



November 22, 2021

Honourable Adriana LaGrange
Minister of Education
228 Legislature Building
10800 - 97 Avenue
Edmonton, AB T5K 2B6

Honourable Travis Toews
President of Treasury Board
and Minister of Finance
208 Legislature Building
10800 - 97 Avenue
Edmonton, AB T5K 2B6

Honourable Rajan Sawhney
Minister of Transportation
132 Legislature Building
10800 - 97 Avenue
Edmonton, AB T5K 2B6

Dear Honourable Ministers:

RE: Insurance Rate Impacts on Contract School Bus Operators

As trustees for the 37 school divisions that are members of the Alberta Risk Managed Insurance Consortium (ARMIC) Board, we wish to express our urgent concerns to the Alberta Government regarding the serious financial challenges facing our contract bus operators (CBOs) in trying to secure sufficient insurance coverage at a reasonable premium rate.

The insurance market continues to be very challenging, with only a few insurance companies writing CBO insurance in the province of Alberta. Several companies have either left the marketplace or are not willing to take on risk with public school transportation, and those still offering bus insurance are not willing to provide sufficient liability coverage.

In 2020-2021, CBOs experienced an increase of over 300% with premium rates of \$4,300 per bus, and the 2021-2022 insurance premiums for contracted bus operators will be \$6,523 per bus, with a \$10,000 deductible. This has resulted in CBOs cancelling contracts and some routes not being operational, impacting equitable and safe access to education for a number of children.

This is the second year of significant increases to insurance premiums, and it is having a severe impact on school bus operations. The current environment, riddled with increased legislative requirements, has led to the acute driver shortages we are experiencing throughout the province. The compounded negative impact of insurance cost increases has been dire, with school boards being required to run deficits in transportation, which takes money away from students in the classroom. To cut costs, school divisions are extending school bus routes, resulting in longer ride times for students.

We are encouraged by the Alberta Government's announcement on October 27, 2021, regarding the proposed *Captive Insurance Companies Act* legislation, which would expand insurance options in Alberta to help address lack of availability and high prices. We agree that this is an important step, not only to attract businesses and insurance capacity to the province, but to help sustain economic activity and local jobs, especially in Alberta's smaller and rural areas.

On behalf of the undersigned School Boards, we respectfully request that this urgent matter be taken into consideration when determining the 2022-2023 Alberta Education Transportation funding model, as school boards cannot sustain the continued use of reserves to support CBO insurance premium increases.

Honourable Ministers, we are looking to your inspired leadership in ensuring school boards across the province are able to provide our children fair and equitable access to education by making school bus operations affordable and sustainable in both the immediate and long term.

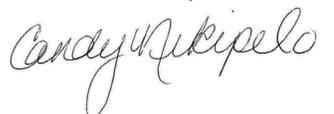
Your actions will demonstrate unequivocally that we truly value our long-serving small and medium CBOs, who typically serve the communities they live in, and have built familiar and caring, often lifelong relationships with the students they transport and their families. These relationships are part and parcel of the Alberta Advantage, and critical to our post-pandemic recovery efforts.

We look forward to your response.

Sincerely,



Devonna Klaassen, Chair
Black Gold School Division



Candy Nikipelo, Chair
Aspen View Public Schools Board



Karen Packard, Chair
Northern Lights Public Schools



Barb Maddigan, Chair
Northern Gateway Public Schools



Holly Bilton, Chair
Chinook's Edge School Division



Heather Starosielski, Chair
St. Paul Education



Guy Neitz, Chair
Clearview Public Schools



Lorraine Stewart, Chair
Parkland School Division Board

Cc: Deputy Minister, Education, Andre Tremblay
Deputy Minister, Treasury Board and Finance, Athana Mentzelopoulos
Deputy Minister, Transportation, Rae-Ann Lajeunesse
ARMIC Executive, Chair Scott McFayden
Black Gold Bus Contractors Association, President Trish Forster
Alberta School Boards Association
Board Chairs of Public, Separate, Francophone and Charter School Authorities
Honourable Nathan Cooper, MLA for Olds-Didsbury-Three Hills
Honourable Jason Nixon, MLA for Rimbey - Rocky Mountain House - Sundre
Honourable Nate Horner, MLA for Drumheller-Stettler
Honourable Rick Wilson, MLA for Maskwacis-Wetaskiwin
MLAs Brad Rutherford, Mark Smith, David Hansen, Glenn Van Dijken, Shane Getson,
Searle Turton, Devin Dreesen, Jackie Armstrong-Homeniuk, Todd Loewen, Martin
Long