

1 AN ACT relating to the Educators Employment Liability Insurance Program,
2 making an appropriation therefor, and declaring an emergency.

3 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

4 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 161 IS CREATED TO
5 READ AS FOLLOWS:

6 *(1) The Educators Employment Liability Insurance Program is hereby established in*
7 *the Kentucky Department of Education for the purpose of providing educators*
8 *employment liability insurance to protect all certified employees of Kentucky*
9 *public schools from liability.*

10 *(2) Not later than July 1, 2019, the department shall contract with an insurance*
11 *agency, broker, company, or third-party administrator to provide liability*
12 *coverage up to the amount of two million dollars (\$2,000,000) for each certified*
13 *employee. The department shall notify each certified employee that the coverage*
14 *has been provided.*

15 *(3) The purchase of liability insurance under this section shall not constitute a*
16 *waiver of any immunity or defense the insured may now or in the future assert*
17 *under state or federal law, regulation, or rule.*

18 *(4) The Kentucky Board of Education shall promulgate administrative regulations in*
19 *accordance with KRS Chapter 13A to implement the insurance program under*
20 *this section.*

21 *(5) (a) The Educators Employment Liability Insurance Program trust fund is*
22 *hereby created as a trust fund in the State Treasury to be administered by*
23 *the Kentucky Department of Education for the purpose of providing*
24 *educators employment liability insurance to certified employees as described*
25 *in this section.*

26 *(b) The trust fund shall consist of state general fund appropriations, gifts and*
27 *grants from public and private sources, and federal funds. All moneys*

1 included in the fund shall be appropriated for the purposes set forth in this
2 section.

3 (c) Any unallotted or unencumbered balances in the trust fund shall be invested
4 as provided in KRS 42.500(9). Income earned from the investments shall be
5 credited to the trust fund.

6 (d) Notwithstanding KRS 45.229, any fund balance at the close of the fiscal
7 year shall not lapse but shall be carried forward to the next fiscal year and
8 continuously appropriated only for the purposes specified in this section.

9 →Section 2. There is hereby transferred General Fund moneys in the amount of
10 seven million dollars (\$7,000,000) in fiscal year 2019-2020 from the Budget Reserve
11 Trust Fund Account (KRS 48.705) to the Educators Employment Liability Insurance
12 Program trust fund.

13 →Section 3. Whereas the program established by this Act will be implemented on
14 July 1, 2019, an emergency is declared to exist, and this Act takes effect upon its passage
15 and approval by the Governor or upon its otherwise becoming a law.