

Insurance Requirements for Freight Brokers

Two lists: what to require of every carrier you hire, and what your brokerage should carry itself.

A What to require of your carriers

Coverage	Federal minimum	What many brokers require
Auto liability	\$750,000 for general freight in vehicles of 10,001 lb or more (49 CFR 387.9); more for hazmat	\$1,000,000 combined single limit
Motor truck cargo	No federal minimum for most freight	\$100,000 per load, more for high-value loads
General liability	None	\$1,000,000 per occurrence
Workers' compensation	Set by state law	As the state requires
Certificate	-	From the agent, you as certificate holder, 30 days' cancellation notice

B What your brokerage should carry

- **Contingent auto liability.** Pays when a carrier you booked causes a crash, the carrier's own auto policy does not pay, and the injured person sues you for choosing that carrier. Shippers often ask for \$1,000,000 or more. Ask whether your policy covers a negligent-selection claim; some do not.
- **Contingent cargo.** Pays for the freight when the carrier's cargo insurance does not, for example a lapsed policy, an excluded commodity or a limit too low for the load. Size it to your largest loads.
- **General liability.** Covers injury or damage at your own office and premises, plus some advertising claims. It does not answer a truck-crash claim.
- **Errors and omissions.** Covers mistakes in the service you provide, for example a missed requirement or a booking error that costs a customer money.
- **The \$75,000 broker bond or trust (BMC-84 / BMC-85).** Required to hold broker authority (49 CFR 387.307). It protects the carriers and shippers you owe money, not you. It is not liability insurance. Since January 16, 2026, FMCSA can suspend your authority if the bond or trust drops below \$75,000.

C Why this matters now

On May 14, 2026, the Supreme Court ruled 9-0 in *Montgomery v. Caribe Transport II, LLC* (No. 24-1238) that federal law does not block state negligent-hiring claims against brokers over unsafe carriers. The ruling lets those claims go forward; it did not find any broker liable. Sources are on page 4.

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Limits shown are common market practice, not legal requirements unless a federal rule is named. Coverage depends on the actual policy wording.