



Maryland Association for Justice, Inc.

2021 Position Paper

Education – Harford County – Liability of School Bus Contractors SB 129 – UNFAVORABLE

SB 129 would grant immunity to school bus operators for liabilities beyond the limits of their insurance coverage. Because this proposed legislation puts Harford County children and their families at significant risk for potentially thousands of dollars of medical expenses beyond the limits of liability sought to be established for school bus contractors in Harford County, the Maryland Association for Justice urges an **unfavorable** report.

The members of the Harford County School Bus Contractors Association contract with Harford County Schools to transport school-aged children in Harford County. No cargo could be more precious than school children; it is inconceivable that school bus operators would want to operate with insurance coverage that is inadequate to protect the children they transport.

In the event of a catastrophe, liability insurance would provide children and their families with coverage for needed medical care and treatment – both emergency care and long-term care – as well as compensation for injuries and other losses. If there are fatalities, liability insurance provides compensation for grieving families.

School bus contractors in Harford County currently operate with just \$1,000,000.00 in liability coverage, which they correctly concede is grossly inadequate.

The problem: the private market for excess insurance refuses to provide excess coverage because primary coverage comes from the Maryland Association of Boards of Education’s self-insurance pool. Rather than fix the problem, SB 129 limits the liability of school bus contractors to their available insurance coverage – which everyone agrees is grossly inadequate.

Limiting school bus contractors’ liability does not pay medical bills or provide long-term care. If a negligent school bus contractor’s liability is capped, the families of injured children in Harford County would be on the hook for emergency medical bills and long-term care expenses over and above the cap.

Another flaw in SB 129 is the absence of a liability floor. The Harford County School Bus Contractors Association reports that insurance coverage formerly was available in the amount of \$2 million, but that was reduced without any explanation. Without a liability floor, similar reductions in the future would leave children and their families even more exposed.

**The Maryland Association for Justice respectfully requests
a FAVORABLE report on SB 129.**