

FILING A CLAIM AGAINST A BROKER'S SURETY BOND OR TRUST FUND

By George Carl Pezold

We often get questions from carriers or others about collecting unpaid freight charges from a broker. All brokers are required by federal regulations (49 CFR §387.307) to obtain and file evidence of either a surety bond or trust fund in the amount of \$75,000. You can find out information about the bond or trust fund on the FMCSA Licensing and Insurance website:

http://li-public.fmcsa.dot.gov/LIVIEW/pkg_html.prc_limain

Click on the drop-down box called "Choose Menu Option", then select "Carrier Search" and enter the USDOT number or MC number (or the name and state) for the broker.

You should be able to file a claim (in writing) for your unpaid freight charges directly with the bonding or trust fund company listed on the page with the broker's information. Your claim should be properly supported with relevant documents such as a rate confirmation, bill of lading, proof of delivery, invoice for freight and accessorial charges, etc.

It should be noted that if there are a lot of claims against the bond or trust fund it may be depleted, so it is wise to file promptly if it appears that the broker is having financial problems or may be going out of business.