

**Department of Transportation
Office of the Chief Information Officer**

**SUPPORTING STATEMENT
Financial Responsibility, Trucking and Freight Forwarding
OMB Control No. 2126-0017
Addition of the BMC-32 Form**

INTRODUCTION

The Federal Motor Carrier Safety Administration (FMCSA) requests the Office of Management and Budget's (OMB's) approval of the use of the BMC-32 form entitled, "Endorsement for Household Goods Motor Carrier Policies of Insurance for Cargo Liability Under 49 U.S.C. 13906." Previously, form BMC-32 was included as part of the collection covered by OMB under the "Financial Responsibility, Trucking and Freight Forwarding" ICR, OMB Control Number 2126-0017. The last OMB Notice of Action providing approval of use of the BMC-32 form under OMB Control Number 2126-0017 was dated February 23, 2006, with an expiration date of February 28, 2009. The "Financial Responsibility, Trucking and Freight Forwarding" ICR was renewed by OMB on May 19, 2017, without including the BMC-32 form. Therefore, FMCSA is seeking approval of revision of the ICR, now approved by OMB until May 31, 2020, in order to add the BMC-32 form for its use along with the approved use of the BMC-34, BMC-35, BMC-36, BMC-40, BMC-82, BMC-83, BMC-84, BMC-85, BMC-91, and BMC-91X forms.

Part A. Justification.

1. Circumstances that make collection of information necessary:

The Secretary of Transportation (Secretary) is authorized to register for-hire motor carriers of property and passengers under 49 U.S.C. § 13902 (see Attachment A); surface freight forwarders under 49 U.S.C. § 13903 (see Attachment B); and property brokers under 49 U.S.C. § 13904 (see Attachment C). These persons may conduct transportation services only if they are registered pursuant to 49 U.S.C. § 13901 (see Attachment D). The Secretary's authority to register these entities has been delegated to FMCSA. The operating authority registration remains valid only if the transportation entities maintain, on file with FMCSA, evidence of the required levels of financial responsibility (see Attachment A, and 49 U.S.C. § 13906 at Attachment E). The FMCSA regulations governing the minimum levels of financial responsibility are found at 49 CFR part 387 (see Attachment F).

Endorsement Form BMC-32 is attached to insured motor carriers' or freight forwarders' policies of insurance to establish continuing compliance with the statutory requirement to retain liability insurance, which terminates only when a policy is canceled.

2. How, by whom, and for what purpose is the information used:

The purpose of certificates of insurance, when filed with FMCSA, is to certify that the insurance company making the filing is providing the motor carrier or freight forwarder named thereon with liability insurance coverage in the amounts prescribed.

Endorsement Form BMC-32 sets forth the minimum limits of liability or cargo insurance coverage that an FMCSA-regulated motor carrier or freight forwarder is required to maintain. Attachment of the endorsement to the insurance policy establishes continuing compliance with statutory and regulatory requirements. The purpose of the endorsement is to hold an insurance company liable for any damages that may occur to the public (up to the limits of the policy), and to supersede any exclusions or limitations which may be contained in the insured motor carrier's or freight forwarder's policy.

3. Extent of automated information collection:

The BMC-32 is a paper form sent to the carrier by the insurance company and cannot be filed on-line. FMCSA does not require motor carriers to submit the BMC-32, therefore, automated submission is not an issue.

4. Efforts to identify duplication:

There are no similar insurance filings made with any other Federal agency or within the Department of Transportation that would result in duplication of this information.

5. Efforts to minimize the burden on small businesses:

Paperwork burdens associated with completing Form BMC-32 are minimized for small businesses because such entities merely fill in blank spaces with information about the carrier, freight forwarder or broker, and the insurer, surety or trustee. Endorsements do not create a paperwork burden for any small business. The insurance company or its agent merely executes the endorsement, attaches it to the bodily injury and property damage (BI & PD) or cargo liability insurance policy, respectively, and forwards it to the motor carrier or freight forwarder.

6. Impact of less frequent collection of information:

If this data were collected less frequently, the purpose of the applicable regulations would be defeated. The information collected is intended to establish continuing compliance with statutory financial responsibility requirements and is not collected on a periodic basis.

7. Special circumstances:

There are no special circumstances related to this information collection.

8. Compliance with 5 CFR § 1320.8:

FMCSA published a notice in the Federal Register on May 16, 2018, (83 FR 22740) with a 60-day comment period (Attachment G) announcing its intention to seek OMB renewal of this ICR. FMCSA did not receive any comments.

9. Payments or gifts to respondents:

Respondents are not provided with any payment or gift for this information collection.

10. Assurance of confidentiality:

There is no statute, regulation, or Agency policy that provides assurances of confidentiality. On the contrary, the insurance coverages and cancellations evidenced by these filings are public information regularly requested by individuals and groups.

11. Justification for collection of sensitive information:

The information requested and collected is not of a sensitive nature.

12. Estimate of annual burden hours for information requested:

According to a November 2017 Licensing & Insurance (L&I) snapshot, FMCSA estimates that 4,773 household goods carriers and household goods freight forwarders will complete Form BMC-32 on an annual basis. The Agency does not collect data on the number of BMC-32 forms completed because Form BMC-32 is not submitted to FMCSA; it is required to be on file and made available as requested. For these reasons, FMCSA bases its estimates on the number of entities that should complete this form using data derived from the L&I snapshot.

An FMCSA employee with knowledge of the program estimated that any user would be able to complete the collection in 10 minutes because all the insurance company filings are completed electronically and many fields are check boxes. As shown in Table 1, this results in an annual burden of 796 hours (4,773 respondents × 10 minutes per response).

Labor costs for the insurance companies are estimated using the mean wage for an Insurance Claims and Policy Processing Clerk in the Insurance Carriers industry (\$19.95).¹ To arrive at a loaded wage, we first estimate a load factor of 1.961 by dividing the total cost of compensation for private industry workers of the insurance carriers and related activities industry (\$32.10) by the average cost of hourly wages and salaries (\$16.37) as reported by the Bureau of Labor Statistics in its Employer Costs for Employee Compensation for March 2017.² Multiplying the

¹ Bureau of Labor Statistics. "May 2016 National Industry-Specific Occupational Employment and Wage Estimates, NAICS 524100 - Insurance Carriers." Available at https://www.bls.gov/oes/current/naics4_524100.htm. Accessed January 24, 2018.

² Bureau of Labor Statistics. "Table 10. Employer costs per hour worked for employee compensation and costs as a percentage of total compensation: private industry workers, by industry group, March 2017." <https://www.bls.gov/news.release/ecec.t10.htm>, Accessed January 24, 2018.

mean hourly wage by the load factor results in a loaded hourly wage of \$39.12. Burden hours and burden hour costs for the information collection are outlined in Table 1.

Table 1. Estimated Respondents, Responses, Burden Hours, and Burden Hour Costs for added Form BMC-32

Annual Number of Respondents (a)	Annual Number of Responses (b)	Burden Hours per Response (c)	Annual Burden Hours (b × c = d)	Loaded Hourly Wage (e)	Annual Burden Hour Cost (d × e = f)
4,773	4,773	0.167	796	\$39.12	\$31,122

Estimated Annual Burden to Respondents: **796 hours** [10 minutes/60 minutes x 4,773].

Estimated Annual Number of Respondents: **4,773 respondents**.

Estimated Annual Number of Responses: **4,773 responses**.

Table 2. Currently Approved Estimated Respondents, Responses, Burden Hours, and Burden Hour Costs

IC/Form Number	Annual Burden Hours	Annual Number of Responses	Annual Number of Respondents
IC-1, BMC-91	442	2,654	1,886
IC-2, BMC-91X	34,323	205,940	122,450
IC-3, BMC-34	1,072	6,432	4,683
IC-4, BMC-82	12	71	56
IC-5, BMC-83	7	40	27
IC-6, BMC-84	1,449	8,689	6,437
IC-7, BMC-85	975	5,847	4,320
IC-8, BMC-35	22,745	136,475	94,489
IC-9, BMC-36	582	3,489	3,274
IC-10, BMC-40	80	2	2
Total	61,687	369,639	237,624

Estimated Total Annual Burden for currently approved ICR: 61,687 hours.

Estimated Total Annual Number of Respondents for currently approved ICR: 237,624 respondents.

Estimated Total Annual Number of Responses for currently approved ICR: 369,639 responses.

Estimated Total Revised Annual Burden for this ICR: $61,687 + 796 = \underline{\underline{62,483 \text{ hours}}}$.

Estimated Total Revised Annual Number of Respondents for this ICR: $237,624 + 4,773 = \underline{\underline{242,397 \text{ respondents}}}$.

Estimated Total Revised Annual Number of Responses for this ICR: $369,639 + 4,773 = \underline{\underline{374,412 \text{ responses}}}$.

13. Estimate of Total Annual Costs to Respondents:

Approximately 4,773 BMC-32 forms will be mailed by insurance company or agent to the carrier. The costs associated with this includes an envelope and postage, which FMCSA estimates to be a combined flat cost of \$1.00. The estimated total annual cost to respondents for envelopes and postage is \$4,773.

There are no costs associated with electronic filings for the BMC-34, BMC-35, BMC-36, BMC-40, BMC-82, BMC-83, BMC-84, BMC-85, BMC-91, and BMC-91X forms. Total Estimate of Annual Costs to Respondents: **\$0**.

Estimated Revised Annual Cost to Respondents: **\$4,773** [4,773 respondents \times \$1.00] + \$0

14. Estimate of Cost to the Federal Government:

There is no additional cost from the previously approved \$19,500,000, added to the Federal government, due to the BMC-32 being added to the ICR.

15. Explanation of program changes or adjustments:

This is an information collection request seeking approval for Form BMC-32 entitled, “Endorsement for Household Goods Motor Carrier Policies of Insurance for Cargo Liability Under 49 U.S.C. 13906.” There is therefore an increase of 4,773 respondents, 796 burden hours, and \$4,773 annual burden costs as a result of adding this form to the already approved ICR. There are no costs associated with electronic filings for the forms already approved.

16. Publication of results of data collection:

The information collected is summarized and displayed in the L&I system.

17. Approval for not displaying the expiration date for OMB approval:

FMCSA is not seeking approval to not display the expiration date of OMB approval of the information collection.

18. Exception to certification statement:

There are no exceptions to the certification statement.

Attachments:

Attachment A: 49 U.S.C. § 13902
Attachment B: 49 U.S.C. § 13903
Attachment C: 49 U.S.C. § 13904
Attachment D: 49 U.S.C. § 13901

Attachment E: 49 U.S.C. § 13906

Attachment F: 49 CFR part 387

Attachment G: 60-day FR, (83 FR 22740), May 16, 2018

Attachment H: 30-day FR, (83 FR 46776) September 14, 2018