

HARFORD COUNTY SCHOOL BUS CONTRACTORS ASSOCIATION

January 20, 2021

The Honorable Paul Pinsky and Members
Senate Education Health and Environment Committee
Miller Senate Office Building
Annapolis, Maryland 21401

Re: SUPPORT SB 129 - Harford County - Liability of School Bus Contractors (Gallion)

Dear Chairman Pinsky and Members:

On behalf of the Harford County School Bus Contractors Association, I ask for your support for SB 129, which limits the liability of school bus contractors under contract with the Harford County system to the \$1million insurance coverage currently existing through the Maryland Association of Boards of Education (MABE) in any suit arising from a vehicular accident or an act or omission of an officer, director or employee of the contractor company. The limitation would not apply, however, if the act or omission was grossly negligent, reckless, willful or wanton misconduct, or intentionally tortious. We have for several years attempted to petition the County and MABE to increase our coverage, or to obtain secondary coverage and yet have been unable to do so, as outlined below.

Harford County has for decades relied upon small local contractor companies to transport the majority of its school children safely to and from school each day. We do an excellent job and take great pride in our work, as well as our safety records. Harford County Schools do own and operate a smaller number of school buses themselves, which they use to transport special needs children to and from school, on field trips, etc., oftentimes alongside contractor-owned school buses. The liability on those County-owned buses – and all buses owned by any Maryland County school board – are capped at \$400,000 by statute. (MD Code, Courts and Judicial Proceedings, § 5-518)

Under our individual contracts, we receive \$1million liability coverage through the Maryland Association of Boards of Education's insurance pool. This number was previously \$2million but was reduced to \$1million several years back. Since that time we have repeatedly asked the County to take us back to \$2million. They have told us to go find our own secondary coverage, which we have repeatedly tried to do, unsuccessfully. We have been denied time after time, and every time the insurance company's

reasoning for not considering is that the County, which provides the first \$1,000,000, is self-insured. (Several copies of such correspondence between contractors and potential secondary insurers are enclosed.)

In light of this inability to secure secondary coverage, as small businesses under contact with Harford County that provide an identical and oftentimes simultaneous service to that provided by the County, we ask that you support SB 129 to limit our liability – except of course in instances of gross negligence or reckless or tortious conduct – to the \$1million coverage supplied through MABE under our current contracts with the County.

We thank you for your consideration.

Sincerely,

Steve Nelson

Steve Nelson

Nelson Bus Company

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