



**ANNOUNCEMENT: C-08 #02**  
**OFFICE OF CHILD DEVELOPMENT AND EARLY LEARNING**  
**BUREAU OF CERTIFICATION SERVICES**

**ISSUE DATE: April 8, 2008**  
**EFFECTIVE DATE: April 8, 2008**  
**SUNSET DATE: On-Going**

<b>SUBJECT:</b>	Proof of Liability Insurance
<b>TO:</b>	OCDEL Regional Directors, Regional Supervisors, Certification Representatives, Division of Regulatory Administration
<b>FROM:</b>	Harriet Dichter Deputy Secretary, Office of Child Development and Early Learning

A handwritten signature in black ink that reads "Harriet Dichter".

**PURPOSE:**

To issue instructions regarding verification of compliance with the requirement for general liability insurance.

**BACKGROUND:**

The child care facility regulations at 55 Pa. Code §§3270.18 and 3280.17, relating to liability insurance, require that the legal entity shall have comprehensive general liability insurance to cover the persons who are on the facility premises. Two legislators recently sent letters to Estelle Richman, Secretary of Public Welfare, regarding the Office of Child Development and Early Learning's (OCDEL) enforcement practices relating to the requirement for liability insurance. The legislators questioned the expertise of OCDEL certification staff in verifying that a child care facility obtained the required general liability insurance.

**DISCUSSION:**

Following receipt of the letters, we reviewed current practices and determined the need to provide information to certification staff regarding verifying compliance with the requirement for general liability insurance. We researched the topic of general liability insurance, gathered information regarding documentation of insurance coverage and developed guidelines for certification representatives to use to verify that a facility has the required liability insurance (attached). By adopting the guidelines, we will strengthen inspection practices regarding verification of general liability insurance and ensure consistent practices statewide.

Certification staff who conduct orientation training for prospective child care center and group child care home providers can share the guidelines regarding general liability insurance as part of the orientation training. Prospective providers will have information relating to the type of insurance required to comply with the Department's regulation as they begin operation of their facilities. We will take steps to add this information to the orientation curriculum.

**NEXT STEPS:**

1. Regional directors will review with supervisors and certification representatives the attached document, "Verifying Compliance with the Requirement for General Liability Insurance".
2. Certification representatives will use the guidelines in the attached document when determining compliance with the requirement for general liability insurance.
3. Supervisors are responsible for ensuring certification representatives are aware of and use the guidelines for verifying compliance.
4. All certification staff who conduct orientation training for prospective child care center and group child care home providers should review with participants the requirement for general liability insurance.

Attachmen

**VERIFYING COMPLIANCE WITH THE  
REQUIREMENT FOR GENERAL LIABILITY INSURANCE**  
(55 Pa. Code §§3270.18 and 3280.17)

**Definitions:**

*General liability insurance* is insurance coverage that offers protections against claims alleging that the policy holder's negligence or inappropriate action results in bodily injury or property damage to another party.

*Homeowner's insurance* provides protection against losses or damage to the policy holder's house and its contents caused by fire, windstorm, vandalism, theft, personal liability, etc. Homeowner's insurance specifically excludes coverage for any claim brought against the operator for child care services provided on the premises.

**Guidelines for Verifying Compliance with the Requirement for General Liability Insurance:**

1. When conducting an inspection at a child care center or group child care home, the certification representative will examine the insurance document presented by the facility operator.
2. The certification representative will check whether the insurance document is captioned as a "Homeowner's Policy" or refers to homeowner's insurance coverage.
3. The certification representative will request to see the Declarations page of the insurance policy. The Declarations page outlines the policies and limits on the amount of coverage, including policy limits for:
  - Property damage
  - Bodily injury to children in care
  - Medical payments coverage
4. A standard homeowner's policy includes the following or a similar exclusion clause. If the following clause appears in the policy, the certification representative should not accept the policy as proof of general liability insurance:

"This insurance does not apply to any claim made or suit brought against any insured by any person who makes a claim because of bodily injury to any person who is in the care of any insured because of childcare services provided by or at the directions of any insured."
5. Some insurance companies offer specific child care endorsements for a homeowner's policy. Endorsements, also known as riders, are provisions added to an insurance policy. Endorsements can be purchased from many but not all insurance companies. If the provider states the facility is covered through an endorsement or rider, the certification representative will ask to see the endorsement or rider.
6. If the certification representative cannot verify that the insurance policy meets the requirement for general liability insurance, the certification representative will require the operator to:
  - Obtain a letter from the issuing insurance company or agent confirming the policy is a general liability insurance policy; and
  - Submit the letter to the Department as proof of general liability insurance.