



Risk Management Pools

REQUEST FOR COVERAGE – LEASED SCHOOL BUSES

OPERATION OF LEASED SCHOOL BUSES

Counties may have occasion to lease buses from local school boards for the purposes of providing transportation in certain situations. This policy defines the authorized uses and coverages provided by the NCACC Risk Management Pools for those situations.

Statutory Authority

According to N.C. General Statutes § 115C-242 and § 115C-243, public school buses (hereafter referred to as "yellow buses") may only be used for specific purposes, including:

1. Transporting students for specifically defined purposes;
2. Transportation for the elderly;
3. Emergency management purposes.

The statutes clearly state that yellow buses may only be operated in the county or counties where the local board of education is located, and any counties contiguous to that county or counties. In no event may yellow buses be operated outside of the State of North Carolina.

N.C. General Statute § 115C-247 authorizes the purchase and use of school buses for the purposes of transporting students to and from athletic events and other local school activity purposes (hereafter referred to as "activity buses.") Activity buses may also be used for transportation of the elderly.

N.C. General Statute § 160A-274 permits one unit of local government to lease property to another unit of local government. Counties and county-related entities are therefore permitted to lease buses from local school boards as authorized by the N.C. General Statutes. An Advisory Attorney General's opinion affirmed that this is not in violation of the provisions of the Umstead Act.

Liability & Property Coverage Provided

A member of the Liability & Property Pool may request coverage for the operation of a leased school bus, provided the use is authorized by the N.C. General Statutes. For coverage to be provided, the member must request coverage in writing, outlining the vehicle to be leased, as well as the purpose and duration of the lease.

If approved in advance by the Pool's underwriter, the following coverage will be provided. An additional premium may be charged for this additional coverage.

1. Liability coverage up to the limits purchased by the member.
2. Physical damage coverage will be provided, as long as the vehicle is specifically reported at the time coverage is requested.

Workers' Compensation

If a driver is provided with the vehicle, Workers' Compensation coverage will not be provided. The driver is considered an independent contractor, and any applicable coverage should be provided by the driver's employer. If the driver is an employee or a volunteer of a county or county-related entity who is a member of the NCACC Workers' Compensation Pool, coverage will be provided under the terms of the Pool's coverage document.

REQUEST FOR COVERAGE

COUNTY: _____

DESCRIPTION OF VEHICLE: _____
 Year, Manufacturer, ID#

IS A WRITTEN LEASE AGREEMENT IN EFFECT? ☐ YES ☐ NO IF YES, ATTACH COPY.

WHO WILL OPERATE THE VEHICLE? _____

RELATIONSHIP TO COUNTY _____

IF NOT A COUNTY EMPLOYEE/VOLUNTEER, HAS WORKERS' COMPENSATION COVERAGE BEEN VERIFIED? ☐ YES
☐ NO

EXPECTED PERIOD OF USE: FROM _____ TO _____

SIGNED _____ DATE _____

TITLE _____