



Examining the Need for Liability Insurance

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CHILD CARE BUSINESS CONFERENCE 2018- THE DALLES, OREGON

Welcome & Logistics



1.5 hour session



Restrooms



Materials



Agenda

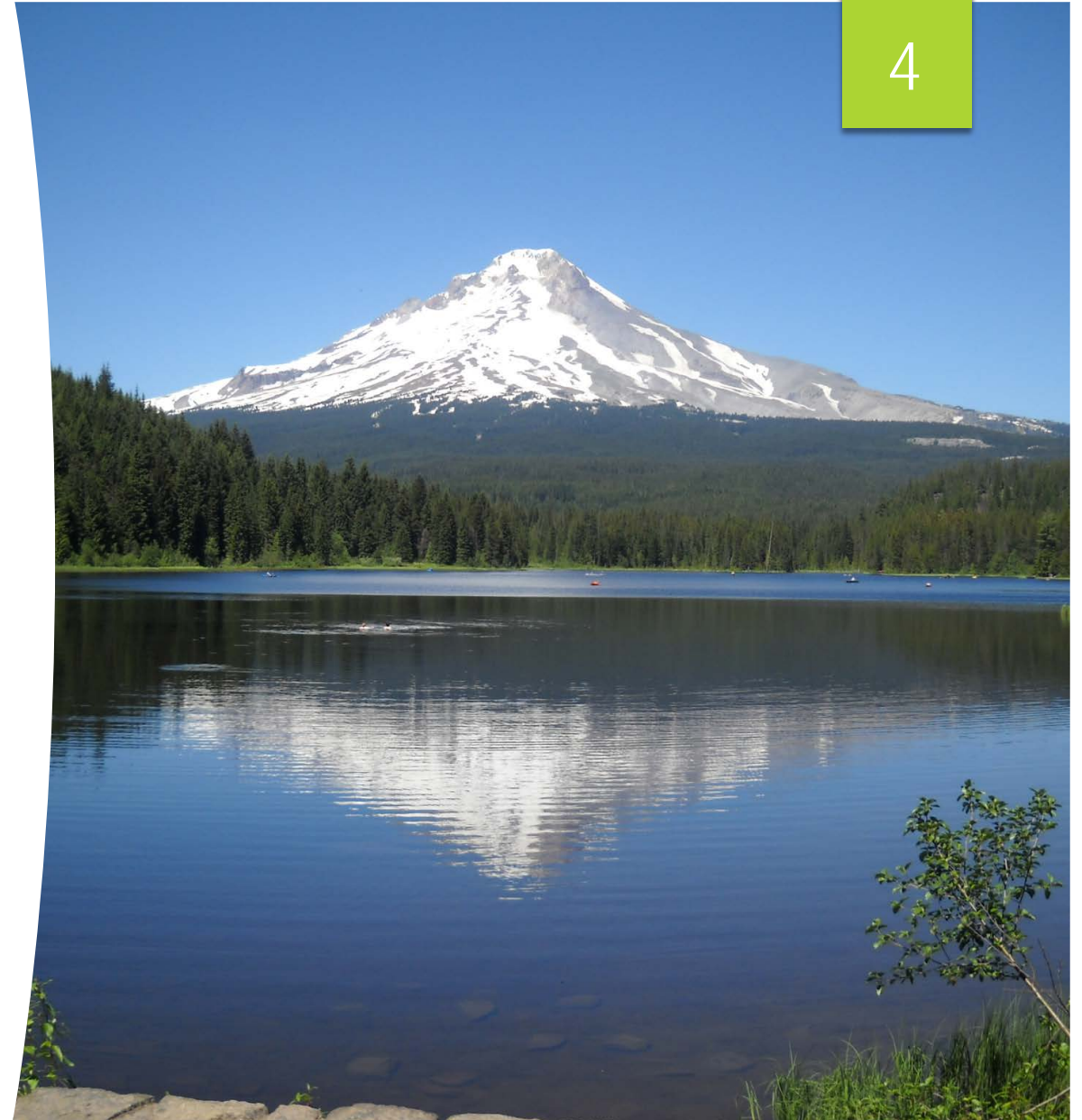
Objective



Participants will explore the application of liability insurance as a business practice

Introductions & Reflection

- Introduce yourself
 - Name
 - What county/city you live/work in
 - Type of program
- Reflection
 - Share one story you have heard about/experienced an injury occurring in a child care



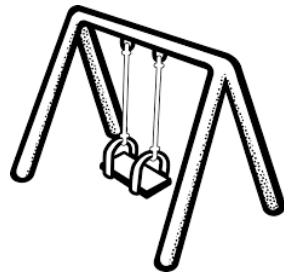
Risk



Child Care is considered **high risk**



Children are prone to injuries caused by falls, bumps, other children, and animals/bugs



Natural curiosity and exploration as well as common toys can be hazardous



Families can bring civil suits, accusations of abuse or neglect and negligence. A family can try to sue for almost any issue

\$\$\$ Risks in child care often have a monetary cost

Mitigating Risk



Follow licensing rules including those for staff

Remove safety hazards/blind spots

Report any incidents/accidents

Report suspected abuse/neglect

Reduce Liability- Purchase insurance

Liability

01

Protect yourself:

Civil, criminal or child welfare/negligence cases can be brought against you personally.

02

Protect your business:

Anyone present in the home can be accused and cases can be brought against the business itself.

Hiring a lawyer is expensive without insurance that includes legal coverage

03

Protect your home/materials:

Homeowners insurance only covers personal items not business items

Also does not cover property damage that is caused by business operations

All assets including property are at risk if you are sued

Without liability insurance you can be held liable and financially responsible for any injuries or accusations of abuse or negligence.

Policies



- Online application
- Policy approval same day as payment
- Electronic documents
- Installment plans with fee
- Additional insured is free



- Recently merged applications. Policies have been similar always
- Online or print applications
- Application has helpful directions on what you want in an insurance policy



- Local small business
- Helpful website with general insurance info
- Quotes & appointments online
- Applications & payments in person or via mail only
- Lowest cost



- Insures up to 20 children
- Additional insured is \$25/person
- Extended coverage options

What do I need?

Things To Look For In Insurance...

1. Sound & stable insurance company?
2. Is the Child Care Provider covered?
3. Is coverage available for all my placements?
4. Can I name additional insureds on the policy?
5. *Make sure Field Trips are covered...*
6. Can others be covered on my policy?
7. Are abuse & molestation covered?
8. What about my helper's car?
9. What about things that aren't so ordinary?
10. Are payment plans available?

- Coverage questions?

**Recommend: \$1 million
occurrence form policy**

- **Occurrence form**- covers any accident or accusation when the action took place during policy period **v. claims made**- covers claims made during policy period regardless of when they occurred
- **Car insurance**- car use for business is not generally covered by your car insurance
- **Employee coverage**- most policies will cover all employees of the program, but make sure!
- **Aggregate**- maximum paid for losses during a single policy period
- **Terrorism**- Covers damage occurring from an act of terrorism

Cost

- Prepare!
 - Plan!
 - Treat this cost as any other business expenses, as in not optional
- ▶ Recommended coverages range from \$500-\$1000 per year if you operate standard hours. Weekend, overnight, and 24 hour care are more expensive.
 - ▶ Most companies offer payment plans
 - ▶ Often requires a fee (percentage or flat)
 - ▶ Sometimes requires a bigger first payment or deposit
 - ▶ A \$600 policy becomes ~ \$60 per month, but you pay an extra \$120 overall. Worth it if needed
 - ▶ Always cheaper to pay lump sum
 - ▶ Plan for this cost, budget for it each year or do payments the first year and then remember to save up if you can
 - ▶ Arrange so your policy is due when you can pay

Action Plan

WHAT IS ONE THING YOU
WILL DO THIS MONTH TO
YOUR BUSINESS?

Questions? Comments?

**Evaluations
Certificates**

Thank you!