

## Chapter 680

**(Senate Bill 575)**

AN ACT concerning

**County Boards of Education – Limit on Liability**

FOR the purpose of increasing the limit on liability of a county board of education; increasing the minimum amount of liability coverage that a county board must maintain and for which the State Board of Education must establish standards; making stylistic and conforming changes; providing for the application of this Act; and generally relating to the limit on liability of a county board of education.

BY repealing and reenacting, with amendments,  
 Article – Courts and Judicial Proceedings  
 Section 5–518(b) and (c)  
 Annotated Code of Maryland  
 (2013 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,  
 Article – Education  
 Section 4–105  
 Annotated Code of Maryland  
 (2014 Replacement Volume and 2015 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
 That the Laws of Maryland read as follows:

**Article – Courts and Judicial Proceedings**

5–518.

(b) A county board of education, described under Title 4, Subtitle 1 of the Education Article, may raise the defense of sovereign immunity to any amount claimed above the limit of its insurance policy or, if self-insured or a member of a pool described under § 4–105(c)(1)(ii) of the Education Article, above **[\$100,000] \$400,000**.

(c) A county board of education may not raise the defense of sovereign immunity to any claim of **[\$100,000] \$400,000** or less.

**Article – Education**

4–105.

(a) **(1)** Each county board shall carry comprehensive liability insurance to protect the board and its agents and employees.

**(2)** The purchase of [this] insurance **IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION** is a valid educational expense.

(b) **(1)** The State Board shall establish standards for these insurance policies, including a minimum liability coverage of not less than **[\$100,000] \$400,000** for each occurrence.

**(2)** The policies purchased under this section shall meet these standards.

(c) **(1)** A county board complies with this section if it:

(i) Is individually self-insured for at least **[\$100,000] \$400,000** for each occurrence under the rules and regulations adopted by the State Insurance Commissioner; or

(ii) Pools with other public entities for the purpose of self-insuring property or casualty risks under Title 19, Subtitle 6 of the Insurance Article.

**(2)** A county board that elects to self-insure individually under this subsection periodically shall file with the State Insurance Commissioner, in writing, the terms and conditions of the self-insurance.

**(3)** The terms and conditions of this individual self-insurance:

(i) Are subject to the approval of the State Insurance Commissioner;  
and

(ii) Shall conform with the terms and conditions of comprehensive liability insurance policies available in the private market.

(d) A county board shall have the immunity from liability described under § 5-518 of the Courts and Judicial Proceedings Article.

**SECTION 2. AND BE IT FURTHER ENACTED,** That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any cause of action before the effective date of this Act.

**SECTION 3. AND BE IT FURTHER ENACTED,** That this Act shall take effect October 1, 2016.

**Enacted under Article II, § 17(c) of the Maryland Constitution, May 28, 2016.**