

FAMILY CHILD CARE INSURANCE

The purpose of registering Family Child Care Homes is to protect the health, safety and welfare of children in family child care. By meeting and adhering to Maryland's Family Child Care standards, registered providers fulfill the legal requirement to provide a reasonable standard of care. Careful planning of developmentally appropriate environments and activities also reduce the risk of provider liability. Preventive measures such as the following reduce the chances of being sued for accidents if they should happen:

- ✓ Childproof all areas accessible to children.
- ✓ Keep first aid and CPR skills up-to-date.
- ✓ Choose helpers and substitutes very carefully.
- ✓ Develop and maintain health and safety policies.

A wise investment to make is to purchase liability insurance for your business. Examples of what should be insured include:

- Personal injury coverage
- Field trip coverage
- Transportation of children
- Personal property; damage to others' property
- Products liability
- Standard liability (this coverage should extend to the provider's spouse, children, relatives who reside with the provider and any helpers or aides who assist the provider)
- Legal costs for lawsuit defense

Purchasing liability insurance can be done in a few ways. One way is as a *rider* through your homeowners or renters insurance. Purchase of a *rider* extends the liability and medical payments coverage of policies to your child care business. Generally, the premiums for this type of policy are low but coverage is limited and the *rider* may limit the number of children you may have in your care. You can also purchase a *commercial liability and accident policy*. These types of policies are more expensive but give you more coverage.

Both types of policies can be taken as a tax deduction on your income tax returns.

Survey insurance companies to determine the best coverage for the lowest rate. Educate insurance agents and let them know you are registered by the State and, as such, maintain standards for the health, safety and welfare of the children. Tell the agent the amount of coverage you would like to have. Minimal coverage for family child care businesses should be

at least \$300,000 liability but \$500,000 is preferred. Before you sign anything, carefully read all parts of the insurance policy. If there is any part which you don't understand, ask the agent to explain it to you in everyday language.