claims can be paid faster; genuine disputes are narrowed and supported.
	**6. Learn**	Code causes, controls, outcomes and recurring loss signals	Interpret trends with local market and legal context.	Claims become cross-border intelligence for underwriting and prevention.

Industry conditions and carriage documentation

U.K. BIFA Standard Trading Conditions address freight-forwarding services; RHA Conditions address road haulage when incorporated. U.S. counterparts include forwarding and logistics service terms, carrier transportation agreements, bills of lading and applicable carrier rules; none is universally interchangeable with BIFA or RHA. A U.S. bill of lading and a U.K. consignment note provide evidence of the carriage arrangement, shipment identity and carrier receipt. Under CMR, the consignment note evidences the contract but its absence does not invalidate a qualifying CMR contract. In either market, transport documents may help establish insured interest and transit, but coverage attachment ultimately depends on policy wording.



The common factual matrix

What moved?
Commodity identity, specification, packaging, quantity, value and pre-shipment condition.

How did it move?
Route, modes, transfers, temperature or securement requirements, custody and control.

Who contracted and who performed?
Cargo owner, insured, contracting carrier, forwarder, hauler, subcontractor, warehouse and successive carrier.

What changed?
Point and mechanism of damage, supporting data, alternative causes and condition at delivery.

What must happen now?
Mitigation, segregation, testing, joint survey, salvage, notice and preservation of recovery rights.

What governs the outcome?
Policy wording, applicable carriage regime, incorporated conditions, defenses, limitations and proof of quantum.

A common investigative foundation

Across both markets, the factual inquiry identifies the character and route of the movement; the contracting and performing parties; the applicable carriage documents and terms; notice and time requirements; cargo condition, custody, causation and quantum; and available mitigation and recovery evidence. The legal assessment then considers the defenses, limitations and exceptions available under the governing regime. These inquiries are comparable in substance, although the resulting liability analysis may differ.



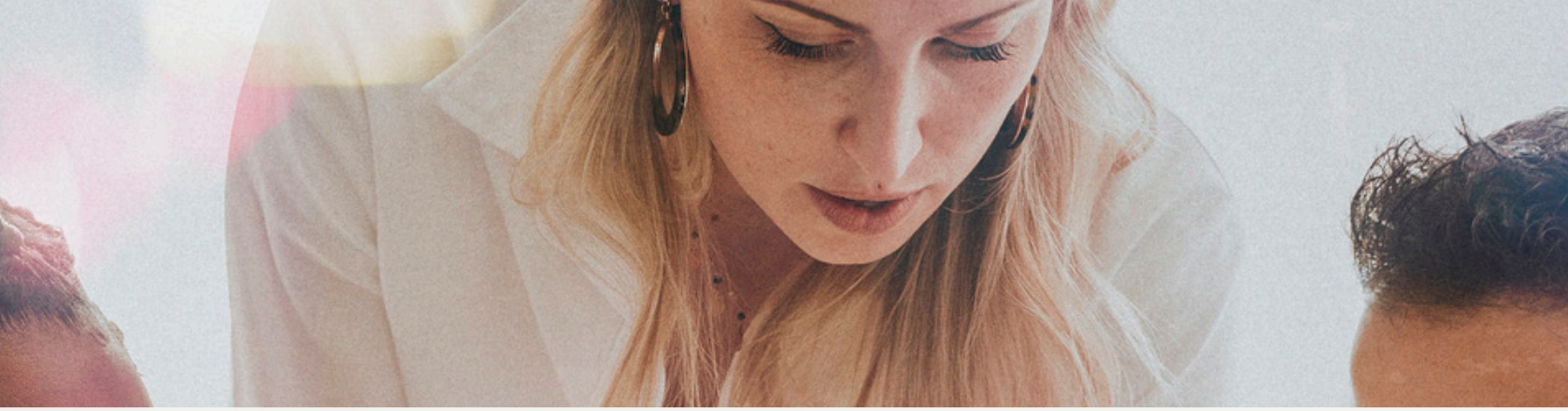
Geopolitical disruption and the rerouted supply chain

Geopolitical events can transform an otherwise ordinary cargo movement after the insurance and carriage arrangements have been placed.

Armed conflict, attacks near maritime chokepoints, sanctions, export controls, port restrictions, border closures and sudden changes in carrier appetite may force vessels or inland movements onto longer or less familiar routes. UN Trade and Development has documented how diversions away from the Red Sea and other constrained corridors have increased voyage distance, vessel demand, cost and pressure on ports and supply chains.

For claims organizations, the issue is not only whether the geopolitical event is insured. The operational consequences of rerouting may change the condition of the cargo, the parties handling it, the concentration of values, the documents available and the legal framework through which liability and recovery must be assessed.





Rerouting factor	Potential claims impact	Collaborative response
Longer transit	Extended exposure to heat, humidity, vibration, delay, shelf-life loss and reefer fuel or maintenance risk.	U.S. teams strengthen the condition and data chronology; U.K. teams confirm delay provisions, instructions and contractual allocation.
New ports or transfers	Additional handling, storage, transshipment, seal changes, custody gaps and unfamiliar vendors.	Create a revised custody map, preserve transfer records and identify whether new parties or terms entered the movement.
Sanctions and controls	Blocked parties, restricted cargo, payment interruption, detention, documentation concerns and potential illegality issues.	Coordinate U.S. and U.K. screening against the applicable regimes; escalate legal questions and preserve the basis for decisions.
Capacity and congestion	Rolled bookings, port dwell, warehouse overflow, accumulation of values and delayed inspection or mitigation	Separate physical damage from delay-related loss; identify aggregation, mitigation and notice issues early.
Route or mode substitution	Change from sea to air, rail or road; different packaging stresses, limits, carriers and liability regimes.	Reassess the carriage contract, risk assumptions, securement, temperature plan and recovery route for the substituted movement.



Extraordinary events, carrier defenses and tariffs

Carmack recognizes defined excepted causes, including acts of God and public authority, generally requiring the carrier to establish both the excepted cause and freedom from contributing negligence. CMR Articles 17–18 address claimant conduct, inherent vice, certain special risks and unavoidable circumstances whose consequences the carrier could not prevent. A contractual force majeure clause or English-law frustration concerns performance and does not automatically excuse cargo damage. Tariff increases or commercial inconvenience alone do not establish a cargo defense; embargoes, government prohibitions or border closures require a fact-specific analysis of causation, carrier precautions, available alternatives and mitigation. Insurance coverage remains a separate policy question.

Claims considerations following a changed route

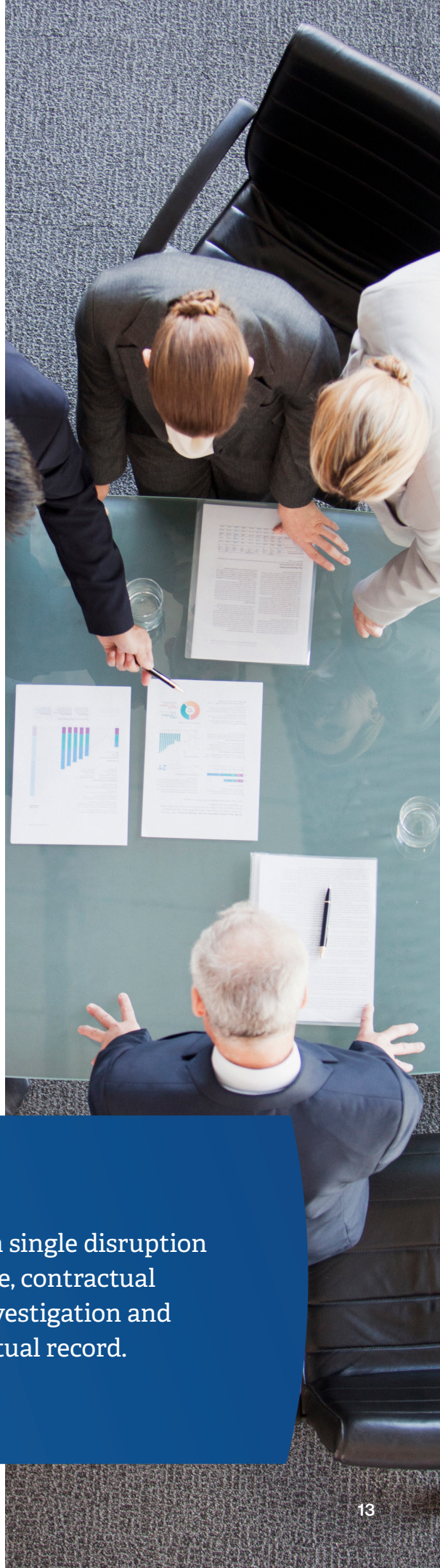
Authority and notice. Who authorized the deviation, substitution, storage or transshipment, and were insurers and cargo interests notified?

Coverage and causation. Is the claimed loss caused by physical damage, delay, deterioration, detention, sanctions-related action, or a combination?

Contract and liability. Did the reroute change the contracting carrier, applicable conditions, geographical scope, mode or liability regime?

Cargo integrity. Were packaging, temperature range, shelf life, security and monitoring suitable for the longer or revised journey?

Accumulation and mitigation. Did congestion concentrate insured values, and what practical alternatives were available to reduce loss?



Cross-border collaboration

U.S. and U.K. teams add the most value when they share a single disruption chronology, while each applies its own sanctions, coverage, contractual and procedural requirements. This reduces duplicated investigation and prevents local legal differences from fragmenting the factual record.

Shared intelligence across a changing multimodal network

The value of collaboration becomes more significant as cargo moves through longer, less predictable and increasingly multimodal supply chains.

A shipment rerouted from its original maritime corridor may acquire new road, rail, port, warehouse and subcontracted handling exposures. Each transfer can introduce another contractual relationship, custody event, data source and potential liability regime. The resulting claim cannot be understood fully through a single jurisdictional or modal lens.

Technology as a common evidentiary language

Telematics, GPS, reefer microprocessor downloads, electronic bills of lading, warehouse scans, photographs, video and digital communications can establish a common factual foundation even when jurisdictions assign different legal significance to the evidence. Technology does not eliminate the need for judgment; it improves the material on which judgment is exercised.

A shared data structure also makes cross-border learning possible. Claims teams can identify repeated securement failures, recurring temperature excursions, vulnerable transfer points, broken-seal patterns, theft methods or weak carrier-vetting controls. Local professionals then explain whether an apparent trend reflects a true control failure, a market practice, a contractual feature or a data-quality issue.



From claim file to risk intelligence

When claim information is collected consistently and interpreted locally, a single loss becomes useful beyond settlement. Underwriters can refine risk selection and policy structure; risk engineers can target controls; brokers can improve client discussions; policyholders can strengthen packaging, monitoring, contracting and vendor management.



Local signal

A recurring loss pattern is identified within a jurisdiction or account.



Shared analysis

U.S. and U.K. teams compare evidence, contracts, controls and outcomes.



Preventive action

Findings inform underwriting, risk control and client recommendations.



Common evidence, distinct legal outcomes

Global inland marine claims administration benefits from the ability of U.S. and U.K. teams to share evidence, expertise and intelligence while preserving the legal and commercial distinctions applicable to each movement.

International claims administration

The comparison reveals a common factual record and consistent professional objectives alongside locally distinct legal and contractual analysis. International collaboration allows the same evidence to be understood across markets without assuming that it must produce the same liability or recovery outcome.

This becomes increasingly important when a loss crosses modes or jurisdictions. The physical narrative of the cargo, the contractual narrative of the movement and the coverage analysis may develop on different tracks, but they should inform one another. When those perspectives are connected early, the organization can distinguish a local claim issue from a broader supply-chain signal and return that intelligence to underwriting, risk engineering, brokers and policyholders.

Global Standards. Local Expertise. Shared Intelligence. Global standards establish the quality and service expected on every file. Local expertise applies the correct law, contract, market practice and procedure. Shared intelligence converts claims experience into better decisions and stronger prevention.

Conclusion

Whether a shipment moves under Carmack, CMR, COTIF/CIM or contractual conditions of carriage, its physical condition, custody history and cause of loss remain central to the claims investigation. The applicable regime determines how that evidence bears on responsibility, available defenses, limitation and recovery.

The U.S. and U.K. approaches developed within different legal, contractual and transportation environments. Those differences deserve respect, but they also create opportunity. U.S. evidentiary discipline and U.K. contractual analysis reinforce one another. Combined with technical expertise and transportation data, they produce stronger investigations, clearer coverage decisions, more effective recoveries and more informed risk assessment.

The same physical loss may therefore produce different outcomes because the movement, parties and governing regime matter. A shared factual matrix enables U.S. and U.K. claims professionals to exchange intelligence and coordinate investigations while applying the distinct legal and contractual requirements of each claim.

Legal and source notes

1. 49 U.S.C. §14706, motor carriers and freight forwarders; actual loss or injury to property and provisions addressing agreed limitations of liability. U.S. House Office of the Law Revision Counsel.

2. 49 U.S.C. §11706, rail carriers; actual loss or injury to property and provisions governing limitations of rail carrier liability. U.S. House Office of the Law Revision Counsel.

3. Carriage of Goods by Road Act 1965 (UK), giving CMR force of law in the United Kingdom for contracts within its scope; CMR Article 1 addresses qualifying international road carriage.

4. Road Haulage Association, RHA Conditions of Carriage 2024; the RHA states that correct incorporation defines and restricts the haulier's legal responsibility to customers.

5. COTIF, Appendix B: Uniform Rules Concerning the Contract of International Carriage of Goods by Rail (CIM), Article 1; Intergovernmental Organisation for International Carriage by Rail (OTIF).

6. UN Trade and Development, Navigating Troubled Waters (2024), on disruption in the Red Sea, Black Sea and Panama Canal.

7. UN Trade and Development, Review of Maritime Transport 2024, on chokepoint disruption and rerouting.

8. U.K. Office of Financial Sanctions Implementation, Financial Sanctions Guidance for Maritime Shipping (updated 2026).

Comparative claims-administration perspective only; not legal advice. Confirm applicable law, contract terms and current authority for each loss.



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