

# SENATE BILL REPORT

## SB 5708

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As of January 21, 1998

**Title:** An act relating to liability insurance for child day-care providers.

**Brief Description:** Requiring liability insurance for child day-care providers.

**Sponsors:** Senators Kohl, Long, Hargrove, Prentice, Brown and Winsley.

**Brief History:**

**Committee Activity:** Human Services & Corrections: 2/19/97, 2/26/97 [DPS]; 1/22/98.

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### SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

**Staff:** Joan Mell (786-7447)

**Background:** Presently, day-care centers and family day-care providers are not compelled to carry coverage for injury or harm that occurs on their premises. In the past, providers have had a difficult time obtaining affordable coverage for the liability issues that arise in day cares. In fact, this difficulty was addressed in earlier legislation that resulted in a statute that compels liability carriers to write coverage specific to day cares.

**Summary of Substitute Bill:** Licensed child day-care centers are required to maintain liability insurance or self insurance for bodily injury and property damage. The insurance must be for a minimum of \$50,000 per person per claim and an aggregate of \$200,000 per claim.

Upon termination of an insurance policy, the licensee must notify the Department of Social and Health Services of the termination.

Currently licensed day-care centers have up to one year after the effective date of the bill to obtain the insurance.

**Substitute Bill Compared to Original Bill:** Requirements that insurance companies notify the state of policy terminations are removed. It is clarified that self insurance is acceptable when authorized under state law.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect on January 1, 1998.

**Testimony For:** Many day-care centers are not insured. Insurance is affordable in the current market. Children will be better protected.

**Testimony Against:** There is concern that insurance companies would have additional administrative costs and could have liability exposure if reports are not made.

**Testified:** Lonnie Johns-Brown, WAEYC; Don Morgan, Morgan & Associates Insurance Brokerage (pro); Jean Leonard, State Farm (con); Rene Jankiewicz, Michelle Hunt, Lorri Buxton, Washington Parents for Safe Daycare (pro).