



STATE FISCAL ACCOUNTABILITY AUTHORITY

INSURANCE RESERVE FUND
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School Bus Policy

Policy No. GSL001
(07-01-2001)

In return for the payment of the premium and subject to all the terms of this policy, **we** agree with **you** as follows:

PART I - WORDS AND PHRASES WITH SPECIAL MEANING - READ THEM CAREFULLY

The following words and phrases have special meaning throughout this policy and appear in **boldface type** when used:

- A. "**You**" and "**your**" mean the organization shown on the certificate of insurance.
- B. "**We**", "**us**" and "**our**" mean the **State Fiscal Accountability Authority, Insurance Reserve Fund** providing the insurance.
- C. "**Accident**" includes continuous or repeated exposure to the same conditions resulting in **bodily injury** or **property damage** the **insured** neither expected nor intended.
- D. "**Auto**" means a school bus.
- E. "**Bodily Injury**" means bodily injury, sickness or disease including death resulting from any of these.
- F. "**Insured**" means any person or organization qualifying as an insured in the WHO IS INSURED section of the applicable insurance. Except with respect to **our** limit of liability, the insurance afforded applies separately to each insured who is seeking coverage or against whom a claim is made or suit is brought.
- G. "**Loss**" means direct and accidental damage or loss.
- H. "**Property damage**" means damage to or loss of use of tangible property.

PART II - WHICH AUTOS ARE COVERED AUTOS

All autos (school buses) which are owned, acquired, borrowed, or leased by the South Carolina Department of Education during the policy period are covered.

PART III - WHERE AND WHEN THIS POLICY COVERS

We cover **accidents** or **losses** which occur during the policy period in the United States of America.

PART IV - LIABILITY INSURANCE

A. WE WILL PAY

- 1. **We** will pay all sums the **insured** legally must pay as damages because of **bodily injury** or **property damage** to which this insurance applies, caused by an **accident** and resulting from the ownership, maintenance or use of a covered **auto**.

- 2. **We** have the right and duty to defend any suit asking for these damages. However, **we** have no duty to defend suits for **bodily injury** or **property damage** not covered by this policy. **We** may investigate and settle any claim or suit as **we** consider appropriate. **Our** payment of the LIABILITY INSURANCE limit ends **our** duty to defend or settle.
- 3. **We** will reduce any payment which the **insured** must legally pay as damages to any lawful occupant of a school bus by an amount equal to any payments made under Part V of this policy.

B. WE WILL ALSO PAY

In addition to **our** limit of liability, **we** will pay for the **insured**:

- 1. Up to \$250 for cost of all bail bonds (including bonds for related traffic law violations) required because of an **accident we** cover. **We** do not have to furnish these bonds.
- 2. Premiums on appeal bonds in any suit **we** defend.
- 3. Premiums on bonds to release attachments in a suit **we** defend but only for bonds up to **our** limit of liability.
- 4. All costs taxed to the **insured** in a suit **we** defend.
- 5. All interest accruing after the entry of the judgment in a suit **we** defend. **Our** duty to pay interest ends when **we** pay or tender **our** limit of liability.
- 6. Other reasonable expenses incurred at **our** request.

C. WE WILL NOT COVER - EXCLUSIONS

This insurance does not apply to:

- 1. Liability assumed under any contract or agreement.
- 2. Any obligation for which the **insured** or his or her insurer may be held liable under any workers' compensation or disability benefits law or under any similar law.
- 3. Any obligation of the **insured** to indemnify another for damages resulting from **bodily injury** to the **insured's** employee.
- 4. **Bodily injury** to any fellow employee of the **insured** arising out of and in the course of his or her employment.
- 5. **Bodily injury** to any employee of the **insured** arising out of and in the course of his or her employment by the **insured**.

6. **Property damage** to property owned or transported by the **insured** or in the **insured's** care, custody or control.
7. **Bodily injury** or **property damage** resulting from the handling of property;
 - a. Before it is moved from the place where it is accepted by the **insured** for movement into or onto the covered **auto**, or
 - b. After it is moved from the covered **auto** to the place where it is finally delivered by the **insured**.
8. **Bodily injury** or **property damage** resulting from the movement of property by a mechanical device (other than a hand truck) not attached to the covered **auto**.
9. **Bodily injury** or **property damage** caused by the dumping, discharge or escape of irritants, pollutants or contaminants. This exclusion does not apply if the discharge is sudden and accidental.

D. WHO IS INSURED

1. **You** are an **insured** for any covered **auto**.
2. Anyone else is an **insured** while using with your permission a covered **auto you** own, hire or borrow except:
 - a. Someone using a covered **auto** while he or she is working in a business of selling, servicing, repairing or parking **autos**.
 - b. Anyone other than **your** employees, a lessee or borrower or any of their employees, while moving property to or from a covered **auto**.
3. Anyone liable for the conduct of an **insured** described above is an **insured** but only to the extent of that liability. However, the owner or anyone else from whom **you** hire or borrow a covered **auto is an insured** only if that **auto is a trailer** connected to a covered **auto you** own.

E. OUR LIMIT OF LIABILITY

1. Regardless of the number of covered **autos, insureds**, claims made or vehicles involved in the **accident**, the most **we** will pay for all damages resulting from any one **accident** is \$600,000 for all bodily injury liability and property damage liability combined per accident.
2. All **bodily injury** and **property damage** resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one **accident**.

F. OUT OF STATE EXTENSIONS OF COVERAGE

1. While a covered **auto** is away from the state where it is licensed we will:
 - a. Increase this policy's liability limits to meet those specified by a compulsory or financial responsibility law in the jurisdiction where the covered **auto** is being used.
 - b. Provide the minimum amounts and types of other coverages, such as "No-Fault", required of out of state vehicles by the jurisdiction where the covered **auto** is being used.
2. **We** will not pay anyone more than once for the same elements of loss because of these extensions.

PART V - MEDICAL PAYMENTS AND ACCIDENTAL DEATH BENEFITS

A. WE WILL PAY

1. For the lawful occupant of any school bus covered by this policy who suffers bodily injuries or death, a death benefit of \$50,000.00.
2. For the lawful occupant of any school bus covered by this policy who suffers bodily injuries, benefits in accordance with the following schedule:
 - a. For the loss of both hands or both feet, or sight of both eyes, \$50,000.00
 - b. For the loss of one hand and one foot, \$30,000.00
 - c. For the loss of either hand or foot and sight of one eye, \$30,000.00
 - d. For the loss of either hand, or foot, or sight of one eye, \$30,000.00

B. WE WILL ALSO PAY

1. For the lawful occupant of any school bus covered by this policy who suffers bodily injuries, an amount sufficient to defray the cost of hospitalization, surgery, dentistry, medicine and all other medical expenses up to \$3,000.00
2. In addition, for the lawful occupant of any school bus covered by this policy who suffers bodily injuries and incurs medical expenses in excess of \$3,000.00, **we** will pay an amount sufficient to defray expenses up to an additional \$50,000.00. However, **we** will not pay any amount for medical expense in excess of \$3,000.00 when other insurance benefits or workers' compensation is available to pay such costs or where no charge is made for treatment. Whoever shall file a claim for payment of medical expense in excess of \$3,000.00 shall at the same time file an affidavit swearing under oath that the requested claim is not covered by other insurance benefits or workers' compensation.

- C. The benefits provided under parts **V A** and **V B** above shall exist without regard to fault or negligence. The benefits shall cover any accident which occurs:

1. While getting on a school bus,
2. While riding within a school bus,
3. While being thrown from within a school bus,
4. While getting off a school bus,
5. By being run down, struck, or run over while crossing a public highway while approaching or leaving a school bus at the point of loading or unloading, or
6. By being run down, struck, or run over by any moving vehicle while en route between home and the point of loading or en route between the point of unloading and home.

PART VI - UNINSURED MOTORIST

A. WE WILL PAY

We will pay in accordance with the South Carolina Uninsured Motorists Law all sums the **insured** is legally entitled to recover as damages from the owner or driver of an **uninsured motor vehicle**.

The damages must result from **bodily injury** sustained by an **insured** or **property damage** caused by an **accident**. The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the **uninsured motor vehicle**.

B. WHO IS AN INSURED

1. **You**, the organization shown on the certificate of insurance.
2. Anyone else "occupying" a covered **auto** or a temporary substitute for a covered **auto**. The covered **auto** must be out of service because of its breakdown, repair, servicing, loss or destruction.
3. Anyone for damages he or she is entitled to recover because of **bodily injury** sustained by another **insured**.

C. EXCLUSIONS

This coverage does not apply to any of the following:

1. Any claim settled without our consent.
2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
3. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
4. The first \$200 of the amount of **property damage** to the property of each **insured** as the result of any one **accident**.
5. That part of **property damage** for which an **insured** has been compensated by insurance or otherwise.

D. OUR LIMIT OF LIABILITY

1. Regardless of the number of covered **autos**, **insureds**, claims made or vehicles involved in the **accident**, the most **we** will pay for all damages resulting from any one **accident** is the limit of UNINSURED MOTORISTS INSURANCE shown in the Declarations.
2. The maximum recovery under this uninsured motorists coverage shall not exceed the limit of coverage for any one covered **auto**. Coverage on any other **autos** under this policy or under any other applicable policies shall not be added or stacked.
3. Any amount payable under this insurance shall be reduced by:
 - a. All sums paid or payable under any workers' compensation, disability benefits or similar law, and
 - b. All sums paid by or for anyone who is legally responsible, including all sums paid under the policy's LIABILITY INSURANCE.
4. Any amount paid under this insurance will reduce any amount an **insured** may be paid under the policy's LIABILITY INSURANCE.
5. No one will be entitled to receive duplicate payments for the same elements of loss.

E. CHANGES IN CONDITIONS

The CONDITIONS of the policy are changed for UNINSURED MOTORISTS INSURANCE as follows:

1. OTHER INSURANCE is replaced by the following:
 - a. Where an **insured** sustains **bodily injury** while **occupying** a covered **auto**, this policy provides primary uninsured motorists coverage.
 - b. Where an **insured** sustains **bodily injury** while not **occupying** a covered **auto**, this policy provides no uninsured motorists coverage, unless there is no other collectible uninsured motorists coverage.
 - c. The maximum recovery under this uninsured motorists coverage shall not exceed the limit of coverage for any one covered **auto**. Coverage on any other **autos** under this policy or under any other applicable policies shall not be added or stacked.
 - d. For **property damage**, this insurance is excess to all collectible insurance of any kind.
2. YOUR DUTIES AFTER ACCIDENT OR LOSS are changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved, and
 - b. Promptly send us copies of the legal papers if a suit is brought.
3. OUR RIGHT TO RECOVER FROM OTHERS is changed by adding the following:
 - a. If the **insured** has prosecuted to judgment any suit against anyone responsible **we** will be entitled to any assignment of the judgment to the extent of payment under this insurance.
 - b. **We** will pay **our** proportionate part of any reasonable costs and expenses incurred for any recovery, including reasonable attorney's fees. However, **we** reserve the right to retain an attorney of **our** choice to pursue a claim instead of reasonable attorney's fees.
 - c. If an **insured** making a claim for **property damage** under this insurance is also entitled to insurance or other compensation for the **property damage we** will not be obligated to pay the claim until the **insured** has assigned **us** the rights to the compensation, to the extent of payment under this insurance.
 - d. If **we** make any payment and the **insured** recovers from another party, the **insured** shall hold the proceeds in trust for **us** and pay **us** back in the amount **we** have paid.
4. The following Condition is added:

CONFORMITY TO STATUTE

This endorsement is intended to be in full conformity with the South Carolina Uninsured Motorists Law. If any provision of this endorsement conflicts with that law, it is changed to comply with the law.

F. ADDITIONAL DEFINITIONS

The following are added to the DEFINITIONS Section:

1. **Family member** means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. **Occupying** means in, upon, getting in, on, out or off.
3. **Property damage** means injury to or destruction of the property of an **insured**.
4. **Uninsured motor vehicle** means a land motor vehicle or trailer:
 - a. For which neither a liability bond or policy nor cash or securities deposited with the State Treasurer provides at least the amounts required by the South Carolina Motor Vehicle Financial Responsibility Act;
 - b. That is a hit-and-run vehicle whose operator or owner cannot be identified and that hits or that causes an **accident** resulting in **bodily injury** or **property damage** without hitting your covered **auto**. The facts of the **accident** must be corroborated by competent evidence of an eyewitness other than the owner or operator of the covered auto. The eyewitness must sign an affidavit attesting to the truth of the facts of the **accident** contained in the affidavit.
 - c. For which an insuring or bonding company successfully denies coverage, is or becomes insolvent, is in delinquency proceedings, suspension or receivership, or is proven unable to respond to a judgment.

However, **uninsured motor vehicle** does not include any vehicle:

- a. Owned by any governmental unit or agency unless a cause of action against that governmental unit or agency is barred by the South Carolina Tort Claims Act, S. C. Code Ann. § 15-78-10, et seq., or by other applicable statute.
- b. Designed for use mainly off public roads while not on public roads.

PART VII - CONDITIONS

The insurance provided by this policy is subject to the following conditions:

A. YOUR DUTIES AFTER ACCIDENT OR LOSS

1. **You** must promptly notify **us** or **our** agent of any **accident** or **loss**. You must tell **us** how, when and where the **accident** or **loss** happened. **You** must assist in obtaining the names and addresses of any injured persons and witnesses.
2. Additionally, **you** and other involved **insureds** must:
 - a. Cooperate with **us** in the investigation, settlement or defense of any claim or suit. No **insured** shall, except at his or her own cost, voluntarily make any payment, assume any obligation to incur any expense.
 - b. Immediately send **us** copies of any notices or legal papers received in connection with the **accident** or **loss**.
 - c. Submit at **our** expense and as often as **we** require to physical examinations by physicians **we** select.

- d. Authorize **us** to obtain medical reports and other pertinent medical information.
3. Additionally, to recover for **loss** to a covered **auto** or its equipment **you** must do the following:
 - a. Permit **us** to inspect and appraise the damaged property before its repair or disposition.
 - b. Do what is reasonably necessary after **loss** at our expense to protect the covered **auto** from further **loss**.
 - c. Submit a proof of **loss** when required by **us**.
 - d. Promptly notify the police if the covered **auto** or any of its equipment is stolen.

B. OTHER INSURANCE

1. For any covered **auto you** own this policy provides primary insurance. For any covered **auto you** don't own, the insurance provided by this policy is excess over any other collectible insurance. However, while a covered **auto** which is a **trailer** is connected to another vehicle the liability coverage this policy provides for the **trailer**:
 - a. Is excess while it is connected to a motor vehicle **you** don't own.
 - b. Is primary while it is connected to a covered **auto you** own.
2. When two or more policies cover the same basis, either excess or primary, **we** will pay only **our** share. Our share is the proportion that the limit of **our** policy bears to the total of the limits of all the policies covering on the same basis.

C. OUR RIGHT TO RECOVER FROM OTHERS

If **we** make any payment, **we** are entitled to recover what **we** paid from other parties. Any person to or for whom **we** make payment must transfer to **us** his or her rights of recovery against any other party. This person must do everything necessary to secure these rights and must do nothing that would jeopardize them.

D. LEGAL ACTION AGAINST US

No legal action may be brought against **us** until there has been full compliance with all the terms of the policy. In addition, under LIABILITY INSURANCE, no legal action may be brought against **us** until **we** agree in writing that the **insured** has an obligation to pay or until the amount of that obligation has been finally determined by judgment after trial. No person or organization has any right under this policy to bring **us** into any action to determine the liability of the **insured**.

E. INSPECTION

At **our** option **we** may inspect **your** property and operations at any time. These inspections are for **our** benefit only. By **our** right to inspect or by **our** making any inspection **we** make no representation that **your** property or operations are **safe**, nor harmful to health or comply with any law, rule or regulation.

F. CHANGES

This policy contains all the agreements between **you** and **us**. Its terms may not be changed or waived except by endorsement issued by **us**. If a change requires a premium adjustment, **we** will adjust the premium as of the effective date of change. If **we** revise this policy form to provide more coverage without additional premium charge **your** policy will automatically provide the additional coverages as of the day the revision is **effective**.

G. **TRANSFER OF YOUR INTEREST IN THIS POLICY**

Your rights and duties under this policy may not be assigned without **our** written consent.

H. **TWO OR MORE POLICIES ISSUED BY US**

If this policy and any other policy issued to **you** by **us**

applies to the same **accident**, the aggregate maximum limit of liability under all the policies shall not exceed the highest applicable limit of liability under any one policy. This condition does not apply to any policy issued by **us** or an affiliated company specifically to apply as excess insurance over this policy.

INSURANCE RESERVE FUND

By



Director

