



Insuring Your Child Care Business

There are risks that you will face as a business operator. They may be financial, medical, legal or property to name the more common. Risks are generally dealt with through insurance. Insurance is complicated to understand and subject to frequent change.

The most important insurance you need to protect yourself and your business is adequate business liability insurance. This applies even if you only have one child in your care.

Liability Insurance to protect your assets and pay for damages should include:

- General liability
- Professional liability - covers you for a teachers acts or omissions
- Contractual Liability - covers your obligations under written agreements. For example, it could cover your obligations to seek medical care in emergencies, take a child on field trips, or to take and pick-up after school
- Legal defense coverage - if sued
- Physical and sexual abuse coverage for you, your family, your employees and residents of your household
- Incidental Malpractice - for giving medication or following dietary needs
- Personal injury - protects you against libel, slander, false arrest, wrongful eviction and malicious prosecution
- Bodily injury
- Field Trips/Off Site Activities
- Accidental Medical Insurance - pays medical bills resulting from an accident

Workers Compensation

Covers medical costs as well as a portion of lost wages for an employee who is injured or becomes ill on the job as a result of the job. This insurance coverage also protects companies from being sued by staff members for certain workplace conditions that could cause an injury or an illness. Workers Comp will only cover your employee while on the clock.

- In North Dakota Workers Compensation is required if you have employees and must be acquired before you hire any employees.
- An application can be obtained from the Workforce Safety and Insurance Policy Services Division

Additional Insurance Coverage

- Employment Practices Liability - covers sexual harassment, wrongful termination, and discrimination claims
- A clause added to general liability that will relieve corporate officers of individual responsibility if the corporation is sued for negligence
- Officers and Directors Liability - covers individuals such as a Board of Directors
- Business Property Insurance - coverage for the cost of all property (furniture, appliances, toys, etc.) used in your business in case of fire, theft, damage etc.
- Business interruption
- Vehicle Insurance - coverage for injuries or damages of vehicle being used for business purposes

- Personal insurance you may want to consider: disability, health, life, long-term care
- Errors and Omissions Coverage - protects against claims for violation of professional standards of conducts
- Product Liability - protects against claims related to the food you serve
- Fire and Theft - protects your facility and the contents
- Fire Legal Liability - protects if you rent the building and the fire is caused by your negligence

Always consult your insurance agent about specific insurance needs. It is very important that your insurance company and agent understand your business and have experience insuring child care programs.