



Insurance Information

For Family Child Care Providers

Handout #12

Healthy Children, Strong Families, Caring Communities

The Law Offers You a Choice

All licensed family child care homes are required either to:

- 1) Carry liability insurance
- 2) Carry a bond
- 3) Have all parents sign an affidavit

The Options

A family child care home operator may choose one of the following options:

- **Option 1:** Liability insurance that covers \$100,000 per incident/occurrence, and a minimum of \$300,000 annually or;
- **Option 2:** A bond that covers a minimum of \$300,000 or;
- **Option 3:** Signed affidavits (declarations) from all parents in your program stating that they are aware that you do not choose to have insurance. Sample affidavit forms are available from the Department of Social Services (LIC 282). However, because parents cannot waive the rights of their children, the affidavit merely informs parents that you carry no insurance, and ultimately, parents can still hold you liable and sue you for damages.

Insurance

Your homeowner's or renter's insurance will not cover your business venture unless you purchase additional coverage for your child care program. Plans are available specifically for family child care programs that cover a variety of items, such as:

- **Fire/Theft & Damage:** Insurance protects your property.
- **Liability Insurance:** Protects you and your family should an accident occur and covers medical and legal costs.

Contact your insurance provider for complete information.



Definitions

- **General Liability Insurance:** Covers accidental injuries where the provider is found negligent. Comprehensive general liability insurance includes bodily injury, damage to property, medical emergencies and legal costs.
- **Personal Liability:** Covers issues pertaining to custody, child abuse, slander, or invasion of privacy.
- **Fire Legal Liability:** Covers fire damage to your home and grounds.
- **Property Insurance:** Covers damage to your home and may offer cash value replacement.

Insurance rates vary. It is best to check with several insurance companies and learn their conditions and exclusions.

Resources

National Child Care Information Center

800/616-2242

www.nccic.org

To receive information about insurance programs, you can request a packet to be mailed to you.

California Department of Insurance Consumer Hotline

800/927-4357

The California Department of Insurance Consumer Hotline handles complaints, issues licenses to insurance companies and ensures that insurance companies abide by the laws.

Liability Insurance for Family Child Care Homes and Centers

Child care is a business enterprise and providers and centers are responsible for the supervision of children in care at all times and for the appropriate handling of any emergency. Liability insurance is a standard business consideration. Homeowner or renter insurance on the provider's home does not cover the family child care business. In addition, if the provider rents his/her home, it is important that the property owner also be listed on the family child care business liability policy.

The following companies provide family child care liability insurance:

American Federation of Daily-Care Services, Inc. (AFDS)

P.O. Box 440544

3380 Chastain Meadows Parkway, #100

Kennesaw, GA 30160

800/476-4940, Ext. 2115

www.afds.com

IMC, Inc.

Insurance Marketing Center

6101 Executive Blvd., Suite 120

Rockville, MD 20852

800/462-9098

www.imctr.com

Note: This handout is intended for general information purposes only. It does not constitute or imply legal or professional advice. If you need insurance, tax or legal advice, please contact a competent professional.

The following companies provide liability insurance nationally for family child care homes and child care centers:

Adults and Children's Alliance

2885 Country Drive, Suite 165

St. Paul, MN 55117-2621

800/433-8108

www.acainc.org

Capitol Indemnity Corporation

1600 Aspen Commons

Middleton, WI 53562

800/475-4450

www.capitolindemnity.com

(Search by state for a broker in your area.)

Capitol Indemnity provides insurance for the following programs: 24-hour care, drop-in care, family child care, group child care, latch-key centers, Montessori, preschool and Head Start.

Morgan and Associates, Inc.

5705 95th Place S. W.

Mukilteo, WA 98275

877/799-8980

www.morganinsurance.com

Morgan and Associates provides coverage and services to the family child care programs for the Department of Defense, U.S. Navy, Air Force, Marine Corps and Army. Under Childcare America Insurance Services, Inc., Morgan and Associates has insurance programs available for in-home care, commercial centers, preschool and Montessori.

National Care Providers Insurance, Inc. DC Insurance Services, Inc.

16601 Ventura Boulevard, Suite 500

Encino, CA 91436-1921

818/905-0311

800/423-9733

United States Liability Insurance Group (USLI)

190 South Warner Road

P.O. Box 6700

Wayne, PA 19087

800/523-5545

www.usli.com/Package/Daycare.htm

New England Insurance Services, Inc.

P.O. Box 63

Weatogue, CT 06089

888/844-8288

www.neisinc.com

info@neisinc.com