



Affordability and Availability of Liability Insurance for Child Care Providers in Maryland Public Hearing

May 13, 2026

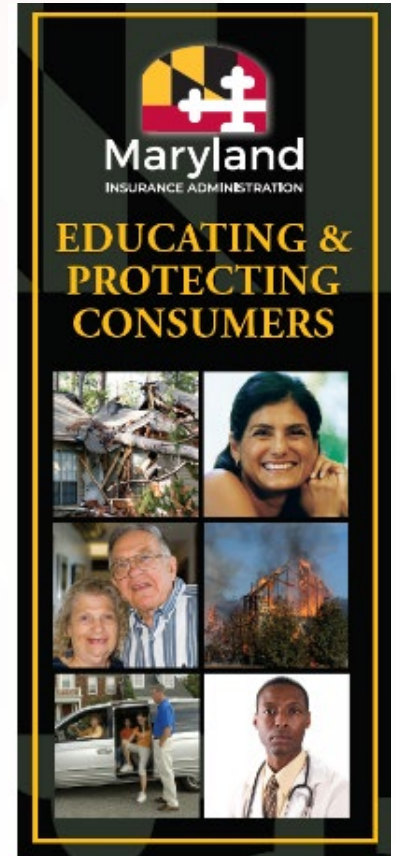
This presentation does not provide legal advice.
You should discuss specific questions with your
trusted financial advisor or insurance producer.



What is the Maryland Insurance Administration

The Maryland Insurance Administration (MIA) is the state agency that regulates insurance in Maryland. The MIA:

- Licenses insurers and insurance producers (agents or brokers).
- Examines the business practices of licensees to ensure compliance.
- Monitors solvency of insurers.
- Reviews/approves insurance policy forms.
- Reviews insurance rates to ensure rates are not inadequate, excessive or unfairly discriminatory.
- Investigates consumer and provider complaints and allegations of fraud.
- Educates Maryland residents on insurance issues and products and explains their rights and obligations.



What is the Maryland Insurance Administration

If you feel that your insurer or insurance producer acted improperly, you have the right to file a complaint. Examples of improper actions include:

- Improperly denying or delaying payment of all or portions of a claim;
- Improperly terminating your insurance policy;
- Raising your insurance premiums without proper notice;
- Making false statements to you in connection with the sale of insurance or processing of insurance claims; and,
- Overcharging you for services, including premium finance charges.

Agenda

MIA Presentation on the Affordability and Availability of Liability Insurance for Child Care Providers in Maryland and Elsewhere

Child Care Providers in Maryland Basics and Coverage Needs

Local and National Impacts

Others Seeking Solutions

Public Comments

Registered Speakers

Unregistered Speakers, as time allows



In Home Child Care vs. Child Care Centers in Maryland

Child care providers in Maryland must be licensed by and/or registered ¹ with the Maryland State Department of Education's Office of Child Care if they care for unrelated children on a regular basis (at least 2 days a week/2 hours a day). This applies to both in home family providers and commercial centers, requiring background checks, inspections, and training.

- **Family Child Care:** Registration is required for providers caring for up to 8 children in a home.
- **Large Family Child Care:** Registration is required for providers caring for up to 12 children in a home.
- **Child Care Centers:** A license is required for facilities operating outside of a home.

Maryland law does not currently require standalone liability insurance coverage be held by either in home or center-based child facilities as part of registration or licensure requirements. However, many providers do opt to procure coverage.

¹ In home child care providers must be registered under Title 9.5, Subtitle 3 of the Education Article. Child Care Centers are regulated under COMAR 13A.16 or 13A.17.

Why Providers Seek Coverage?

- **Essential Protection:** Liability insurance protects child care providers against lawsuits related to child injuries, property damage, or professional negligence.
- **General Policy Limitation:** Standard homeowners/renters insurance excludes business activities.
- **High-Risk Environment:** Children are prone to injuries (slips, falls, playground accidents).

Coverage Types

- **Commercial General Liability Insurance:** Protects a business from claims of bodily injury, property damage, and personal injury that occur due to their operations or on their premises.
- **Daycare Liability Insurance:** A specialized form of general business liability insurance that addresses unique risks involved in caring for children.
- **Professional Liability Insurance:** Protects a business from financial losses caused by accusations of negligence, abuse, or errors in professional services provided by its employees while on duty.
- **Abuse and Molestation Liability Insurance:** Protects a business from the financial losses caused by allegations of abuse or sexual molestation by its employees.

The Maryland Landscape

- **Requirements for Coverage Provision:** Maryland law requires insurers offering homeowner liability policies to make available coverage of at least \$300,000 for family child care providers.¹
- **A Growing Problem:** Many insurers are capping coverage, reducing limits, or leaving the market entirely. In 2025, the Maryland State Child Care Association surveyed its members on this issue:²
 - 72% of the 93 respondents, operating in 18 counties, reported that their liability insurance premium rate had increased over the past year. The reported premium increases ranged from 10% to 141%.
 - 21.5% of respondents reported that their liability insurance policy was non-renewed over the past year.

¹ Insurance Article § 19-203

² responses are currently unpublished

Coverage Requirements Nationally

Child Care Centers: According to the Bipartisan Policy Center,¹ as of 2025, twenty three states require center-based child care programs to hold a liability policy to legally operate, including neighboring states of Virginia, Delaware, and Pennsylvania.

- An additional ten states require centers to inform enrolled parents of their program's liability coverage status, including neighboring state West Virginia.

In Home Child Care: Thirteen states require family home-based child care providers to hold liability insurance coverage, including our neighbor, Delaware.

- An additional nine require providers to notify parents of their coverage status.

¹ 'The Perfect Storm': Child Care Providers' Challenges in Accessing and Affording Liability Insurance: <https://bipartisanpolicy.org/issue-brief/the-perfect-storm-child-care-providers-challenges-in-accessing-and-affording-liability-insurance/>

A National Problem

According to the National Association for the Education of Young Children's 2024 Liability Insurance and Early Childhood Education Survey,¹ over 80% of child care provider respondents reported rising liability insurance costs, with 62% experiencing increased difficulty in securing coverage.

- **Widespread Non-Renewal/Denial:** Many providers are losing coverage because carriers are dropping childcare coverage entirely or leaving specific states, leading to a 36% reduction in coverage or new, tighter limits.
- **Risk of Closures:** The inability to secure affordable coverage puts available child care at risk, with over 65% of providers stating they face potential closure due to these insurance challenges.

¹ National Associate for the Education of Young Children's Liability Insurance and Early Childhood Education Survey:
https://www.naeyc.org/sites/default/files/wysiwyg/user-64330/2024_liability_insurance_survey_brief_final.pdf

Others Seeking Solutions: NAIC

The MIA is working with regulators from other states through the National Association of Insurance Commissioners (NAIC) to identify possible policy interventions.

- **New Working Group:** Recognizing the pervasiveness of the issue, the NAIC's Property and Casualty Insurance Committee ¹ is in the process of establishing a new Child Care Insurance Working Group, focused on the scarcity and affordability of liability insurance for child care providers.
 - Maryland will join other states serving on the Working Group, including neighboring states Pennsylvania and West Virginia.
- **Possible Options to Consider:** Subsidies, tax credits, state-run risk pools, and tort reform.

¹ <https://content.naic.org/committees/c/property-casualty-insurance-cmte>

Others Seeking Solutions: Washington

In December of 2025, the Washington State Office of the Insurance Commissioner issued a report on the availability and affordability of insurance for Child Placing Agencies, Group Foster Homes, childcare centers, and family child care homes in Washington State.¹ It explored potential solutions to the liability insurance availability and affordability crisis the report determined is being faced by Child Placing Agencies and Group Foster Homes in the state.

- **JUA Feasibility Considered:** A Joint Underwriting Association (a nonprofit, industry-run risk pool) was evaluated to address these market failures and secure mandatory coverage for these sectors. However, it was ultimately not recommended due to high actuarial costs.
- **Policy Options Offered:** Instead, the report recommends policy options including invalidating indemnification and hold harmless clauses in contracts between the State and providers, modifying the standard of fault for compliant providers, and creating a state-backed settlement fund.

¹<https://www.insurance.wa.gov/sites/default/files/2026-01/wa-oic-jua-feasability-study-child-facing-orgs.pdf>

Other States Examining the Extent of the Issue

- **Montana:** Zero to Five Montana conducted a 2023 survey of licensed providers to examine child care providers' challenges in obtaining and retaining business insurance.¹
 - Sixty (42%) of the 142 survey respondents reported they had been dropped by an insurance carrier at some point since 2019. Of the 60 respondents reporting dropped coverage, 37 providers stated the reason for the dropped coverage was because the carrier no longer covers child care in the state.
- **Pennsylvania:** In March of 2025, the Pennsylvania Council of Children, Youth & Family Services issued a survey for children's services providers, where 71% of respondents reported that they have experienced funding source (state, county, city) insurance requirements for general/professional/abuse coverage that exceed what is affordable or available in the insurance market.²

¹<https://archive.legmt.gov/content/Committees/Interim/2023-2024/Economic-Affairs/Meetings/May-2024/1.1-Child-Care-Insurance-Analysis.pdf#:~:text=CHILD%20CARE%20INSURANCE%20SURVEY&text=Zero%20to%20Five%20Montana%20conducted%20an%20insurance,child%20care%20providers%20responded%20to%20the%20survey.>

²<https://pccyfs.org/wp-content/uploads/2025/05/PCCYFS-Full-Insurance-Briefing-2025.pdf>

Questions?



Public Comments

Written Comments

Written comments will be accepted through EOD Wednesday, May 27, 2026,
on the topics covered in today's meeting.

Those can be submitted via email to:
riley.williams@maryland.gov

Contact Information

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800-735-2258 (TTY)

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Thank
you