Uninsured/Underinsured Motorist, Personal Injury Protection, Medical Payments Coverages

Several Risk Pools will not provide any of these coverages because of a 1975 Attorney General opinion H-602, which states that, the purchase of these coverages "…with local district maintenance funds would be unconstitutional." "Such coverage does not in any way meet any obligation of the school district created by the Tort Claims Act."

Liability to Passengers

If the district or its driver is negligent, passengers are eligible for recovery under the Liability portion of the Auto policy. Insurance is available and will pay up to the limits set forth by the Texas Tort Claims Act - $100,000 per person and $300,000 per occurrence. Note: the driver is also protected by the policy (if employees are shown as insureds). HB 383, September 1, 1995, established that a school district employee (including its elected officials) is not personally liable for damages in excess of $100,000. I recommend that a district purchase a minimum of $500,000 Combined Single Limit ($300,000 Bodily Injury + $100,000 Property Damage + $100,000 Employee).

Uninsured/Underinsured Motorist

This coverage affords protection to drivers and passengers if the other driver is at fault and carries Liability limits less than those purchased by the District. In addition to AG ruling, this coverage duplicates Workers Compensation coverage for employees that are passengers. Because attorney fees are now limited for Workers Compensation, it has become popular to claim injuries under Uninsured Motorist coverage. If you do purchase this coverage it is not needed for trailers.

Personal Injury Protection

Coverage is provided to passengers for medical expense reimbursement and loss of income regardless of fault. Again, this duplicates Workers Compensation for employees, and children passengers have no income. Our advice is to never purchase this coverage.

Medical Payments

A Board might want take care of basic medical expenses for students injured in bus accidents. We have investigated purchasing coverage from the insurance company providing the student accident insurance, but the costs so far have been way too high. Some Boards elect to self-insure this exposure, establishing a board policy with a maximum expense limit of $500 or $1,000 per child – even though the practice is contrary to the AG opinion.

State Requirements

Many times these coverages were added when the State of Texas required that all Auto policies include UM and PIP…unless rejected in writing by the insured. If you are now purchasing any of these coverages, be sure to analyze the premium costs.