

DO I REALLY NEED INSURANCE?

Each year an accident requiring medical attention occurs in about one of every 22 homes. Still, many Child Care Providers ask the question, "Do I really need insurance?"

Examination of claims submitted over a ten year period, show typical situations which result in injury to children in actual Family Child Care Homes.

Not unexpectedly, the more active the play, the more likely a child would be injured. The most common injuries result from activities such as running and falling against furniture, laying on swing sets and other playground equipment, jumping on beds and other furniture and outdoor activity in general.

A number of injuries result from children playing with sticks roughhousing and breaking glass.

Children can be injured during all types of activities. A surprising number of injuries occur during mealtimes, TV watching and rest periods, when you may least expect an accident. A number of children have been injured falling out of high chairs or while getting on and off chairs; toddlers have been injured trying to climb out of cribs and playpens. Other children sustain bumps and broken bones while jumping on beds or pinched fingers in doors during times the caregiver thought they were safe in bed.

Household pets are a common source of injuries. Children have been bitten by dogs and other family pets. Children have been scratched by cats. Frequently, these injuries occur to the face, with the potential for leaving disfiguring scars.

In the claims examined, the greatest number of injuries occurred when children playing on and around swing sets and playground equipment. Children received head injuries, bruises and broken bones from falling off jungle gyms. Toddlers were hit by swings. Preschool children were injured while sliding. Teeter-totters striking kids caused broken bones and other injuries.

Other incidents, which result in injury, are bike riding, ball games, swimming, climbing on decks and playing with sticks.

The cost for medical care for even a "minor" injury is often several hundred dollars.

The types of injuries are often related to the characteristics of particular age groups.

Infants are often injured due to such events as rolling off a bed or changing table, falling out of the high chair or choking on bits of food. Infants are sometimes injured as a result of the boisterous play or carelessness of older children.

Toddlers are naturally adventurous and full of curiosity about the world around them. In their eagerness to try new things, toddlers climb and fall off furniture or pull things down on themselves. Their eagerness to explore often surpasses their physical coordination. Injuries frequently caused by losing balance and falling against hard objects.

Preschoolers, with their boldness and push for independence, tend to try new activities without thinking about the dangers involved. They want to do things on their own, without checking with the caregiver first or seeking adult guidance. In their eagerness to go somewhere, for example, a preschooler may forget to look before crossing the street.

School age children are perhaps the most difficult age group when it comes to controlling the environment and eliminating potential dangers. They are adventurous and daring.

SO DO I NEED INSURANCE?

A common misconception of Providers regarding insurance is if they do not have coverage for their Child Care Home then they can't be sued.

The fact that you do not have insurance has no bearing on the ability of someone to place a lawsuit against you. Additionally, much of the cost in dealing with a lawsuit, even if you are not liable, is the cost of defense.

It is important to make sure your insurance coverage is for the actual number of children you are licensed for and the coverage, as with any type of insurance, is for what you really do.

If there is a limitation (exclusion) on your coverage for providing care for a limited number of children, and you are caring for more, you may be putting your entire coverage in jeopardy.

If an accident or liability situation did occur, your insurance company could reasonably deny payment of any claim, or at least cancel or not renew your coverage. Remember it is the insurance company, not the agent, that determines the compensability of a claim.

Having the parents sign a statement stating they will not hold you responsible if their child is injured while in your care does not protect you from lawsuits.

Parental releases do not remove liability. The law generally assumes the Provider is liable if something should happen to the child under their supervision because young children cannot be held legally responsible for consequences of their actions.

Additionally, the parent is only acting as an agent for the child and cannot sign away liability. The child may reserve the right to sue up to the time the statute of limitations runs out. This may be several years after the child becomes an adult, even if the parent has already made a settlement.

Another misconception some Providers have is insurance for the business is not needed if the parents have insurance.

If a parent's medical insurance finds out the injury happened in a Child Care Home, they have the right of subrogation. This means they can come back to the Child Care Provider for reimbursement of money they have paid out for the child's injury.

WHAT DO I LOOK FOR IN INSURANCE FOR MY CHILD CARE BUSINESS?

Purchasing through a group buying program will offer you benefits.

Group buying enables the buyer of different or unique types of insurance, such as child care insurance, to join with others when purchasing coverage. This enables agents and brokers to negotiate better pricing and better coverage. In the case of child care insurance, individually purchased policies are considerably more expensive than those purchased using the power of group buying.

The impact a serious claim has on individually purchased coverage is great and could result in cancellation. When losses occur within a group buying program, they can be absorbed by the group easier than by an individual.

The stability of an insurance program is much greater when the group buying concept is used. There are two types of insurance coverage, "claims made" and "occurrence" coverage.

"Claims made" means claims will be considered only if accident or liability situation occurs and is reported while the policy is in force. If your policy expires, you can no longer make claims against it.

“Occurrence” means your claim will be considered if an accident or liability situation occurred while your insurance was in effect. The fact you may not still have the insurance is irrelevant. This is important because the child may sue up to the time the statute of limitations runs out.

You may also need to know if there is a deductible for your coverage. How much is the deductible? Under what conditions is there a deductible?

It is important to find out if the group total limit or if shares the limit of liability you purchase your policy has its own limit of liability.

For instance, if you have purchased a liability policy for \$300,000 with a group total limit, the amount is shared with the group and could easily be depleted.

When you purchase a policy of \$300,000 as an individual, only claims made by yourself will be applied.

Defense costs, even if you are not liable, are a large part of any lawsuit. Be sure the cost to defend is in addition to your limit of liability.

Other questions you may wish to consider:

- Are the children covered while waiting for a school bus?
- Are you covered in a manner, which reflects what you actually do?
- If your insurance is for 6 children, and you sometimes have 7 or 8, are they covered?

Without being charged an additional fee:

- Are you covered for medical expense due to an accident?
- Is your helper or substitute covered?
- Are your own children covered?
- Are you covered on field trips or away from your home?
- Is your landlord covered?

Are there exclusions (situations not covered) for:

- Pets
- Pools
- Certain playground equipment

Following good safety practices and teaching children good safety habits is always important in your child care home. It is important to try to prevent accidents from happening.

The fact is, even in the safest of homes, children have accidents. It is best to protect yourself with family child care insurance which meets the needs of your business.

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