

SENATE BILL 575

D3, F1

6lr2135

By: **Senator Ramirez**

Introduced and read first time: February 4, 2016

Assigned to: Judicial Proceedings

Committee Report: Favorable

Senate action: Adopted

Read second time: March 8, 2016

CHAPTER _____

1 AN ACT concerning

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

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

8 BY repealing and reenacting, with amendments,
9 Article – Courts and Judicial Proceedings
10 Section 5–518(b) and (c)
11 Annotated Code of Maryland
12 (2013 Replacement Volume and 2015 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Education
15 Section 4–105
16 Annotated Code of Maryland
17 (2014 Replacement Volume and 2015 Supplement)

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

20 **Article – Courts and Judicial Proceedings**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 5-518.

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

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

8 Article – Education

9 4-105.

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

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

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

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

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

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

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

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

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

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

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

1 (d) A county board shall have the immunity from liability described under §
2 5-518 of the Courts and Judicial Proceedings Article.

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

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.