

HB 546 -- TEACHER RISK MANAGEMENT FUND

SPONSOR: Richey

This bill creates the "Missouri Public School Teacher Risk Management Fund". All teachers in Missouri have the option of participating in the fund and making annual contributions in an amount determined by the Board. The fund will have the same effect as a self-insurance plan.

The fund will be used for:

(1) The payment and settlement of claims, including tort claims against a participating teacher, for which coverage has been obtained by any participating teacher; and

(2) Attorney's fees and expenses incurred in the settlement and defense of such participating teacher.

The Board will negotiate the settlement and provide the defense for any participating teacher with a covered claim and make the final determination on any settlement that requires payment from the fund. If a participating teacher does not make his or her yearly contribution to the fund, the Board shall not be responsible for negotiating the settlement of any claim or making any payments that occur in that year. Any teacher who discontinues participation in the fund shall not be able to participate in the fund for a period of three years from the date participation terminated. The maximum amount that may be paid from the fund for the payment and settlement of claims arising out of any single occurrence is \$2 million.

The fund cannot be used for:

(1) Worker's compensation claims;

(2) Fines imposed for violation of any civil or criminal statute, administrative regulation, or county or municipal ordinance;

(3) Attorney's fees and expenses incurred in the defense of charges that criminal statutes or county or municipal ordinances were violated;

(4) Claims against any participating teacher that were brought by or rendered in favor of any participating teacher acting in an official capacity; or

(5) Claims against a participating teachers who fail to cooperate with the individuals or entities conducting any investigation and preparing any defense.

All staff for the Missouri Public School Teacher Risk Management Fund is provided by the Office of Administration except otherwise specifically determined by the Board. The Fund must reimburse the Office of Administration for all costs of providing staff. The State can not be liable in any way for claims made against the fund or its participating teachers.

The bill establishes a board of trustees of the Missouri Public School Teacher Risk Management Fund, which consists of the Attorney General, the Commissioner of Administration, and four members appointed by the Governor with the consent of the Senate. No more than two members appointed by the Governor can be of the same political party.

The Board will have the rule making authority for the Fund and will determine what coverages will be offered. The Board can subpoena witnesses or obtain records when necessary for the performance of the Board's duties. The Board can use moneys from the Fund to purchase one or more policies of insurance or reinsurance to cover the liability of participating teachers. The Board can also use moneys from the fund to assist participating teachers in assessing and reducing the risk of liabilities that may be covered by the Fund. If contributions to the fund are not sufficient to pay claims that are due, the board has the authority to assess, and each participating teacher must pay, additional amounts in each participating teacher's proportionate share of the total claims due.

A statement covering the operations of the Fund shall be delivered to the Governor annually, on July 1st, and made available to public entities.