

HARFORD COUNTY SCHOOL BUS CONTRACTORS ASSOCIATION

January 27, 2021

The Honorable Anne Kaiser and Members

Ways and Means Committee

House Office Building

Annapolis, Maryland 21401

Re: **SUPPORT HB 54 - Harford County - Liability of School Bus Contractors (Reilly)**

Dear Chair Kaiser and Members:

On behalf of the Harford County School Bus Contractors Association, I ask for your support for HB 54, 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.

Maryland is somewhat unique in that many of its county school boards rely in great part on private school bus owner/operator companies to transport their schoolchildren every day. 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 because the school board felt that number was adequate. 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 HB 54 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

522 Chestnut Hill Road

Forest Hill, MD 21050

(410) 838-7908

-----Original Message-----

From: Patty Gangl <patty@wsmt.com>

To: 'nelsonbuscompany@verizon.net' <nelsonbuscompany@verizon.net>

Sent: Fri, Feb 7, 2020 10:55 am

Subject: Excess Liability

Debbie,

Per our conversation. This is the response that we received from our Excess / Surplus market when we approached them about Excess Liability policy for another one of our School Bus Contractors. As noted and discussed, their reasoning for not considering is that the county, who provides the first \$1,000,000, is self-insured.

If I can offer any additional assistance please let me know.

Patty Gangl, CIC

1614 E. Churchville Rd

Bel Air, MD 21015

Direct Dial

443-787-4018

F 410.803.8598

www.WSMT.com

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From: Michelle Davis

Sent: Tuesday, October 1, 2019 9:43 AM

To: 'Chris Crisera' <CCRISERA@allrisks.com>

Subject:

Good Morning, Chris – the \$1M is self-insured by the County so I won't need an indication after all.

Thank you,

Michelle Davis, CISR

Commercial Account Technician

1614 E Churchville Rd

Bel Air, MD 21015

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From: Chris Crisera <CCRISERA@allrisks.com>

Sent: Friday, September 27, 2019 4:32 PM

To: Michelle Davis <michelle@wsmt.com>

Subject:

Hi Michelle,

Is the 1st million with an insurance company that is A- V or better? If the county is self-insuring we cannot help.

Christopher Crisera, AU, RCIP

Senior Brokerage Underwriter

All Risks, Ltd.

10150 York Rd., 5th Floor

Hunt Valley, MD 21030

E/mail: ccrisera@allrisks.com

Phone:(410) 828-5810 ext. 3662

Cell: (443) 244-3975

Fax: (410) 828-8179

From: Michelle Davis <michelle@wsmt.com>

Sent: Friday, September 27, 2019 3:26 PM

To: Chris Crisera <CCRISERA@allrisks.com>

Subject:

Good Afternoon, Chris –

We have a school bus contractor that is interested in getting an indication of excess coverage at \$1,000,000, \$2,000,000 and \$3,000,000. The county currently covers the first \$1,000,000.

Is this something you can help us with? If you need further information, please let me know.

Thank you,

Michelle Davis, CISR

Commercial Account Technician

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This email is intended for the addressee shown. It contains information that is confidential and protected from disclosure. Any dissemination or use of this transmission or its contents by unintended persons is strictly prohibited. If this email relates to placement of coverage, please note that no coverage will be bound and no changes will be made without a written "Confirmation of Insurance", Binder, Endorsement or Reinstatement from our office. Coverage cannot be assumed if you do not receive one of the aforementioned notices.

-----Original Message-----

From: Paul Boone <deniselawson@comcast.net>

To: Steve Nelson <nelsonbuscompany@verizon.net>

Sent: Thu, Feb 13, 2020 2:22 pm

Subject: Fwd: OHD Transportation Services, Inc. - Excess Liability Coverage

----- Original Message -----

From: Barb Dashiell <barb@wsmt.com>

To: "deniselawson@comcast.net" <deniselawson@comcast.net>

Date: February 11, 2020 at 12:52 PM

Subject: OHD Transportation Services, Inc. - Excess Liability Coverage

Good afternoon,

Per my phone conversation with Paul, earlier today, there is no standard or surplus market for OHD Transportation to add excess liability coverage since the county is self-insured.

Thank you.

Please be advised my work schedule is Monday – Thursday 8:30 a.m. to 4:30 p.m. I am not in the office on Fridays.

Barb Dashiell, CISR

Account Manager

1614 E Churchville Rd

Bel Air, MD 21015

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From: Jeffrey Rosenkilde, CIC <Jeff@rarisk.com>

Date: Mon, Apr 4, 2016 at 12:40 PM

Subject: Umbrella over county / state insurance pool (Jean - please attach to DAVIS-7

To: davisbusinc@gmail.com <davisbusinc@gmail.com>

CC: Jean Archibald <Jean@rarisk.com>

Hi Steve:

I did some research through some legal channels I have, and also spoke with other insurance brokers who underwrite bus companies.

- 1) If you have a specific event that goes outside of the use of the bus for county / state purposes – the carrier will allow you to buy coverage – naming that specific event on the policy. i.e. – Summer Campers get picked up and transferred to a park for an overnight trip and you use the bus and the campers pay your privately.
- 2) You contract the bus for a Ravens game and the guys take up a collection and pay you.

No carrier will “go over” the county/state pool, as I suspected due to picking up all of the underlying losses of anyone who does county business.

We could go to a Lloyds syndicate for some excess liability quotes, but they may also exclude the county as underlying coverage.

Those umbrellas usually start in the 15,000-20,000 range.

My suggestion would be to review your contract and go back to the county and ask them how you are indemnified after the 1,000,000 limit is exhausted.

Thanks,

Jeffrey Rosenkilde Sr., CIC

CEO/Principal

Office: 410-833-7666 Ext. 102

Toll Free: 800-564-0169

Fax: 410-833-3564

Email: jeff@rarisk.com

Certificates: certificates@rarisk.com

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