

EXHIBIT

MONTGOMERY COUNTY PUBLIC SCHOOLS

Comprehensive Liability Insurance (State Law)

1. Comprehensive Liability Insurance; Defense of Sovereign Immunity.
 - (a) Comprehensive Liability Insurance – Each county board shall carry comprehensive liability insurance to protect the board and its agents and employees. The purchase of this insurance is a valid educational expense.
 - (b) Standards for policies; coverage – The State Board shall establish standards for these insurance policies, including a minimum liability coverage of not less than \$100,000 for each occurrence. The policies purchased under this section shall meet these standards.
 - (c) Self-insurance; minimum coverage
 - (1) A county board complies with this section if it is self-insured for at least \$100,000 for each occurrence under the rules and regulations adopted by the State Insurance Commissioner.
 - (2) A county board that elects to self-insure under this subsection periodically shall file with the State Insurance Commissioner, in writing, the terms and conditions of the self-insurance.
 - (3) The terms and conditions of this self-insurance:
 - (i) Are subject to the approval of the State Insurance Commissioner; and
 - (ii) Shall conform with the terms and conditions of comprehensive liability insurance policies available in the private market.
 - (d) Defense of sovereign immunity
 - (1) A county board may raise the defense of sovereign immunity to any amount claimed above the limit of its insurance policy or if self-insured, above \$100,000.

- (2) A county board may not raise the defense of sovereign immunity to any claim of \$100,000 or less.

Source: Annotated Code of the Public School Laws of Maryland, Education, Section 4-105.

2. Counsel

(a) Retention of counsel by county board – In general

- (1) Except in Baltimore County and Baltimore City, each county board may:

- (i) Retain counsel to represent it in legal matters that affect the board; and
- (ii) Contract for the payment of a reasonable fee to the counsel.

- (2) Funds for these fees shall be included in the annual budget.

(c) Payment for counsel in suits against board members – Each county board may pay all or part of the counsel fees for the defense of a county board member who is involved in litigation because of his service and in his official capacity on that board. These payments are a valid educational expense.

(d) Counsel to be provided in suits against teachers and other board agents and employees.

- (1) In any suit or claim brought against a principal, teacher, school security guard, or other agent or employee of a county board by a parent or other claimant with respect to an action taken by the agent or employee, the board shall provide for counsel for that individual if:

- (i) The action was taken in the performance of his duties, within the scope of his employment, and without malice; and
- (ii) The board determines that he was acting within his authorized official capacity in the incident.

- (2) The counsel required by this section may be provided through the office of the county attorney or city solicitor.
- (3) This subsection does not require a county board to provide or reimburse the cost of counsel to a plaintiff or claimant in a suit or claim against a county board or its members, agents, or employees.

Source: The Public School Laws of Maryland, Section 4-104.

MCPS Exhibit History: January 1983; revised April 1988.