

BALTIMORE COUNTY PUBLIC SCHOOLS

DATE: May 8, 2007

TO: **BOARD OF EDUCATION**

FROM: Dr. Joe A. Hairston, Superintendent

SUBJECT: **BOARD OF EDUCATION POLICY 3150 – NON-INSTRUCTIONAL SERVICES: FISCAL SERVICES – BOARD INSURANCE**

ORIGINATOR: J. Robert Haines, Deputy Superintendent

RESOURCE

PERSON(S): Don Dent, Executive Director, Dept. of Planning and Support Operations Michele Prumo, Manager, Office of Risk Management

RECOMMENDATION

That the Board of Education approves **Policy 3150 – Non-Instructional Services: Fiscal Services – Board Insurance.** This is the first reading of this policy.

Attachment I - Policy Analysis

Attachment II – Policy 3150

BOARD OF EDUCATION OF BALTIMORE COUNTY
Policy Analysis for Proposed New Policy and Rule 3150:
Review of Board Insurance Policy

Statement of Issues Addressed by the Proposed Policy

Policy 3150 has not been revised since 1980. Revision was done to reflect current practice and the insurance information in the current policy was transferred to a Superintendent's Rule. The Superintendent's Rule was adjusted to reflect additional insurance coverage and insurance coverage that was obsolete was deleted.

Cost Analysis and Fiscal Impact on School System

There is no new fiscal impact on the system above what the system is now expending for liability and other insurances.

Relationship to Other Board of Education Policies

Related Policies are: Policies 7440.

Legal Requirement

Annotated Code of Maryland, Education Article, Section 6-109

Similar policies adopted by Other School Systems

All school systems have either policies or administrative procedures addressing insurance issues.

Draft of Proposed Policy and Rule (see attached)

Other Alternative Considered by Staff

No other alternatives were considered.

NON-INSTRUCTIONAL SERVICES: [Fiscal Services] RISK MANAGEMENT

Board Insurance

The Board of Education of Baltimore County shall provide adequate insurance coverage to protect the interests of the Board of Education of Baltimore County, its members and employees.

[1. Property Damage

The Board of Education shall procure and maintain fire and extended coverage insurance on all property owned, or in the care, custody, or under the control of the Board of Education in order to properly conserve the assets of the Board of Education. The principle of deductible insurance is approved and should be considered to the extent practical. Coverage shall be arranged on a replacement cost basis and in sufficient amounts.

On all new buildings and additions engineered by outside architects, the Board of Education shall require the contractor to secure and maintain, during construction and until acceptance, builders risk insurance to protect the interest of both the contractor and the Board of Education. Such insurance shall protect against perils of fire, extended coverage, vandalism and malicious damage, and any deductible shall be borne by the contractor.

2. Boiler and Machinery

The Board of Education shall procure and maintain boiler and machinery type insurance to provide inspection service and insurance coverage against damage to or resulting from explosion of boilers and other pressure vessels, and mechanical or electrical breakdown of other important machinery and electrical apparatuses and bodily injury to the public resulting from such occurrences. The principle of deductible insurance is approved and should be considered to the extent practical. The limit of liability insured shall be sufficient to protect the Board of Education from undue financial loss in the event of a catastrophic loss.

3. General Liability

The Board of Education shall procure and maintain general liability type insurance to protect the Board of Education from financial loss due to claims for damages resulting from alleged negligence by the Board of Education and any of its

employees, arising out of operations of the Board of Education, other than by use of automobiles.

Such policy shall cover the Board of Education of Baltimore County and the individual members of the Board of Education of Baltimore County while acting within the scope of their duties as such.

As respects claims against any named insured, under this policy, other named insured's or the employees of other named insured's shall be deemed to be members of the public.

The "persons insured" provision includes any employee, volunteer or student teacher while acting within the scope of his/her duties as such, but the insurance afforded such person does not apply:

- a. To bodily injury to another employee of the named insured arising out of or in the course of his/her employment.
- b. To property damage to property owned, occupied or used by, rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by (1) another employee, volunteer or student teacher of the named insured or (2) the named insured.

All such insurance shall be in limits deemed prudent and reasonable in the judgment of the Board of Education to protect the assets of the Board of Education of Baltimore County from undue financial loss in the event of a catastrophic loss.

4. Automobile Liability and Medical Payments

The Board of Education shall procure and maintain automobile liability type insurance to protect the Board of Education from financial loss resulting from claims for damages resulting from alleged negligence by the Board of Education or any of its employees and arising out of ownership, maintenance or use of all automobiles, including owned, hired, non-owned and contract-operated vehicles.

Such policies shall include as named insured the following:

- a. Board of Education of Baltimore County
- b. Any other person while using an owned automobile or a hired automobile with the permission of the named insured, provided the actual operation or (if not operating) the other actual use thereof is within the scope of such permission, but with respect to bodily injury or property damage arising out of the loading or unloading thereof, such other person shall be an insured only if:

- (1) As a lessee or borrower of the automobile, or
 - (2) An employee of the named insured or of such lessor or borrower.
- c. Any other person or organization but only with respect to liability because of act or omission of the named insured or the insured under "b" above.

The policy coverage is extended to cover as insured's, any individual who is a member of the governing board, an officer or an employee including student teachers, of the named insured, acting within the scope of their duties as such while using an automobile owned by such individuals, provided:

- a. Such automobile is being used on the business of the named insured's.
- b. Such use is either by such owner or by any other person whose actual operations or use is with such owner's permission.

Such policies shall also be extended to include coverage for all automobile dealers who lend vehicles to the named insured's for use in the driver education program, and coverage in connection with automobile repairing and test driving of non-owned automobiles in connection with the mechanics training course.

Medical payments coverage applicable to injuries to members of the public (not employees) shall be included.

5. Contract Bus Operators Automobile Liability and Medical Payments

The Board of Education shall procure and maintain automobile liability and medical payments type insurance to protect the Board of Education in the same manner as for owned automobiles; and to also protect all contract bus operators who choose to be included under such policy. Those operators who do not choose to be covered under such policy shall be required to provide the Board of Education with certificates of insurance coverage at least equal to that of the Board of Education's own coverage.

The Board of Education will provide bus insurance for contract bus operators. The coverage shall include bodily injury liability, property damage, and personal injury protection. This insurance will be in effect while said buses are:

- a. On official Board of Education of Baltimore County business transporting pupils to and from school, or school-sponsored trips, including the operation of buses to and from the regular storage or garage location.

- b. Operated for maintenance or testing purposes.
- c. Stored or parked at the regular storage or garage location.
- d. Transporting Board of Education employees when on school-sponsored activities.
- e. Used for training drivers.

Other use of these buses is not covered by this insurance nor does it include comprehensive or collision coverage.

6. Automobile Physical Damage

The Board of Education shall procure and maintain automobile physical damage insurance on all owned vehicles; and non-owned driver education vehicles as required by the dealers.

Such coverage on Board of Education owned vehicles shall be against the perils of fire, lightning, windstorm, theft and those perils known as "combined additional perils." No collision coverage shall be carried on Board of Education owned vehicles; however, collision coverage shall be carried on non-owner vehicles on loan from dealers used in the driver training program.

7. Money and Securities

The Board of Education shall procure and maintain insurance, in reasonable amounts, based on the exposure to losses at various locations, to protect against the loss of money, securities and checks by actual destruction, disappearance or wrongful abstraction from within all premises and also while off any premises.

8. Employee Surety Bonds

a. Superintendent

In compliance with the Public School Laws of Maryland, the Superintendent of Schools shall be bonded to the extent of \$50,000 to the State of Maryland. The bond shall be filed in the Office of the Clerk of the Circuit Court for Baltimore County.

b. Employees

In addition, the Board of Education shall procure and maintain a fidelity type insurance in a reasonable amount to protect the Board of Education against possible losses caused by any fraudulent or dishonest act or acts of any of its employees, acting alone or in collusion with others.

Also see policy, "Surety Bonds," Series 7000, New Construction.

Legal Reference: Annotated Code of Maryland, Education Article #6-110 Bond.]

Legal Reference: Annotated Code of Maryland:
Education Article, Section 4-105 Comprehensive Liability Insurance

Education Article, Section 4-106 Immunity of County Board
Employer

Education Article, Section 6-108 Immunity of School Employees
from
Civil Liability for Certain Actions

CAPS = indicates proposed addition
Brackets [] = indicates proposed deletion

Policy

Board of Education of Baltimore County

Adopted: 9/18/68

Revised: 6/19/80

REVISED: