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Education, Health, and
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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

January 20th, 2021

The Honorable Paul Pinsky, Chair and Members

Senate Education, Health, and Environmental Affairs Committee

Re: SB 129 – Education- Harford County – Liability of School Bus Contractors

Position: Favorable

Chairman Pinsky and EHEA Committee Members:

SB 129 is a local bill that pertains to liability insurance for Harford County School Bus Contractors. As County contractors they are currently insured through the County under the Maryland Association of Boards of Education (MABE) insurance pool. Several years ago, that coverage was reduced by the School Board from \$2 million to \$1 million coverage.

Contractors have repeatedly asked MABE to increase their cap as \$1million coverage is simply insufficient in this day and age. A number of them have been told by the school board that they need to purchase an additional contractor umbrella policy if they feel coverage beyond the \$1 million is necessary. Contractors have been told to find their own secondary coverage but no insurance company will provide secondary insurance on top of existing/underlying coverage that is self-insured.

Liability for an accident that occurs on a school board-owned bus is capped at \$1 million, while an accident on a contractor-owned bus has no such cap. If a contractor bus and county bus were traveling together and both were involved in an accident, there is no limit on a contractor's liability. To not be protected by a similar cap provision jeopardizes the entire operation of the contractor.

Thank you for your consideration regarding this proposed legislation.

A handwritten signature in blue ink that reads 'Jason Gallion'.

Jason Gallion
Senator – District 35