

Resource: Tom Copeland's Taking Care of Business
<http://www.tomcopelandblog.com>

**Ten Questions to Ask Before You Purchase
Family Child Care Business Liability Insurance**

**1) What is the lowest limit available for “per occurrence” coverage _____
and “aggregate” coverage _____**

**What is the highest limit available for “per occurrence” coverage _____
and “aggregate” coverage _____**

“Per occurrence” is coverage for each incident. “Aggregate” coverage is the total amount the policy will pay out in a year. Ideally, you want the highest coverage.

**2) Does the policy cover Professional or General Liability for me, my employees and
volunteers? Professional _____ General _____**

A General Liability policy will only cover you if the parent can prove you were negligent. You want a Professional Liability policy that will cover you even if you aren't negligent. It covers you against accusations of failing to render professional services.

**3) Will attorney fees be paid by the insurance company to defend you lower the amount of
the coverage under the policy limits? Yes _____ No _____**

You don't want attorney's fees to lower the amount of your policy coverage.

**4) Does the policy cover for allegations of child abuse/neglect, including corporal
punishment, physical and mental abuse?**

Yes _____ No _____

You want this type of coverage.

If Yes, what is the limit of the coverage? _____

**Does the policy cover child abuse/neglect allegations against me or any other individual on
the premises? Yes ___ No ___**

Ask to see language in the policy that describes who is insured.

**5) If a child care regulatory agency holds an administrative hearing that could negatively
impact my ability to care for children, will the insurance company pay for an attorney to
represent me?**

Yes _____ No _____

This is a nice benefit.

If Yes, how much will the policy pay for the attorney fees? _____

**6) Is the insurance policy written for me (“individual policy”) or is it written under a
“master policy”?**

Individual policy _____ Master policy _____

An individual policy will more likely cover you for specific risks associated with your particular circumstance.

If coverage is under a master policy, is the aggregate limit shared by all policy holders?

Yes _____ No _____

If so, there is a risk that the policy will run out of money before you can make a claim.

7) Does the policy include accidental medical insurance? Yes _____ No _____

If Yes, what is the policy limit for each enrolled child injured?

Is the accident coverage “Primary” _____ or “Excess” _____

Ideally, you want “primary” coverage. This is because you don’t want to the parent to have to be refused coverage by her insurance company first, before your policy will pay a claim.

Does the policy include coverage for all enrolled children injured on and off your premises?

Yes _____ No _____

Can anyone other than the children in care be added to the accident medical policy?

Yes _____ No _____

8) What is the deductible for each claim against the liability policy? _____

What is the deductible for each claim against the accident policy? _____

Ideally, you don’t want to have to pay for any deductibles.

9) How are the following exposures treated in the policy?

	Covered	Excluded	Conditional
a. Owned Animals	_____	_____	_____

i. Which dog breeds are excluded? _____

ii. What are the limits of the coverage?

	Covered	Excluded	Conditional
b. Libel/Slander	_____	_____	_____
c. Play equipment	_____	_____	_____
d. Extended hours	_____	_____	_____
e. Dispensing medication	_____	_____	_____
f. Food preparation	_____	_____	_____
g. Swimming pools	_____	_____	_____
h. Corporal punishment	_____	_____	_____

The more your policy covers you in these situations, the better.

10) Are there other options available to me under your insurance program?

	Yes	No
a. Loss of business property	_____	_____
b. Loss of business income	_____	_____

c. Homeowners insurance

d. Automobile insurance

e. Workers' Compensation insurance

Sometimes it can be better to purchase multiple insurance policies through one insurance company.

This checklist was created by the National Association for Family Child Care, Tom Copeland, and several insurance agents