

**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?**

	<b>Covered</b>	<b>Excluded</b>	<b>Conditional</b>
<b>a. Owned Animals</b>	_____	_____	_____

**i. Which dog breeds are excluded? \_\_\_\_\_**

**ii. What are the limits of the coverage?**

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

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

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

	<b>Yes</b>	<b>No</b>
<b>a. Loss of business property</b>	_____	_____
<b>b. Loss of business income</b>	_____	_____

**c. Homeowners insurance**

\_\_\_\_\_

\_\_\_\_\_

**d. Automobile insurance**

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\_\_\_\_\_

**e. Workers' Compensation insurance**

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*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