



SCHOOL BUS CONTRACTOR LIABILITY COVERAGE SURVEY

Background: As many of you know, we have been working with our lobbyist Erin Appel for a number of years to increase the level of liability coverage for contractor-owned and operated school buses in Maryland. In the vast majority of counties, contractors are currently operating with only \$1 million in liability coverage provided by their school boards through MABE, a level of coverage that is woefully inadequate. Contractors who have attempted to obtain secondary coverage on the existing commercial market however, have been denied given that insurers refuse to provide secondary coverage on top of primary coverage that is a “group pool,” which MABE is. Essentially, contractors have been stuck in a Catch-22 of no fault of their own.

Earlier this year, Senate Chairman Paul Pinsky and Senator Jason Gallion were instrumental in convening an insurance work group headed by the Maryland Insurance Commissioner to discuss and examine the issue and look for ways to ensure adequate liability coverage for school bus contractors. As a result, in coordination with MABE, several commercial insurers approached MSBCA with the concept of developing a “Risk Purchasing Group” (RPG) to assist members in securing Excess Auto (Bus) Liability coverage. In order for them to enter the market and begin discussions around this concept, they need to obtain a few pieces of information from all MSBCA members. **To provide them with the necessary information so that they can hopefully assist contractors in developing an insurance product that provides adequate excess coverage, please answer the following survey questions:**

1. Do you currently purchase excess auto liability?
2. If yes what limit ?
 - \$1m
 - \$2m
 - \$5m
3. If yes - How much does it cost?
4. If yes - Does it include vehicles other than school buses?
 - If yes what is the fleet summary (# of buses and # of other vehicles – private passengers, trucks and etc.)
5. How many buses do you operate?
6. Would you be interested in participating in a group Excess Auto Liability program?