



What Is A Freight Broker Surety Bond?

A freight broker surety bond, also known as a BMC-84 bond, is a type of license and permit bond required by the Federal Motor Carrier Safety Administration FMCSA in the United States. This bond serves as a financial guarantee that a freight broker will comply with federal regulations and pay their bills to motor carriers who transport goods on their behalf. It protects shippers and carriers from financial harm if the broker fails to fulfill its obligations.

Here is a list that the FMCSA Requires, and Bond Amount

The FMCSA requires all freight brokers operating in the US to obtain a 75,000 dollar surety bond. This requirement was increased, from \$-10,000 dollars in 2013 under, the Moving Ahead for Progress in the 21st Century Act, or also known as MAP-21. The bond must be in force before the broker can begin operating and, must be renewed annually.

So, Here is a list of 6 Different Types of Freight Broker Bonds and explanations of each,

There are different types of freight broker bonds available, each with specific requirements and coverage, also personal credit scores determine the cost of which bond is needed.:

1. A BMC-84 Bond, This is the most common type of freight broker bond and is required by the FMCSA. It covers a wide range of activities, including arranging for transportation, collecting payments from shippers, and paying motor carriers.
2. A BMC-85 Bond, This bond is required for freight brokers who also transport goods themselves, also known as "freight forwarders." It provides coverage for both brokerage and transportation activities.

3. A BMC-86 Bond, This bond is required for freight brokers who transport hazardous materials. It provides coverage for any damages or injuries caused by the transport of hazardous materials.

4. A BMC-87 Bond, This bond is required for freight brokers who transport used household goods. It provides coverage for any damages or losses incurred during the transportation of used household goods.

5. A BMC-91 Bond, This bond is required for freight brokers who transport passengers in interstate commerce. It provides coverage for any injuries or damages sustained by passengers during transport.

6. A BMC-92 Bond, This bond is required for freight forwarders who transport passengers in interstate commerce. It provides coverage for any injuries or damages sustained by passengers during transport.

So you might be wondering, How Much Will a Freight Broker Bond Cost me?

The cost, of a freight broker bond, depends on several factors, including the bond amount, the creditworthiness of the applicant, and the bond term. Generally, the cost can range from 938 dollars to 5,000 dollars for a one-year term. In many cases the applicant can pay quarterly payments for the bond, Please make sure, you apply for the bond before getting your freight broker authority, so that, you will know exactly the budget needed. Again remember, without a bond you will not be able to obtain a freight broker license.

So lastly in closing, Freight broker surety bonds are essential for ensuring financial responsibility and protecting shippers and carriers in the freight industry. By understanding the requirements and different types of bonds available, freight brokers can obtain the necessary coverage to operate legally and ethically in the United States.