

## ACKNOWLEDGEMENT OF SURETY

State of \_\_\_\_\_  
 County of \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_,  
 19\_\_\_\_, before me personally came  
 \_\_\_\_\_, who, being by me duly  
 sworn, did depose and say that he/she resides  
 in \_\_\_\_\_; that he/she is the  
 \_\_\_\_\_ of the \_\_\_\_\_,  
 the corporation described in and which exe-  
 cuted the foregoing instrument; that he/she  
 knows the seal of said corporation, that the  
 seal affixed to said instrument is such cor-  
 porate seal, that it was so affixed by order of  
 the board of directors of said corporation,  
 that he/she signed his/her name thereto by  
 like order, and he/she duly acknowledged to  
 me that he/she executed the same for and on  
 behalf of said corporation.  
 (OFFICIAL SEAL)

Title of official administering oath \_\_\_\_\_  
 Surety Company File No. \_\_\_\_\_

[46 FR 30982, June 11, 1981, as amended at 48  
 FR 52683, Nov. 21, 1983; 49 FR 27292, July 2,  
 1984; 49 FR 38290, Sept. 28, 1984; 51 FR 33856,  
 Sept. 23, 1986; 53 FR 12160, Apr. 13, 1988; 54 FR  
 49092, Nov. 29, 1989; 59 FR 63924, Dec. 12, 1994]

**§ 387.17 Violation and penalty.**

Any person (except an employee who acts without knowledge) who knowingly violates the rules of this subpart shall be liable to the United States for civil penalty of no more than \$11,000 for each violation, and if any such violation is a continuing one, each day of violation will constitute a separate offense. The amount of any such penalty shall be assessed by the FMCSA's Administrator, by written notice. In determining the amount of such penalty, the Administrator, or his/her authorized delegate shall take into account the nature, circumstances, extent, the gravity of the violation committed and, with respect to the person found to have committed such violation, the degree of culpability, any history of prior offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.

[59 FR 63924, Dec. 12, 1994]

### Subpart B—Motor Carriers of Passengers

SOURCE: 48 FR 52683, Nov. 21, 1983, unless otherwise noted.

**§ 387.25 Purpose and scope.**

This subpart prescribes the minimum levels of financial responsibility required to be maintained by for-hire motor carriers of passengers operating motor vehicles in interstate or foreign commerce. The purpose of these regulations is to create additional incentives to carriers to operate their vehicles in a safe manner and to assure that they maintain adequate levels of financial responsibility.

**§ 387.27 Applicability.**

(a) This subpart applies to for-hire motor carriers transporting passengers in interstate or foreign commerce.

(b) *Exception.* The rules in this subpart do not apply to—

(1) A motor vehicle transporting only school children and teachers to or from school;

(2) A motor vehicle providing taxicab service and having a seating capacity of less than 7 passengers and not operated on a regular route or between specified points;

(3) A motor vehicle carrying less than 16 individuals in a single daily round trip to commute to and from work; and

(4) A motor vehicle operated by a motor carrier under contract providing transportation of preprimary, primary, and secondary students for extra-curricular trips organized, sponsored, and paid by a school district.

[48 FR 52683, Nov. 21, 1983, as amended at 63 FR 33275, June 18, 1998]

**§ 387.29 Definitions.**

As used in this subpart—

*Accident* includes continuous or repeated exposure to the same conditions resulting in public liability which the insured neither expected nor intended.

*Bodily injury* means injury to the body, sickness, or disease including death resulting from any of these.

*Endorsement* an amendment to an insurance policy.

*Financial responsibility* the financial reserves (e.g., insurance policies or surety bonds) sufficient to satisfy liability amounts set forth in this subpart covering public liability.

§ 387.31

49 CFR Ch. III (10-1-07 Edition)

*For-hire carriage* means the business of transporting, for compensation, passengers and their property, including any compensated transportation of the goods or property or another.

*Insured and principal* the motor carrier named in the policy of insurance, surety bond, endorsement, or notice of cancellation, and also the fiduciary of such motor carrier.

*Insurance premium* the monetary sum an insured pays an insurer for acceptance of liability for public liability claims made against the insured.

*Motor carrier* means a for-hire motor carrier. The term includes, but is not limited to, a motor carrier's agent, officer, or representative; an employee responsible for hiring, supervising, training, assigning, or dispatching a driver; or an employee concerned with the installation, inspection, and maintenance of motor vehicle equipment and/or accessories.

*Property damage* means damage to or loss of use of tangible property.

*Public liability* liability for bodily injury or property damage.

*Seating capacity* any plan view location capable of accommodating a person at least as large as a 5th percentile adult female, if the overall seat configuration and design and vehicle design is such that the position is likely to be used as a seating position while the vehicle is in motion, except for auxiliary seating accommodations such as temporary or folding jump seats. Any bench or split bench seat in a passenger car, truck or multi-purpose passenger vehicle with a gross vehicle weight rating less than 10,000 pounds, having greater than 50 inches of hip room (measured in accordance with SEA Standards J1100(a)) shall have not less than three designated seating positions, unless the seat design or vehicle design is such that the center position cannot be used for seating.

[48 FR 52683, Nov. 21, 1983, as amended at 63 FR 33276, June 18, 1998]

**§ 387.31 Financial responsibility required.**

(a) No motor carrier shall operate a motor vehicle transporting passengers until the motor carrier has obtained and has in effect the minimum levels of

financial responsibility as set forth in § 387.33 of this subpart.

(b) Policies of insurance, surety bonds, and endorsements required under this section shall remain in effect continuously until terminated.

(1) Cancellation may be effected by the insurer or the insured motor carrier giving 35 days notice in writing to the other. The 35 days notice shall commence to run from the date the notice is mailed. Proof of mailing shall be sufficient proof of notice.

(2) *Exception.* Policies of insurance and surety bonds may be obtained for a finite period of time to cover any lapse in continuous compliance.

(3) *Exception.* Mexican motor carriers may meet the minimum financial responsibility requirements of this subpart by obtaining insurance coverage, in the required amounts, for periods of 24 hours or longer, from insurers that meet the requirements of § 387.35 of this subpart. A Mexican motor carrier so insured must have available for inspection in each of its vehicles copies of the following documents:

(i) The required insurance endorsement (Form MCS-90B); and

(ii) An insurance identification card, binder, or other document issued by an authorized insurer which specifies both the effective date and the expiration date of the temporary insurance coverage authorized by this exception.

Mexican motor carriers insured under this exception are also exempt from the notice of cancellation requirements stated on Form MCS-90B.

(c) Policies of insurance and surety bonds required under this section may be replaced by other policies of insurance or surety bonds. The liability of retiring insurer or surety, as to events after the termination date, shall be considered as having terminated on the effective date of the replacement policy of insurance or surety bond or at the end or the 35 day cancellation period required in paragraph (b) of this section, whichever is sooner.

(d) Proof of the required financial responsibility shall be maintained at the motor carrier's principal place of business. The proof shall consist of—

(1) "Endorsement(s) for Motor Carriers of Passengers Policies of Insurance for Public Liability Under Section

18 of the Bus Regulatory Reform Act of 1982” (Form MCS-90B) issued by an insurer(s); or

(2) A “Motor Carrier of Passengers Surety Bond for Public Liability Under Section 18 of the Bus Regulatory Reform Act of 1982” (Form MCS-82B) issued by a surety.

(e) The proof of minimum levels of financial responsibility required by this section shall be considered public information and be produced for review upon reasonable request by a member of the public.

(f) All passenger carrying vehicles operated within the United States by motor carriers domiciled in a contiguous foreign country, shall have on board the vehicle a legible copy, in English, of the proof of the required financial responsibility (Forms MCS-90B or MCS-82B) used by the motor carrier to comply with paragraph (d) of this section.

(g) Any motor vehicle in which there is no evidence of financial responsibility required by paragraph (f) of this section shall be denied entry into the United States.

[48 FR 52683, Nov. 21, 1983, as amended at 50 FR 7062, Feb. 20, 1985; 54 FR 49092, Nov. 29, 1989; 60 FR 38743, July 28, 1995]

**§ 387.33 Financial responsibility, minimum levels.**

The minimum levels of financial responsibility referred to in §387.31 of this subpart are hereby prescribed as follows:

SCHEDULE OF LIMITS

*Public Liability*

For-hire motor carriers of passengers operating in interstate or foreign commerce.

Vehicle seating capacity	Effective dates	
	Nov. 19, 1983	Nov. 19, 1985
(1) Any vehicle with a seating capacity of 16 passengers or more	\$2,500,000	\$5,000,000
(2) Any vehicle with a seating capacity of 15 passengers or less <sup>1</sup>	750,000	1,500,000

<sup>1</sup> Except as provided in § 387.27(b).

**§ 387.35 State authority and designation of agent.**

A policy of insurance or surety bond does not satisfy the financial responsibility requirements of this subpart unless the insurer or surety furnishing the policy or bond is—

(a) Legally authorized to issue such policies or bonds in each State in which the motor carrier operates, or

(b) Legally authorized to issue such policies or bonds in the State in which the motor carrier has its principal place of business or domicile, and is willing to designate a person upon whom process, issued by or under the authority of any court having jurisdiction of the subject matter, may be served in any proceeding at law or equity brought in any State in which the motor carrier operates; or

(c) Legally authorized to issue such policies or bonds in any State of the United States and eligible as an excess or surplus lines insurer in any State in which business is written, and is willing to designate a person upon whom process, issued by or under the authority of any court having jurisdiction of the subject matter, may be served in any proceeding at law or equity brought in any State in which the motor carrier operates.

**§ 387.37 Fiduciaries.**

The coverage of fiduciaries shall attach at the moment of succession of such fiduciaries.

**§ 387.39 Forms.**

Endorsements for policies of insurance (Illustration I) and surety bonds (Illustration II) must be in the form prescribed by the FMCSA and approved by the OMB. Endorsements to policies of insurance and surety bonds shall specify that coverage thereunder will remain in effect continuously until terminated, as required in §387.31 of this subpart. The continuous coverage requirement does not apply to Mexican motor carriers insured under §387.31(b)(3) of this subpart. The endorsement and surety bond shall be issued in the exact name of the motor carrier.



U.S. Department  
of Transportation  
Federal Motor Carrier  
Safety Administration

**ENDORSEMENT FOR  
MOTOR CARRIER POLICIES OF INSURANCE FOR PUBLIC LIABILITY  
UNDER SECTION 18 OF THE BUS REGULATORY REFORM ACT OF 1982**

Form Approved:  
OMB No.: 2126-0008

Issued to \_\_\_\_\_ of \_\_\_\_\_  
Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_  
Amending Policy No. \_\_\_\_\_ Effective Date \_\_\_\_\_  
Name of Insurance Company \_\_\_\_\_

Countersigned by \_\_\_\_\_  
Authorized Company Representative

The policy to which this endorsement is attached provides primary or excess insurance, as indicated by "[X]," for the limits shown:

This insurance is primary and the company shall not be liable for amounts in excess of \$ \_\_\_\_\_ for each accident.

This insurance is excess and the company shall not be liable for amounts in excess of \$ \_\_\_\_\_ for each accident in excess of the underlying limit of \$ \_\_\_\_\_ for each accident.

Whenever required by the Federal Motor Carrier Safety Administration (FMCSA), the company agrees to furnish the FMCSA a duplicate of said policy and all its endorsements. The company also agrees, upon telephone request by an authorized representative of the FMCSA, to verify that the policy is in force as of a particular date. The telephone number to call is: \_\_\_\_\_

Cancellation of this endorsement may be effected by the company of the insured by giving (1) thirty-five (35) days notice in writing to the other party (said 35 days notice to commence from the date the notice is mailed, proof of mailing shall be sufficient proof of notice), and (2) if the insured is subject to the FMCSA's registration requirements, by providing thirty (30) days notice to the FMCSA (said 30 days notice to commence from the date the notice is received by the FMCSA at its office in Washington, D.C.).

**DEFINITIONS AS USED IN THIS ENDORSEMENT**

**Accident** includes continuous or repeated exposure to conditions which result in Public Liability which the insured neither expected nor intended.  
**Bodily Injury** means injury to the body, sickness, or disease to any person, including death resulting from any of these.

**Motor Carrier** means a for-hire carrier of passengers by motor vehicle.  
**Property Damage** means damage to or loss of use of tangible property.  
**Public Liability** means liability for bodily injury or property damage.

The insurance policy to which this endorsement is attached provides automobile liability insurance and is amended to assure compliance by the insured, within the limits stated herein, as a for-hire motor carrier of passengers with Section 18 of the Bus Regulatory Reform Act of 1982 and the rules and regulations of the Federal Motor Carrier Safety Administration.

However, all terms, conditions, and limitations in the policy to which the endorsement is attached shall remain in full force and effect as binding between the insured and the company. The insured agrees to reimburse the company for any payment made by the company on account of any accident, claim, or suit involving a breach of the terms of the policy, and for any payment that the company would not have been obligated to make under the provisions of the policy except for the agreement contained in this endorsement.

In consideration of the premium stated in the policy to which this endorsement is attached, the insurer (the company) agrees to pay, within the limits of liability described herein, any final judgment received against the insured for public liability resulting from negligence in the operation, maintenance or use of motor vehicles subject to financial responsibility requirements of Section 18 of the Bus Regulatory Reform Act of 1982 regardless of whether or not each motor vehicle is specifically described in the policy and whether or not such negligence occurs on any route or in any territory authorized to be served by the insured or elsewhere. Such insurance as is afforded, for public liability, does not apply to injury to or death of the insured's employees while engaged in the course of their employment, or property transported by the insured, designated as cargo. It is understood and agreed that no condition, provision, stipulation, or limitation contained in the policy, this endorsement, or any other endorsement thereon, or violation thereof, shall relieve the company from liability or from the payment of any final judgment, within the limits of liability herein described, irrespective of the financial condition, insolvency or bankruptcy of the insured.

It is further understood and agreed that, upon failure of the company to pay any final judgment recovered against the insured as provided herein, the judgment creditor may maintain an action in any court of competent jurisdiction against the company to compel such payment.

The limits of the company's liability for the amounts prescribed in this endorsement apply separately to each accident and any payment under the policy because of any one accident shall not operate to reduce the liability of the company for the payment of final judgments resulting from any other accident.

The Bus Regulatory Reform Act of 1982 requires limits of financial responsibility according to vehicle seating capacity, it is the MOTOR CARRIER'S obligation to obtain the required limits of financial responsibility. THE SCHEDULE OF LIMITS SHOWN ON THE REVERSE SIDE DOES NOT PROVIDE COVERAGE. The limits shown in the schedule are for information purposes only.

**SCHEDULE OF LIMITS**

**PUBLIC LIABILITY**

**For-hire motor carriers of passengers operating in interstate or foreign commerce**

Vehicle Seating Capacity	Effective Dates	
	Nov. 19, 1983	Nov. 19, 1985
(1) Any vehicle with a seating capacity of 16 passengers or more.	\$2,500,000	\$5,000,000
(2) Any vehicle with a seating capacity of 15 passengers or less.	\$ 750,000	\$1,500,000

Form MCS-90B  
(6/2003)

Federal Motor Carrier Safety Administration, DOT

§ 387.39



Form Approved: OMB No.: 2126-0008

MOTOR CARRIER PUBLIC LIABILITY SURETY BOND UNDER SECTION 18 OF THE BUS REGULATORY REFORM ACT OF 1982

PARTIES Surety Company and Principal Place of Business Address Motor Carrier Principal, FMCSA Docket No., and Principal Place of Business Address

PURPOSE This is an agreement between the Surety and the Principal under which the Surety, its successors and assignees, agree to be responsible for the payment of any final judgment or judgments against the Principal for public liability and property damage claims in the sums prescribed herein, subject to the governing provisions and following conditions.

GOVERNING PROVISIONS (1) Section 18 of the Bus Regulatory Reform Act of 1982 (2) Rules and regulations of the Federal Motor Carrier Safety Administration (FMCSA)

CONDITIONS The Principal is or intends to become a motor carrier of passengers subject to the applicable governing provisions relating to financial responsibility for the protection of the public.

This bond assures compliance by the Principal with the applicable governing provisions, and shall inure to the benefit of any person or persons who shall recover a final judgment or judgments against the Principal for public liability or property damage claims (excluding injury to or death of the Principal's employees while engaged in the course of their employment, and loss of or damage to property of the Principal, and the cargo transported by the Principal). If every final judgment shall be paid for such claims resulting from the negligent operation, maintenance, or use of motor vehicles in transportation subject to the applicable governing provisions, then this obligation shall be void, otherwise it will remain in full effect.

Within the limits described herein, the Surety extends to such losses regardless of whether such motor vehicles are specifically described herein and whether occurring on the route or in the territory authorized to be served by the Principal or elsewhere.

The liability of the Surety for each motor vehicle subject to the applicable governing provisions for each accident shall not exceed \$ and shall be a continuing one notwithstanding any recovery thereunder.

The surety agrees, upon telephone request by an authorized representative of the FMCSA, to verify that the surety bond is in force as of a particular date. The telephone number to call is

This bond is effective from (12:01 a.m., standard time, at the address of the Principal as stated herein) and shall continue in force until terminated as described herein. The Principal or the Surety may at any time terminate this bond by giving (1) thirty-five (35) days notice in writing to the other party (said 35 days notice to commence from the date the notice is mailed, proof of mailing shall be sufficient proof of notice), and (2) if the Principal is subject to the FMCSA's registration requirements, by providing thirty (30) days notice to the FMCSA (said 30 days notice to commence from the date notice is received by the FMCSA at its office in Washington, D.C.). The Surety shall not be liable for the payment of any judgment or judgments against the Principal for public liability or property damage claims resulting from accidents which occur after the termination of this bond as described herein, but such termination shall not affect the liability of the Surety from the payment of any such judgment or judgments resulting from accidents which occur during the time the bond is in effect.

(AFFIX CORPORATE SEAL) Date Surety City State By

ACKNOWLEDGMENT OF SURETY STATE OF COUNTY OF On this day of, 20, before me personally came who, being by me duly sworn, did depose and say that he resides in that he/she is of the corporation described in and which executed the foregoing instrument, that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal, that it was so affixed by order of the board of directors of said corporation, that he signed his name thereto by like order, and he duly acknowledged to me that he executed the same for and on behalf of said corporation.

(OFFICIAL SEAL) Title of official administering oath: Surety Company File No. Form MCS-82B (6/2003)

(Approved by the Office of Management and Budget under control number 2125-0518) [48 FR 52683, Nov. 21, 1983, as amended at 49 FR 22326, May 29, 1984; 54 FR 49093, Nov. 29, 1989; 67 FR 61821, 61822, Oct. 2, 2002]

**§ 387.41 Violation and penalty.**

Any person (except an employee who acts without knowledge) who knowingly violates the rules of this subpart shall be liable to the United States for civil penalty of no more than \$11,000 for each violation, and if any such violation is a continuing one, each day of violation will constitute a separate offense. The amount of any such penalty shall be assessed by the Administrator or his/her designee, by written notice. In determining the amount of such penalty, the Administrator or his/her designee shall take into account the nature, circumstances, extent, the gravity of the violation committed and, with respect to the person found to have committed such violation, the degree of culpability, any history of prior offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.

[53 FR 47543, Nov. 23, 1988]

**Subpart C—Surety Bonds and Policies of Insurance for Motor Carriers and Property Brokers**

CROSS REFERENCE: Prescribed forms relating to this part are listed in 49 CFR part 1003.

SOURCE: 32 FR 20032, Dec. 20, 1967, unless otherwise noted. Redesignated at 61 FR 54709, Oct. 21, 1996.

**§ 387.301 Surety bond, certificate of insurance, or other securities.**

(a) *Public liability.* (1) No common or contract carrier or foreign (Mexican) motor private carrier or foreign motor carrier transporting exempt commodities subject to Subtitle IV, part B, chapter 135 of title 49 of the U.S. Code shall engage in interstate or foreign commerce, and no certificate or permit shall be issued to such a carrier or remain in force unless and until there shall have been filed with and accepted by the FMCSA surety bonds, certificates of insurance, proof of qualifications as self-insurer, or other securities or agreements, in the amounts prescribed in § 387.303, conditioned to pay any final judgment recovered against such motor carrier for bodily injuries to or the death of any person resulting from the negligent operation, maintenance

or use of motor vehicles in transportation subject to Subtitle IV, part B, chapter 135 of title 49 of the U.S. Code, or for loss of or damage to property of others, or, in the case of motor carriers of property operating freight vehicles described in § 387.303(b)(2) of this part, for environmental restoration.

(2) Motor Carriers of property which are subject to the conditions set forth in paragraph (a)(1) of this section and transport the commodities described in § 387.303(b)(2), are required to obtain security in the minimum limits prescribed in § 387.303(b)(2).

(b) *Common carriers-cargo insurance; exempt commodities.* No common carrier by motor vehicle subject to Subtitle IV, part B, chapter 135 of title 49 of the U.S. Code nor any foreign (Mexican) common carrier of exempt commodities shall engage in interstate or foreign commerce, nor shall any certificate be issued to such a carrier or remain in force unless and until there shall have been filed with and accepted by the FMCSA, a surety bond, certificate of insurance, proof of qualifications as a self-insurer, or other securities or agreements in the amounts prescribed in § 387.303, conditioned upon such carrier making compensation to shippers or consignees for all property belonging to shippers or consignees and coming into the possession of such carrier in connection with its transportation service: *Provided*, That the requirements of this paragraph shall not apply in connection with the transportation of the following commodities:

- Agricultural ammonium nitrate.
- Agricultural nitrate of soda.
- Anhydrous ammonia—used as a fertilizer only.
- Ashes, wood or coal.
- Bituminous concrete (also known as black-top or amosite), including mixtures of asphalt paving.
- Cement, dry, in containers or in bulk.
- Cement, building blocks.
- Charcoal.
- Chemical fertilizer.
- Cinder blocks.
- Cinders, coal.
- Coal.
- Coke.
- Commercial fertilizer.
- Concrete materials and added mixtures.
- Corn cobs.
- Cottonseed hulls.

Crushed stone.  
 Drilling salt.  
 Dry fertilizer.  
 Fish scrap.  
 Fly ash.  
 Forest products; viz: Logs, billets, or bolts, native woods, Canadian wood or Mexican pine; pulpwood, fuel wood, wood kindling; and wood sawdust or shavings (shingle tow) other than jewelers' or paraffined.  
 Foundry and factory sweepings.  
 Garbage.  
 Gravel, other than bird gravel.  
 Hardwood and parquet flooring.  
 Haydite.  
 Highway construction materials, when transported in dump trucks and unloaded at destination by dumping.  
 Ice.  
 Iron ore.  
 Lime and limestone.  
 Liquid fertilizer solutions, in bulk, in tank vehicles.  
 Lumber.  
 Manure.  
 Meat scraps.  
 Mud drilling salt.  
 Ores, in bulk, including ore concentrates.  
 Paving materials, unless contain oil hauled in tank vehicles.  
 Peat moss.  
 Peeler cores.  
 Plywood.  
 Poles and piling, other than totem poles.  
 Potash, used as commercial fertilizer.  
 Pumice stone, in bulk in dump vehicles.  
 Salt, in bulk or in bags.  
 Sand, other than asbestos, bird, iron, monazite, processed, or tobacco sand.  
 Sawdust.  
 Scoria stone.  
 Scrap iron.  
 Scrap steel.  
 Shells, clam, mussel, or oyster.  
 Slag, other than slag with commercial value for the further extraction of metals.  
 Slag, derived aggregates—cinders.  
 Slate, crushed or scrap.  
 Slurry, as waste material.  
 Soil, earth or marl, other than infusorial, diatomaceous, tripoli, or inoculated soil or earth.  
 Stone, unglazed and unmanufactured, including ground agricultural limestone.  
 Sugar beet pulp.  
 Sulphate of ammonia, bulk, used as fertilizer.  
 Surfactants.  
 Trap rock.

Treated poles.  
 Veneer.  
 Volcanic scoria.  
 Waste, hazardous and nonhazardous, transported solely for purposes of disposal.  
 Water, other than mineral or prepared—water.  
 Wood chips, not processed.  
 Wooden pallets, unassembled.  
 Wreck or disabled motor vehicles.  
 Other materials or commodities of low value, upon specific application to and approval by the FMCSA.

(c) *Continuing compliance required.* Such security as is accepted by the FMCSA in accordance with the requirements of section 13906 of title 49 of the U.S. Code, shall remain in effect at all times.

[48 FR 51780, Nov. 14, 1983, as amended at 60 FR 63981, Dec. 13, 1995; 62 FR 49941, Sept. 24, 1997]

**§ 387.303 Security for the protection of the public: Minimum limits.**

(a) *Definitions.* (1) *Primary security* means public liability coverage provided by the insurance or surety company responsible for the first dollar of coverage.

(2) *Excess security* means public liability coverage above the primary security, or above any additional underlying security, up to and including the required minimum limits set forth in paragraph (b)(2) of this section.

(b)(1) Motor carriers subject to § 387.301(a)(1) are required to have security for the required minimum limits as follows:

Passenger Carriers: Kind of Equipment		Minimum limit
Vehicle seating capacity		
(i) Any vehicle with a seating capacity of 16 passengers or more .....		\$5,000,000
(ii) Any vehicle designed or used to transport more than 8 passengers (including the driver) for compensation .....		1,500,000

(2) Motor carriers subject to § 387.301(a)(2) are required to have security for the required minimum limits as follows:

Kind of equipment	Commodity transported	July 1, 1983*	July 1, 1984*
(a) Freight Vehicles of 10,001 Pounds or More GVWR.	Property (non-hazardous) .....	\$500,000	\$750,000

Kind of equipment	Commodity transported	July 1, 1983*	July 1, 1984*
(b) Freight Vehicles of 10,001 Pounds or More GVWR.	Hazardous substances, as defined in § 171.8, transported in cargo tanks, portable tanks, or hopper-type vehicles with capacities in excess of 3,500 water gallons, or in bulk Class A or B explosives, poison gas (Poison A) liquefied compressed gas or compressed gas, or highway route controlled quantity radioactive materials as defined in § 173.455.	1,000,000	5,000,000
(c) Freight Vehicles of 10,001 Pounds or More GVWR.	Oil listed in § 172.101; hazardous waste, hazardous materials and hazardous substances defined in § 171.8 and listed in § 172.101, but not mentioned in (b) above or (d) below.	500,000	1,000,000
(d) Freight Vehicles Under 10,001 Pounds GVWR.	Any quantity of Class A or B explosives; any quantity of poison gas (Poison A); or highway route controlled quantity radioactive materials as defined in § 173.455.	1,000,000	5,000,000

\*NOTE: The effective date of the current required minimum limit in § 387.303(b)(2) was January 6, 1983, in accordance with the requirements of Pub. L. 97–424, 96 Stat. 2097.

(3) Motor carriers subject to the minimum limits governed by this section, which are also subject to Department of Transportation limits requirements, are at no time required to have security for more than the required minimum limits established by the Secretary of Transportation in the applicable provisions of 49 CFR Part 387—Minimum Levels of Financial Responsibility for Motor Carriers.

(4) *Foreign motor carriers and foreign motor private carriers.* Foreign motor carriers and foreign motor private carriers (Mexican), subject to the requirements of 49 U.S.C. 13902(c) and 49 CFR part 368 regarding obtaining certificates of registration from the FMCSA, must meet our minimum financial responsibility requirements by obtaining insurance coverage, in the required amounts, for periods of 24 hours or longer, from insurance or surety companies, that meet the requirements of 49 CFR 387.315. These carriers must have available for inspection, in each vehicle operating in the United States, copies of the following documents:

- (i) The certificate of registration;
- (ii) The required insurance endorsement (Form MCS–90); and
- (iii) An insurance identification card, binder, or other document issued by an authorized insurer which specifies both the effective date and the expiration date of the insurance coverage.

Notwithstanding the provisions of § 387.301(a)(1), the filing of evidence of insurance is not required as a condition to the issuance of a certificate of registration. Further, the reference to continuous coverage at § 387.313(a)(6) and the reference to cancellation no-

tice at § 387.313(d) are not applicable to these carriers.

(c) *Motor common carriers: Cargo liability.* Security required to compensate shippers or consignees for loss or damage to property belonging to shippers or consignees and coming into the possession of motor carriers in connection with their transportation service, (1) for loss of or damage to property carried on any one motor vehicle—\$5,000, (2) for less of or damage to or aggregate of losses or damages of or to property occurring at any one time and place—\$10,000.

[47 FR 55944, Dec. 14, 1982, as amended at 48 FR 43333, Sept. 23, 1983; 48 FR 45775, Oct. 7, 1983; 48 FR 51780, Nov. 14, 1983; 49 FR 1991, Jan. 17, 1984; 49 FR 27767, July 6, 1984; 50 FR 40030, Oct. 1, 1985; 53 FR 36984, Sept. 23, 1988; 54 FR 52034, Dec. 20, 1989; 55 FR 47338, Nov. 13, 1990; 62 FR 49941, Sept. 24, 1997; 67 FR 61824, Oct. 2, 2002; 68 FR 56198, Sept. 30, 2003; 72 FR 55701, Oct. 1, 2007]

**§ 387.305 Combination vehicles.**

The following combinations will be regarded as one motor vehicle for purposes of this part, (a) a tractor and trailer or semitrailer when the tractor is engaged solely in drawing the trailer or semitrailer, and (b) a truck and trailer when both together bear a single load.

**§ 387.307 Property broker surety bond or trust fund.**

(a) *Security.* A property broker must have a surety bond or trust fund in effect for \$10,000. The FMCSA will not issue a property broker license until a surety bond or trust fund for the full limits of liability prescribed herein is in effect. The broker license shall remain valid or effective only as long as