

How Well Do You Know Your Trucking Company? 4 Checks Every Shipper Should Complete.

by Michelle Kelley - Monday, January 23, 2017



Before bringing a new hire on board, many companies conduct a background check. Some also do credit checks. After all, if you're going to put someone on your payroll, you want some reassurance that are reliable and reputable. It should be no different when contracting with a trucking company.

Perhaps you've stood on the loading dock, watching a trucker pull away with tens of thousands of dollars' worth of your merchandise. How well would you have known the trucker, or the carrier that employs him, if at all? If you rely on a 3PL or forwarder to select your carrier, how well do you know their vetting process? What checks have they done to ensure they've chosen a credible trucking company? Here are four checks you or your 3PL should be completing before hiring any motor carrier.

1. Does the carrier have a minimum of \$100,000 cargo liability insurance?

Although carriers are not required by law to have cargo liability coverage, a minimum of \$100K is the current industry standard, and for good reason. Settling a claim for freight damaged in transit is notoriously difficult when the trucking company is lacking proper coverage. Without the financial

backing of an insurance company, the carrier is responsible for making restitution to the shipper themselves. Under these circumstances, payouts will happen at a much slower pace, if at all.

To avoid getting stuck in cargo claim limbo land—which happens more often than you think—you or your 3PL partner should be confirming the carrier’s insurance status by obtaining a copy of their certificate of liability. If the carrier is hired on a regular basis, you or your 3PL should have a reminder on your calendar when the certificate’s expiration date is approaching. You’ll want to give yourself some lead time on this to ensure coverage doesn’t lapse mid-route.

2. Is the carrier operating legally?

Every motor carrier in the U.S. is required to have a national registration (or MC) number from the Department of Transportation. There are several online services, including Carrier411.com, that allow you to confirm a carrier’s operating status through this number. As fundamental as it may seem, not confirming their status could leave your company at risk in the event of an accident.

3. Does the carrier have a satisfactory safety rating?

Although many carriers have switched to [electronic logging devices](#) (ELDs) to track a driver’s hours of service, many still require their truckers to use handwritten logbooks. The Federal Motor Carrier Safety Administration (FMCSA) compiles safety ratings for carriers based on logbook inspections and violations committed on the road. These ratings are available to the public and can be a great tool for assessing a carrier’s fitness for duty.

Here are two examples of reports available on the [FMCSA’s SMS website](#) by searching under a carrier’s MC number.

– VIOLATION SUMMARY		Unsafe Driving Violations: 11	
Violations	Description	# Violations	# OOS Violations
392.2-SLLS2	State/Local Laws - Speeding 6-10 miles per hour over the speed limit	2	0
392.2C	Failure to obey traffic control device	2	0
392.2PK	Unlawfully parking and/or leaving vehicle in the roadway	2	0

– VIOLATION SUMMARY

Vehicle Maint. Violations: 31

Violations	Description	# Violations	# OOS Violations
393.45(b)(2)	Failing to secure brake hose/tubing against mechanical damage	3	0
393.47(e)	Clamp/Roto-Chamber type brake(s) out of adjustment	3	0
393.53(b)	Automatic brake adjuster CMV manufactured on or	2	0

4. Does the carrier have related companies?

This check involves investigating whether or not the carrier shares an address and phone number with another business. If they do, it may be an indication of a fraudulent business operation. If there are multiple MC numbers affiliated with the same address and phone number, the company may be trying to evade regulatory violations.

Although these checks won't eliminate all shipping risks, ensuring they are completed can improve your chances of hiring a qualified, reputable trucking company.



<http://mohawkglobal.com/global-news/how-well-do-you-know-your-trucking-company-4-checks-every-shipper-should-complete/>