INSURING CARE: HOW LIABILITY INSURANCE ACCESS THREATENS COMMUNITY SERVICES FOR CHILDREN

2025 NATIONAL SURVEY REPORT

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NOSAC The National Organization of State Associations for Children

ACKNOWLEDGEMENTS

This report was prepared by the National Organization of State Associations for Children (NOSAC) and the Association of Children's Residential & Community Services (ACRC).

Thank you to the leaders of the 327 child and family-serving organizations across the country who took the time to complete the extensive survey that was distributed nationally. The detailed information and insight you shared is critical to understanding the nuance and impact of the liability insurance crisis across the nation and the urgent need for solutions.

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This work is not possible without collaboration. Most of the survey respondents are members of, or affiliated with, the organizations who have come together as part of the Child Welfare Liability Insurance Working Group. Thank you to the Working Group members who advised on survey design and who are committed to taking collective and coordinated federal action to address the urgent challenge in liability coverage for community-based organizations that are critical partners in serving children and families involved, or at risk of involvement, in the child welfare system.

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ABOUT NOSAC AND ACRC

The National Organization of State Associations for Children (NOSAC) is a national partnership with a mission to improve outcomes for children and youth across the nation. Collectively, NOSAC represents more than 1,600 community-based organizations serving children, youth, and families.

The Association of Children's Residential & Community Services (ACRC) supports the work of experts in the field of child and youth behavioral health and mental well-being, including provider organizations, researchers, youth and family advocates, and public agencies across the United States and in several countries.

Special thanks to the leaders and staff of NOSAC and ACRC who contributed countless hours to the survey creation, launch, review, research, report writing, and communication necessary to gather and widely share this critical information.

QUESTIONS AND MORE INFORMATION

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EXECUTIVE SUMMARY

"When the agency has to pay more for liability insurance coverage, it takes dollars away from direct services to our children and families." - Child welfare services provider

There is a liability insurance crisis impacting child and family-serving organizations and the communities they serve.

Child and family-serving organizations are anchors in communities and critical partners in the delivery of services that support child and family well-being. Community providers, the vast majority of whom are nonprofits, contract with state and county child welfare agencies across the country to provide prevention services, foster family services including kinship care, and a variety of therapeutic services. Mission-driven, sustainable work requires good business practices, including having appropriate liability insurance. Moreover, liability coverage is typically mandated by state statute or contractual agreement with public agencies. **Providers are struggling to find or maintain adequate and affordable liability insurance coverage, even when they have no insurance claim or loss history.** In many states, insurance companies are drastically increasing premiums or exiting the market altogether, refusing to cover providers doing child welfare-related work. This situation is creating a potential service cliff for children and families served by community providers across the country. A nationwide survey was conducted to gather information about the scope and impact of the problem.

A national survey sheds light on the problem and the impact.

A survey of 327 community providers in 46 states shows that the child welfare liability insurance crisis is widespread and threatens the public-private partnership and infrastructure of community-based services to children, youth, and families. **4 themes emerged from the survey responses:**

Threat to Service Continuity

- Just this sample of providers served over 400,000 children last year through child welfare prevention, family foster care, kinship care, reunification and/or adoption services, and therapeutic residential interventions.
- **Services beyond foster family care are at risk. Three-fourths of respondents provide services outside the child welfare system**, including community-based mental health services, afterschool programs, early childhood schools, parenting or home visiting services, housing services, and substance use services, among others.
- **Many providers indicated they may need to reduce or eliminate programs, or have already closed services, due to unsustainable insurance costs.** Two-thirds of survey respondents were willing to contemplate or were planning to make changes to the services they offer due to liability insurance concerns.
- This creates direct risk for children and families who depend on these services. As providers weigh the sustainability of their work and consider reducing or eliminating their footprint in the child welfare field (or are forced out due to having no insurance coverage options), it will have a direct impact on child and family outcomes.

Skyrocketing Premiums

- Premiums are rising at an unsustainable rate, diverting taxpayer and donor dollars away from services to children and families. **This sample alone documents more than $200 million spent on liability insurance premiums this year.**
- Across respondents, **the average premium increase since 2019 is 163%.**
- Almost half of respondents have had their premiums double. **A quarter of respondents had their premiums increase a staggering 200%-1800%.**
- Premiums are rising regardless of individual claims histories; providers cannot "risk manage" their way out of this crisis. Individual providers, and even county and state child welfare administrators, are limited in what they can do to control costs.

EXECUTIVE SUMMARY

Loss of Coverage and Market Instability

- **Nearly two-thirds (63%) of respondents reported they had changed carriers in the last five years** due to coverage limitations, nonrenewal by their carrier, unaffordable premiums, and carriers exiting the market (i.e., refusing to cover organizations doing child welfare-related work).
- **Nearly two-thirds of respondents report difficulty getting bids.** Fewer insurance carriers are willing to participate in the child welfare market, and the policies they offer are limited in scope.
- Some providers face contract termination or the inability to bid on contracts because they can't meet insurance requirements.
- Rising costs are also reported in auto, property, cyber, and umbrella insurance policies.

Calls for Systemic Solutions

- Stakeholders in some states are attempting to work with legislators, but few report meaningful progress.
- Many providers urge legislative action and collaboration to solve this problem.

Federal action is needed.

Youth and families who have been harmed should absolutely be able to bring lawsuits and recover damages from responsible individuals and organizations. All youth and families should also be able to receive the supports they need. This report reveals that there is a national problem that calls for a federal response. Further, the federal government, in partnership with states, has a special interest and responsibility to ensure that children and families impacted by the child welfare system have access to high-quality care, services, and supports. Policymakers should consider the following broad recommendations and approaches to addressing the urgent challenge:

1. **Partners must work together to look at the data and address the underlying challenges.**
    - The National Association of Insurance Commissioners could play a pivotal role.
    - Regulators, public agency leaders, lawmakers, community-based providers, in partnership with youth and families, should work together to identify strategies that will ensure accountability for wrongdoers while allowing effective child and family serving organizations to remain viable and available to families and communities in need.
2. **Congress has provided federal solutions in other sectors impacting the public good and should step in here, because both the federal and state governments have a special, shared responsibility to support children and families involved, or at risk of involvement, in the child welfare system and the services they need.**
    - Amendments to federal law, offering federally-backed insurance options, and creation of special compensation funds are just a few of the ways Congress acted in the past.
3. **Solving this challenge will likely require a suite of policy solutions, not a one-size-fits-all approach. Several recommendations that have been suggested by stakeholders include:**
    - a reinsurance program supported and guaranteed by the federal government;
    - a national risk pool, that encourages insurers to participate in the child welfare insurance market by spreading risk more widely across states and organizations; or
    - federal incentives for insurance providers to cover child welfare organizations, paired with quality assurance measures that ensure better outcomes for children and families (i.e., premiums or coverage tied to an agency's actual performance and compliance with best practices).

These are just a few possible solutions that protect the rights of victims to recover when they are harmed, incentivize high-quality service provision, and ensure that needed services remain available in our communities. **A national problem calls for national solutions.** While a one-size-fits-all solution is unlikely, a national dialogue and steadfast commitment to problem solving will generate options, but there is no time to waste.

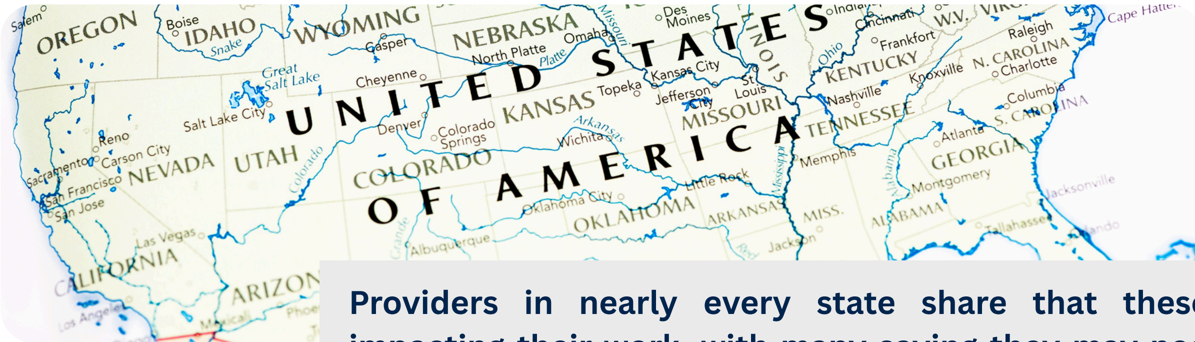
“The trajectory is unsustainable.”

Insuring Care: How insurance industry changes are threatening child welfare services

“In 33 years of practice, we have not had a claim or loss. We also have an outstanding record with our state licensure agency... We were facing a 500% increase in our premiums this year...Our broker has warned us that next year's renewal process might be even worse... These issues may force us to close our doors.”
- Child welfare services provider

“Premiums have skyrocketed- our liability package premiums have increased 197% since 2019, but when added to our umbrella premium increases, the total increase is 216%. The trajectory is unsustainable.”
- Child welfare services provider

“Carriers and brokers continue to recommend [that we] get out of the child welfare industry.” - Child welfare services provider



Providers in nearly every state share that these costs are impacting their work, with many saying they may need to reduce or completely stop delivering child welfare services; potentially leaving thousands of youth in foster care without homes, and many more families receiving prevention, reunification, or kinship care services without support.

INTRODUCTION

Over the past several decades, the child welfare field has put great effort into transforming its continuum of care. Changes in the sector-–from prioritizing prevention and family connections to enhancing quality standards and oversight for therapeutic services-–have had significant impacts and are still underway. Community providers, who contract with counties and states to deliver child welfare services, contribute to these efforts by delivering prevention and wraparound services, supporting families before and after reunification, recruiting, licensing and supporting kinship caregivers, foster, and adoptive parents, and providing therapeutic care when needed, among other services. These service providers, the vast majority of whom are nonprofit organizations, are now facing an urgent challenge to their ability to provide services to children and families: a looming lack of affordable liability insurance coverage.

Although service delivery is the core mission of these community providers, good business practices, including having appropriate insurance, are necessary for both organizational sustainability and as a standard condition of their licensure or contracts with public agencies. Insurers are exiting the market, and those that remain are increasing premiums by double, triple, or more for community providers delivering foster care and related services, even those with no past claims. Providers in nearly every state share that these costs are impacting their work, with many saying they may need to reduce or completely stop delivering child welfare services; potentially leaving thousands of youth in foster care without homes and many more families, those receiving prevention, reunification, or kinship care services, without support. Although these children and families are often involved with providers because a state or other public entity has required or encouraged their involvement in services, states have largely been unable to meaningfully address this challenge. As with other services that are essential to our communities but may be unappealing to insurers, it is time to consider new, federal, solutions and partnerships.

THE CHALLENGE - INSIGHTS FROM A NATIONAL SURVEY

Various types of insurance are becoming more expensive for individuals and organizations across sectors, but, for a variety of reasons, insurance companies are moving away from insuring schools,[i] early learning centers,[ii] foster care providers,[iii] and other entities and organizations serving children. In January 2025, in response to growing concern from community service providers and their partners, the Association of Children's Residential and Community Services (ACRC) and the National Organization of State Associations for Children (NOSAC) began facilitating a federal working group to learn more about the scope and impact of this issue and consider potential solutions. This included outreach to state and national organizations, reviewing state reports, legislation and press coverage, as well as leading a national survey of providers.

Survey Design and Respondent Demographics

The 54-question survey[iv] was designed to answer questions about the pervasiveness of the liability insurance issue. Since the fall of 2024, there has been significant national reporting about the Nonprofits Insurance Alliance's (NIA) decision to stop insuring foster family agencies in the state of California,[v] but working group members were hearing similar experiences about NIA and other insurance carriers from providers in other states. The survey was also designed to build understanding about the potential impact on providers and access to services for children and families. While foster family and adoption agencies have been named as a category of providers that are facing challenges obtaining affordable liability insurance coverage, there was little information about other services and supports that might be impacted in addition to foster care. Working group members shared the survey with providers across the country. Responses were accepted over an eight-week period, from April 22 through June 16, 2025. Underscoring the importance and pervasiveness of this issue, the leaders of 327 organizations across 46 states (all except Maine, New Mexico, South Dakota, and Vermont) took the time to answer detailed questions and share their experiences. One in three respondents identified themselves as the Executive Director or CEO of their organization.

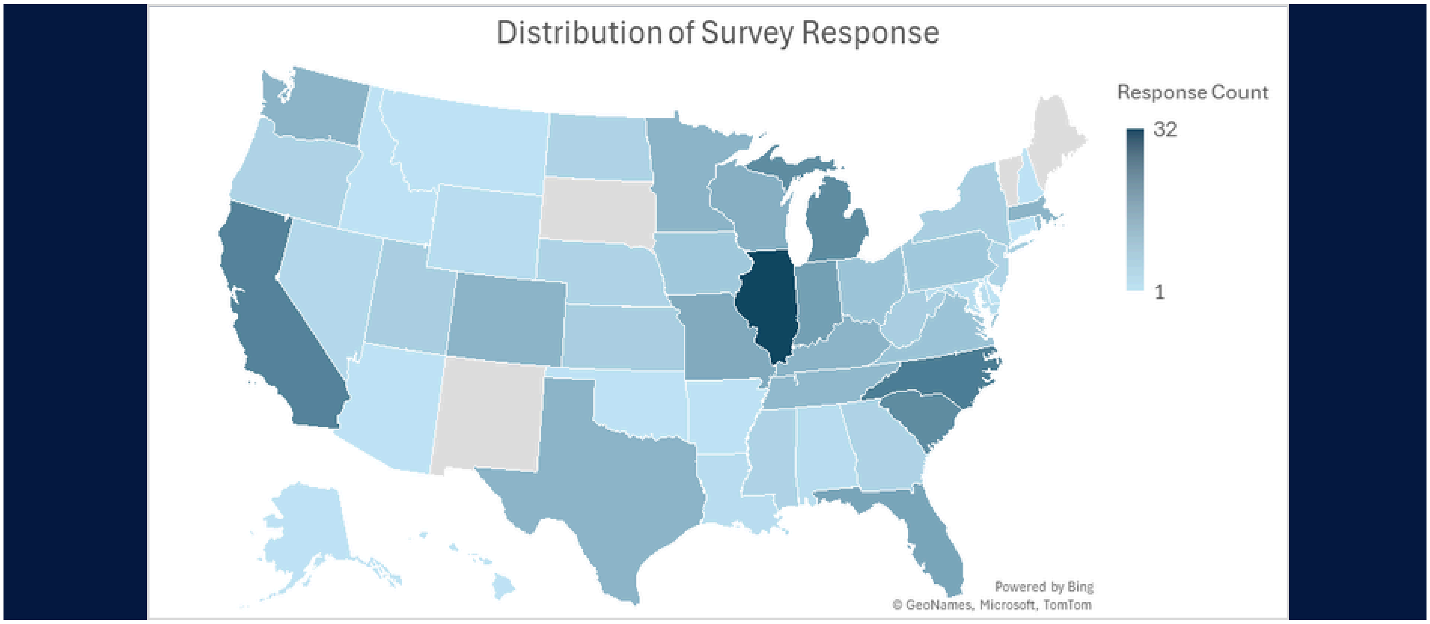


Figure 1. Survey response count by state (n=327).

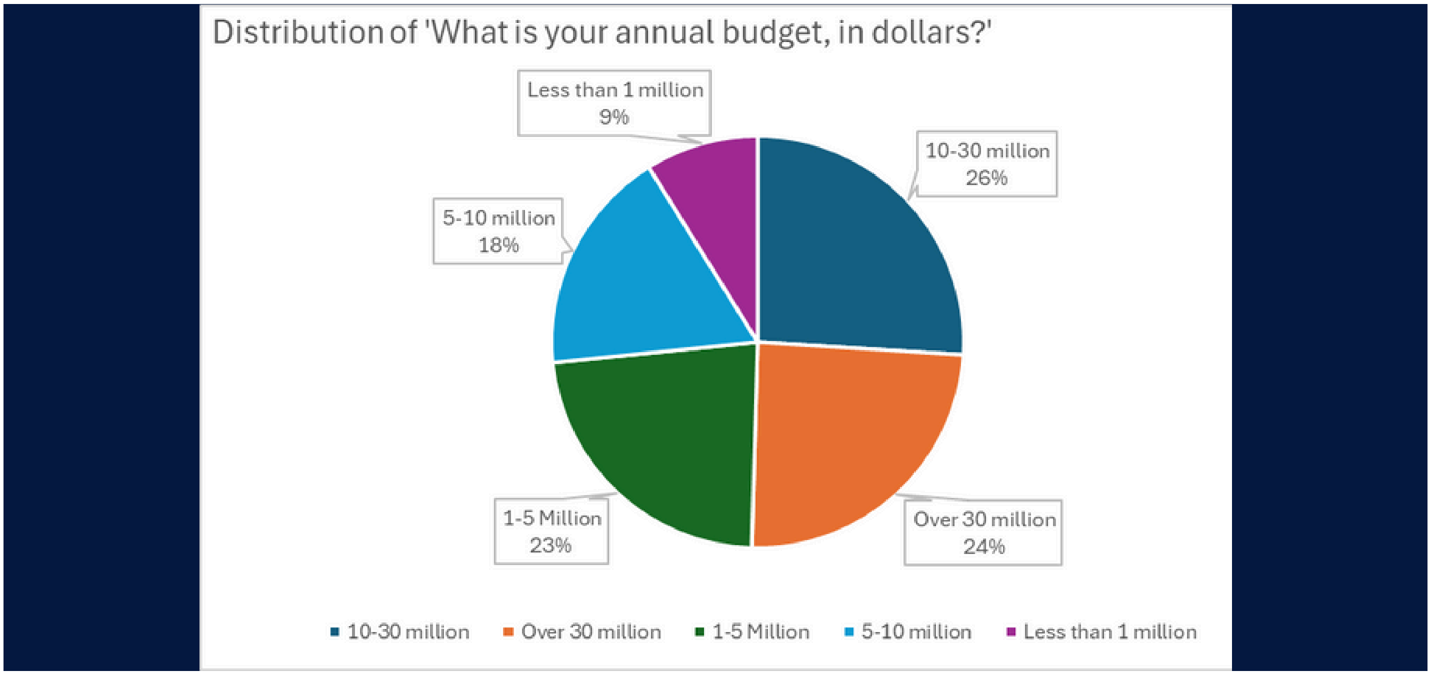


Figure 2. Distribution of survey respondents (n=327) by annual budget.

Survey respondents reflected the field:

- primarily nonprofit organizations (87%)[1];
- a cross section of small and large organizations – with 50% of respondents having annual budgets under $10 million and 50% having budgets over $10 million;
- employing approximately 105,900 individuals; and
- serving children and families in a variety of urban, suburban, and rural communities.

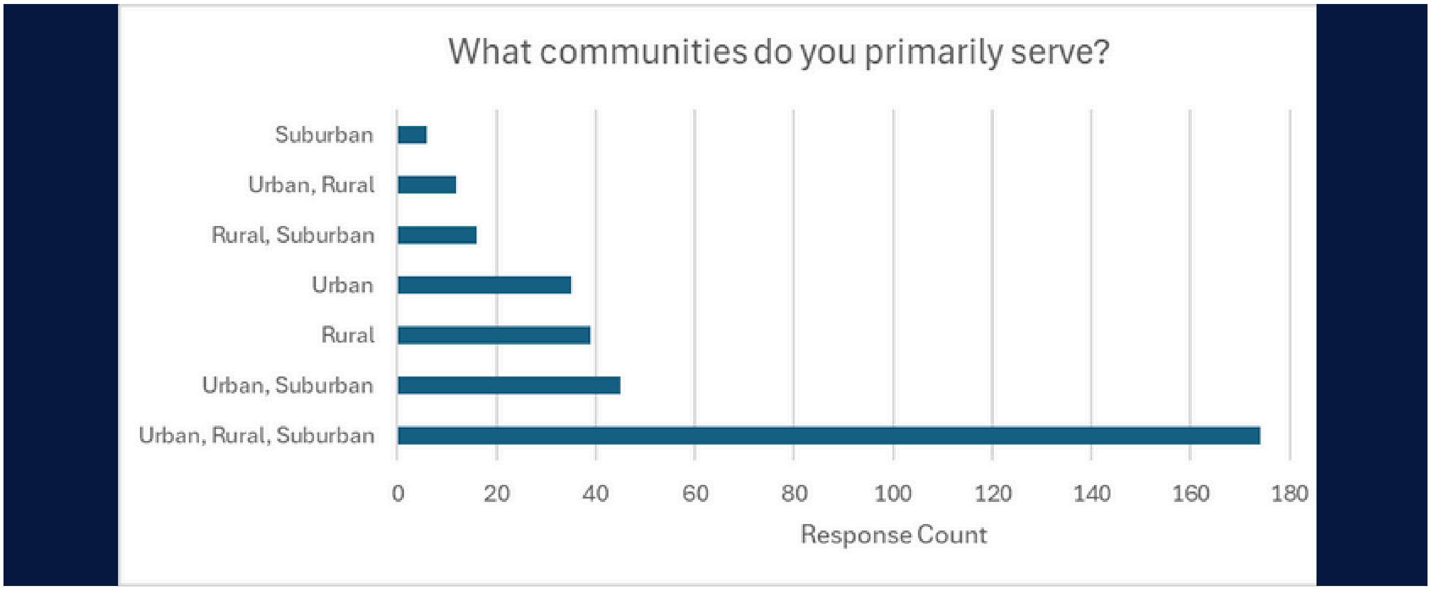


Figure 3. Survey response count (n=327) for communities primarily served. Respondents could select a single or multiple options (urban, rural, suburban).

[1] For-profit providers comprised 13% of respondents. Throughout the response data, there was no significant difference in patterns for nonprofit versus the small subset of for-profit providers. Thus, they are included without differentiation across the analysis.

All respondents were asked about the types of child welfare services they have provided in the last five years. "Foster parent recruitment and licensing" was the most common reply (57%) followed by "foster care case management" (52%) and "community-based counseling" (48%), but "community-based family preservation" (45%), "specialized or therapeutic foster care" (44%), and "traditional or stranger foster care" (43%), and "kinship foster care" (37%) were not far behind.

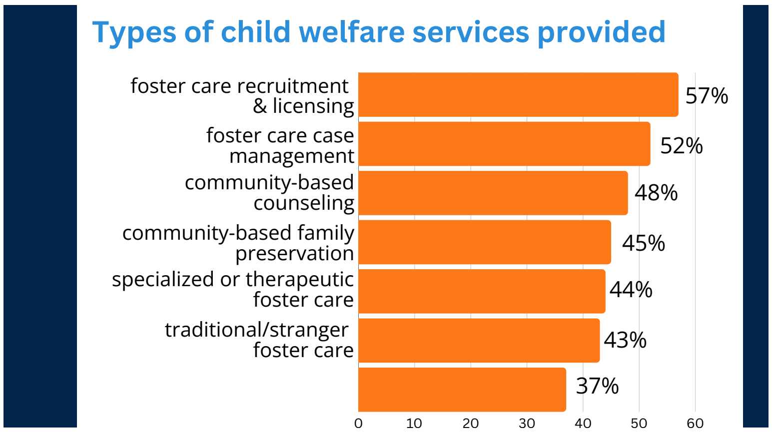
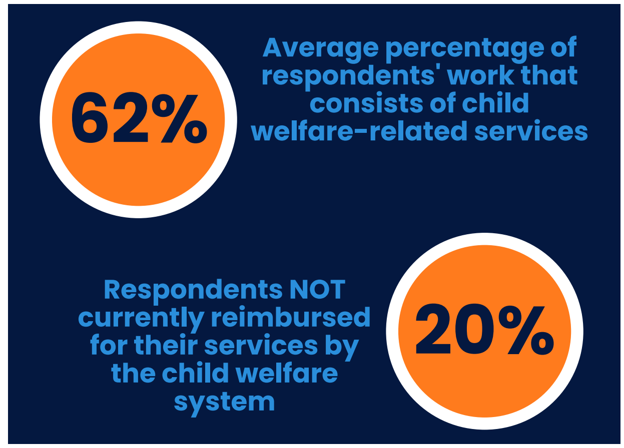


Figure 4. Distribution of survey respondents (n=327) by type of child welfare services they provide. Respondents could select all that applied from a list, including open-ended response to "other." See Appendix 2 for the complete list.

Providers generally have diversified the ways they support child and family well-being; 75% of respondents indicated that they provide services outside of the child welfare system. Of those respondents, just under half indicated that they provide "community-based mental health services," and the rest were a mix of education services including afterschool programs and childcare/early childhood schools, parenting or home visiting services, housing services, and substance use services, among others. In addition to their service array, most providers have diversified their sources of revenue. **Across respondents, on average 62% of organizational annual budgets represent reimbursement from child welfare-related services**, with a range of zero (n=17) to 100% (n=63).

One in five (n=65) respondents are not currently reimbursed for their services by the child welfare system. A deeper dive into those provider responses reflected organizations may have identified all or a majority of their revenue from child welfare *services*, but respondents clearly did not equate child welfare services only with reimbursement by the public child welfare *system*.[2]



The remaining 80% of respondents (n=262) from 43 states[3] answered detailed questions about their service delivery, general liability insurance, umbrella coverage, and sexual abuse and molestation coverage. Altogether, last year these providers served more than 400,000 children through child welfare prevention, family foster care, kinship care, reunification and/or adoption services, and therapeutic residential interventions.

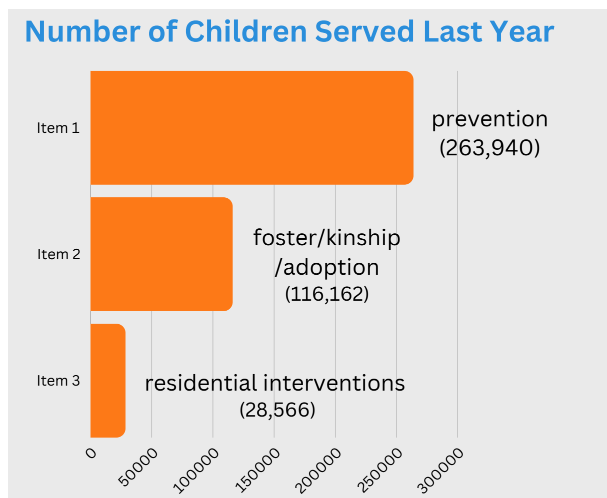


Figure 5. The sum of children served in 2024 in each of three categories as reported by respondents with valid responses (n=262).

Noting that this survey represents a sample and not the complete population of child welfare providers across the country, these organizations are supporting a significant number of children, parents, and family members in a wide variety of ways. Key findings from the survey and the additional materials reviewed are shared below, with deep appreciation to the many providers who contributed.

[2] See Appendix 2 – Survey Detail for more information about the service array provided by this subgroup.

[3] Only providers "currently providing services paid for by the child welfare system" were asked to answer questions about their service delivery and insurance coverage. See Appendix 2 – Survey Detail for more information.

Liability Insurance Trends

Answers to open-ended questions stated again and again that providers who had no claims against them were being dropped by their insurers, were paying considerably more money for less coverage, and were having challenges finding any insurer to provide coverage at all. This impacts their ability to serve youth and families, and many providers have eliminated or scaled back services because of the high cost or unavailability of insurance. Provider beliefs about increased insurance costs, expressed in collected qualitative responses, were supported by analysis of the numbers, including historical and current premium payments.

Premiums Are Rising Drastically Regardless of Claims History

Respondents were asked to provide the specific cost of their current general liability insurance premium and their premium costs in 2019. It was noted that, across respondents, their premiums typically paid for policy limits of $1 million per incident (n=216) and $3 million in aggregate (n=195).

The average premium increase of 163% since 2019 is unsustainable.

Of the providers who shared both current and 2019 costs (n=238), the vast majority (n=211) reported an increase in general liability premium costs[4]:

- 67% (n=142) experienced a premium increase of more than 50%;
- 47% (n=100) had their premiums at least double, with an increase between 100%-200%; and
- 25% (n=52) had their premiums increase by 200%-1800%.

THE VAST MAJORITY REPORTED AN INCREASE IN GENERAL LIABILITY PREMIUM COSTS:

67% Experienced a premium increase of more than 50%

47% Had their premiums at least DOUBLE

25% Had their premiums increase by 200-1800%

To gain further insight into whether claims history was driving the drastic increases in premiums, the survey asked all respondents (n=327) whether they had a child welfare judgement or settlement in the past five years. There was no statistically significant difference between the small minority of the full survey sample who self-reported a claim or judgement in the past five years (13%) compared to the subgroup experiencing premiums that at least doubled. The data for increases in umbrella coverage premiums track the increases in general liability coverage premiums, although several respondents indicated that they did not have umbrella coverage in 2019 and that it was a new coverage line they obtained to meet various requirements from their contracting partners. The survey did not specifically ask about the difference in sexual abuse and molestation coverage premiums over time, because many providers obtain this coverage as part of a package as opposed to standalone coverage; however, the comments reflected the same trends across all three types of coverage.

[4] Reported as percentage increases, which is more meaningful than the changes in dollar amounts across organizations, which vary widely based on organization size, structure, location, and service lines. See Appendix 2 – Survey Detail for more information.

The insurance marketplace is changing rapidly.

General trends show an increase in liability insurance costs across lines of coverage and across sectors, but this survey demonstrates that child-serving providers are an outlier experiencing premium increases well above the norm. **"General liability premiums [across sectors] are rising at an average of 8%-12% annually, largely due to increased litigation and settlements."[vi] Even if the average increase in general liability premiums reported by respondents of this survey was evenly distributed over the last five years, that would still translate to a 22% annual rate of increase**, or about twice the norm. However, many respondents shared that their premiums have spiked in just the last year or two. Moreover, providers across the country are paying higher premiums for lesser coverage–or are unable to obtain coverage at all. Longstanding, high-quality providers with no claims against them are being impacted because the insurance marketplace is changing.

Provider Voices:

"Our organization has never had a claim. We are rated by the state and regularly score in the 95 percentile or higher based upon our quality. Our carrier would not offer the $5 million umbrella policy this year and offered $1 million instead but raised the premium 400%."

"We experienced a 100% increase in premium for a tenth of the coverage with no claims made against us."

"We have never had any liability claims or losses, yet since 2019 our general liability premium has increased 182% and our excess liability premium has increased a staggering 1936%[.]"

WHAT INSURANCE CARRIERS SAY

Across the country, liability insurance carriers are non-renewing policies for community-based providers, sometimes across whole states or service types. Insurance carriers have pointed to large payouts for abuse lawsuits as part of their reason for non-renewing policies, although our survey findings demonstrate that most providers have faced insurance challenges despite having no lawsuits against them. In 2020, as part of sworn testimony before Congress, Pamela Davis, Founder, President, and CEO of Nonprofits Insurance Alliance (NIA), shared the history of how the nonprofit sector was especially impacted by an insurance capacity crisis in the mid-1980s, "fac[ing] huge rate increases, mass cancellations of coverage, and unavailability at any price of entire lines of insurance, as commercial insurers abandoned these markets."[vii] She forecasted that "certain nonprofits are once again finding it difficult to obtain even 'package' policies from commercial carriers," particularly child-serving nonprofits.[viii] History is repeating itself, only this time, on January 9, 2025, in an email to members, it was Davis who announced that, in addition to ongoing non-renewals and premium increases, NIA affiliates would issue no new lines of coverage for foster family agencies in any state. Her reasoning for NIA leaving the market, in part, was, "Given the judicial climate, following best practices and doing everything correctly is no longer the protection it once was."

NIA is the most transparent, but not the only insurance carrier that has moved in this direction.

Sixty-five percent of carriers reported "they expect to see a hardening of overall insurance market conditions" over the next three years in terms of price, limits, and availability.[ix]

Lack of insurers willing to provide coverage to agencies providing foster care and related services means that any insurer that does offer this coverage is not constrained by competitive market forces and can charge exorbitant rates, even to nonprofits with small budgets and no prior claims. Rising property and auto coverage compounds the issue. The challenge will only increase as more carriers increase premium costs, reduce coverage options, or pull out of states or coverage for child welfare providers entirely.

Some of the largest insurers of nonprofit child welfare service providers have limited their coverage offerings, exiting some states completely and refusing to take on new clients in others. As a result, some providers have turned to the excess and surplus market, where they pay even more and may receive lower quality coverage. Across general liability, umbrella, and sexual abuse and molestation coverage, 63% of providers (n=165 of 262) reported they had changed carriers in the last five years. **When asked why their carrier changed, the following themes emerged:**

Coverage Limitations (137 mentions)

Many providers reported that they were forced to switch due to carriers reducing coverage limits, shifting to claims-made policies, or introducing unaffordable deductibles *(and statutory or contractual requirements often mandate certain coverage, including high policy limits or specific types of policies).*

Example quotes:

- *"Couldn't meet contract requirements with current limits."*
- *"Carrier changed coverage terms, reducing umbrella limits."*
- *"[T]his year we needed to add an additional $1 million in coverage from another carrier, which is still not quite enough to meet some of our contracts. We are currently negotiating for lower required coverage on our contracts."*

Premium Cost Increase (51 mentions)

Rising premiums were a major reason for switching carriers, with some providers actively shopping for more affordable rates.

Example quotes:

- *"Changed carriers to lower costs."*
- *"Premiums increased despite no claims."*
- *"Our prior carrier raised the premiums...This was 100% due to our [a]doption-related services."*

Carrier Exited Market (50 mentions)

Several carriers withdrew from the child welfare or social services sector, citing the high-risk environment, regulatory changes, or litigation trends.

Example quotes:

- *"Carrier left the state of South Carolina."*
- *"Carrier stopped insuring in California"*
- *"Past insurance carrier no longer writes this line of service."*
- *"Carrier exited the market for foster care services."*

Nonrenewal by Carrier (51 mentions)

Many providers reported that their carriers refused to renew policies, even for organizations with no claims or losses.

Example quotes:

- *"Our previous carrier chose not to renew despite no claims."*
- *"[Our carrier] issued a non-renewal notice to us. [We are] currently on a 15-day extension to find a new carrier."*
- *"We are dropped each year for providing sex offender treatment and for working with kids who have a history of sexual abuse."*

Broker or Service Change (45 mentions)

Some providers proactively changed carriers or brokers to improve service, access better expertise, or secure policies better aligned with their needs.

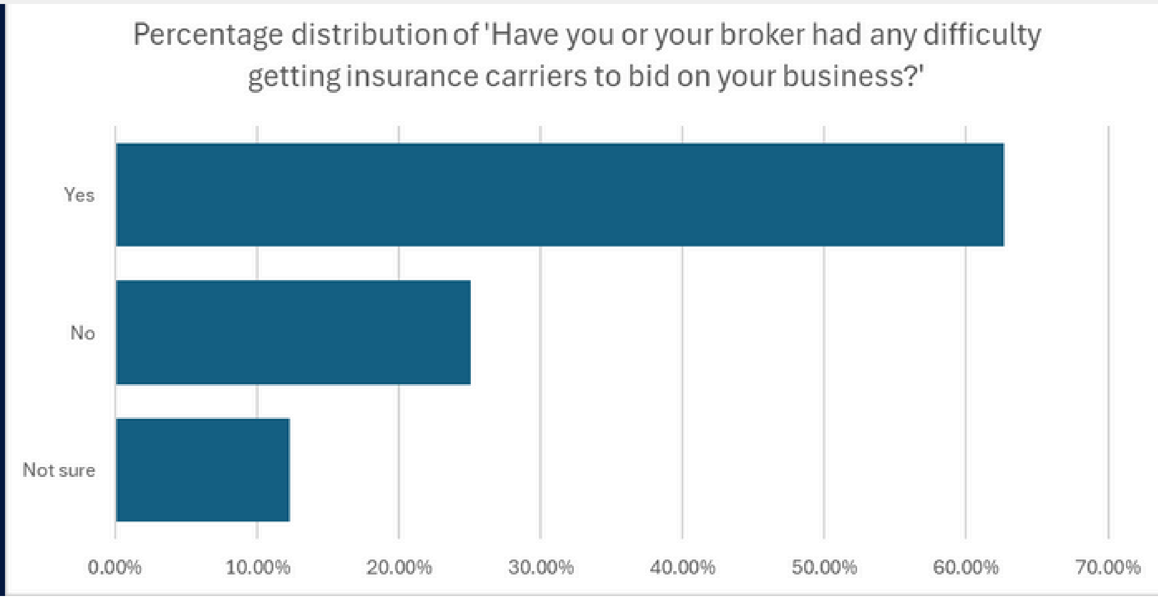
Example quotes:

- *"Broker changed for better service and more competitive quotes."*
- *"Switched brokers for specialized expertise."*
- *"Needed a broker familiar with child welfare risk."*

Overall, provider comments make it clear that the crisis in liability insurance access is not driven solely by cost but also by market exits, shrinking coverage, and carrier risk aversion. Even agencies with clean records face volatility and uncertainty.

The final section of the survey was available to all 327 respondents and asked general questions about insurance market experiences. Nearly two-thirds (63%) of survey respondents (n= 205) reported that they (or their insurance broker) had trouble getting insurance companies to even provide quotes for coverage.

Figure 6. Distribution of survey respondents (n=327) by whether they had difficulty getting insurance bids.



Interestingly, the challenge of getting insurers to provide bids is not equally distributed across the respondents. Only 29% of providers with annual budgets less than $1 million report difficulty getting bids compared to 63% across all budget levels. In contrast, 78% of providers with budgets greater than $30 million report difficulty obtaining bids for coverage. Both results represent a statistically significant difference from the average. While there are no similar patterns in premium increases, for now, small providers with less complex operations and serving fewer individuals seem to have more success finding an insurance carrier to meet their needs, although they may be less well-positioned to absorb looming market changes.

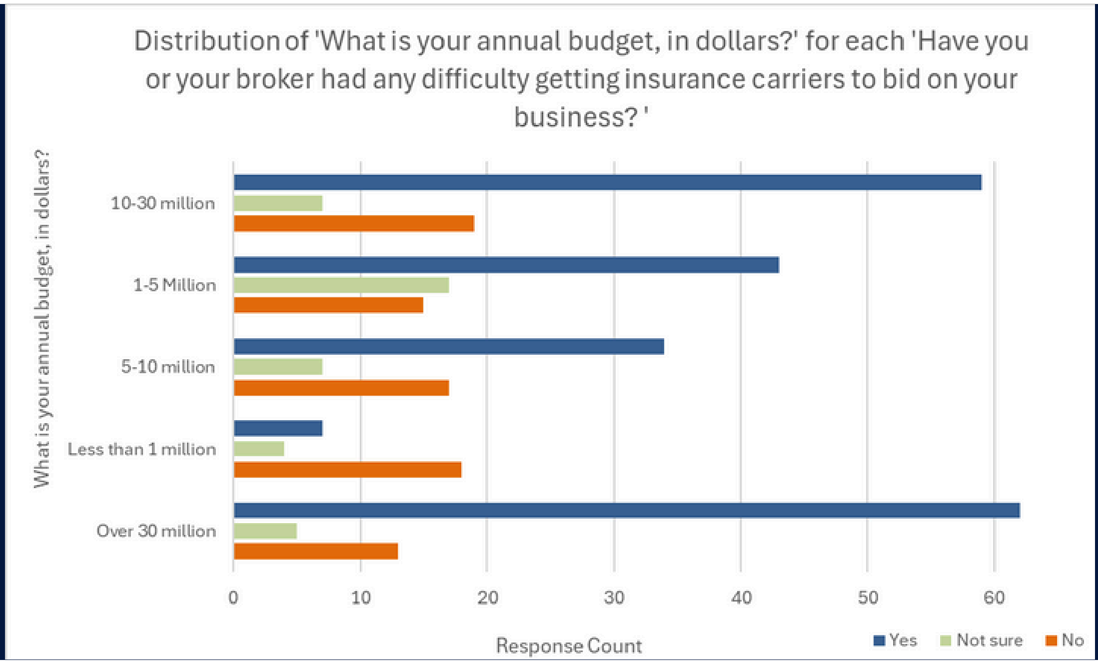


Figure 7. Survey response count (n=327) visualizing the difference in respondent difficulty obtaining insurance coverage bids by organization budget range.

On the other hand, larger agencies with more complex operations, providing a variety of services and serving more people, seem to be more likely to struggle accessing bids, and concerningly, may have more options to move away from services to children and families because they are performing a great number of services to meet their mission. Agencies with budgets greater than $30 million reported opening supportive housing apartment complexes, engaging in or leading community impact-driven programming, providing domestic violence and sexual assault services, services to migrants, aging and senior services, vocational services, telehealth and medication management, crisis stabilization services, veterans' mental health and supportive services, and more.

Although this survey asked solely about liability insurance, many respondents added comments explaining that liability insurance is only part of the insurance crisis they are facing, with property, vehicle, and cyber-security coverage (sometimes required by state statute) also becoming unavailable or prohibitively expensive.

Without interventions—whether legislative, regulatory, or collaborative market solutions—many child and family service providers may be unable to maintain required insurance, threatening their ability to continue operating vital programs.

"NN4Y's members—who serve youth experiencing homelessness and those involved in public systems—are seeing their mandatory liability insurance costs skyrocket. These rising costs are forcing providers to make impossible choices: scale back critical services, turn youth away, or shut down entirely. We urgently need real, systemic solutions to ensure community-based nonprofits can continue providing the vital care and support our most vulnerable children and youth rely on. Without action, we risk unraveling a safety net that has taken decades to build."

– Darla Bardine, *CEO*, National Network for Youth

Provider Voices:

"Insurance is our 3rd highest expense behind payroll and rent."

"Our long-standing carrier will no longer cover any services [in our state] pertaining to services for foster youth (including wrap-around services), so we need to find a new carrier as of July. Based on preliminary estimates from our broker, our cost will more than double, and perhaps triple."

"The State is not taking any action to ease the challenges around insurance. It is getting to the point that nonprofits will not be able to afford insurance and will have to close down. Wind and hail deductible is 3% of the value of the building. We have deductibles in excess of $100,000. What nonprofit has an extra $100,000 sitting around to replace a roof? Auto is the same. Even though we have a good record, they may not extend auto coverage in the future. In 2019, the total cost of all business insurance was $170,000. Today it is $358,000. That is a 47% increase over five years."

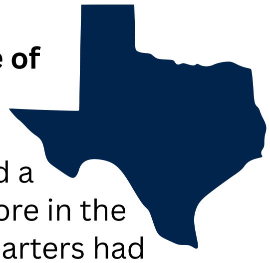
"The increases don't just apply to liability coverage, we are seeing increases across the board. In fact, we are currently being nonrenewed on our property and auto policy next period as the carrier is leaving the property market in our area altogether due to catastrophic wind and hail risk exposure leading to a loss ratio greater than 100%."

"Our premiums have more than doubled over the past few years. We have never had any claims[.]"

"Our broker reports that other carriers will not even LOOK at providing coverage to our agency due to adoption services, INCLUDING post adoption work."

NATIONAL SURVEY RESULTS ALIGN WITH STATE-BASED TRENDS

This survey included responses from almost every state, and its findings are consistent with previous research, surveys, and news reports from across the country.



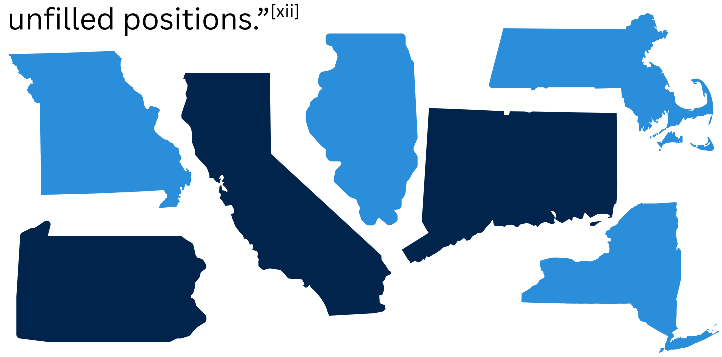
For example, the **Texas Alliance of Child and Family Services** surveyed their members, and more than half had experienced a premium increase of 50% or more in the past five years; nearly three-quarters had changed coverage in the past decade because of market constraints.[x] The organization also warned that "providers are unable to expand services or take on higher-needs children due to prohibitive insurance costs and outright refusal of carriers to provide coverage," and that thousands of children could lose their placements because of this issue. They also noted that their providers could not identify a consistent cause of the insurance premium increases (i.e., they were not tied to services provided or claims histories).

In Georgia, based on a survey of community providers, Together Georgia concluded that "[w]ithout immediate action, up to 5,000 foster children could lose their placements within the next 12 to 24 months."[xi]

Other findings from the Georgia survey were consistent with this national survey, with providers sharing that they faced high costs, limited availability for liability insurance, and significant challenges with other insurance types as well. **More than 90% of providers in Georgia reported "significant" increases in insurance premiums, and "52% of providers had only one insurance carrier willing to provide DHS-required coverage."**

> ***"Most news reports have focused on the impact of the liability insurance crisis on foster care. Through this survey, we hoped to add to the discussion and shine a light on how this issue is also impacting prevention, family support and preservation, and a host of other services that support children and families."***
>
> **-Lisette Burton, *Chief Policy & Practice Advisor,* ACRC**

In Michigan, where approximately half of children in foster care are served by community providers, a provider report explained that thousands of children could return to the custody of public agencies, warning "public child welfare systems are neither adequately staffed nor funded to absorb such a dramatic influx. This could exacerbate existing placement shortages and place further strain on a workforce already struggling with hundreds of unfilled positions."[xii]



News reports and child welfare provider groups in **California, Connecticut, Illinois, Massachusetts, Missouri, New York, and Pennsylvania**[xiii] have also called attention to the insurance crises in their states and the risks they pose to services for youth and families. In this current climate, providers cannot simply demonstrate risk management policies and strategies to obtain affordable, accessible liability insurance coverage. Organization leaders and boards of directors are making tough calls right now about how to fulfill their missions and sustain their work.

> ***"Insurance constraints are also chilling foster parent recruitment and threatening retention. Agencies are being told by their insurance companies not to grow or even start new programs, and soaring premiums are forcing cuts to critical supports like training, respite, and 24/7 crisis response. Without these, foster families burn out—and children lose stable placements."*** **–Kevin Roach, *CEO,* MCHS Family of Services**

Going without insurance coverage is not an option.

Child welfare services have historically been delivered by community-based service providers through public-private partnerships. Although governments are largely immune or limit their own liability for wrongdoing, almost all states treat nonprofits like any other business for liability purposes. To protect their staff, clients, and organizational sustainability, community service providers must maintain a range of insurance plans, including general and professional liability, property, and auto insurance.

Furthermore, most providers are compelled by statute or contractual agreement to obtain and maintain liability insurance coverage at specified limits as a prerequisite to service provision on behalf of or in partnership with public child welfare agencies. In many instances, public agencies further limit their own liability by requiring service providers to indemnify them against claims, even for actions attributable to the public agency staff rather than the provider; which increases both risk and insurance premiums. In this survey, several providers shared that they are (or soon will be) unable to obtain the coverage they are required to have under their contracts with public agencies (e.g., high value umbrella policies, or "claims-made" rather than "occurrence-based" policies) because those policies are not available from any insurer in their state.

Several states have begun taking steps to address these issues. Legislation recently passed in Texas to separate out nonprofit providers who are providing high-quality services from those who are not, with the hopes that insurers will return to the market in the state.[xiv] There is also a movement in states to ensure that the appropriate entities are held responsible for harm by prohibiting public agencies from requiring community-based providers to indemnify (i.e., take legal responsibility for) the state/county agency's own acts or omissions.

Along those lines, legislation recently passed in Missouri[xv] and Florida[xvi] to limit third-party liability, so providers are only liable for their own wrongdoing, not that of the public agency. Unfortunately, at least one major insurer has indicated that the law passed in Florida "is unlikely...[to] stem the exodus of insurers leaving this market."[xvii]

Provider Voices:

"The coverage requirements have become more costly than the compensation we get from child welfare for provided services."

"Most carriers consider us high risk because of the work we do. We anticipate our premiums going up again this year. It is difficult to find carriers that want to insure us, even for the minimum requirements stated in our contract with the state."

"It is a huge liability for our agencies that we have to indemnify the state in our contract."

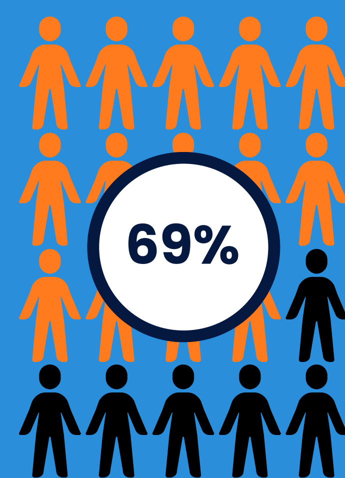
"Our very rural nature has put us in a place where we have struggled to find a carrier and when we find a carrier we have so many carveouts that the coverage offered does not work."

Insurance Challenges Will Impact Quality and Availability of Services for Children and Families

Many providers in this survey, and in public reports, have emphasized that increased insurance costs force them to reduce services. In some cases, this may mean fewer staff available to support caregivers and youth, in others it may mean losing foster family care placements altogether. Additionally, in several states, even though public agencies are delivering some child welfare or foster care services, community providers are responsible for key areas like kin licensing, therapeutic foster homes, or qualified residential treatment programs.[xiii] Loss of services due to insurance issues threatens to undermine decades of work moving the child welfare field away from placement crises that leave children sleeping in child welfare offices and towards a fully developed service continuum where children have the best opportunity to remain with their families, to be cared for by kin, or to receive care in a foster family home when a child welfare placement is necessary.

In discussing these difficult choices, many survey respondents were palpably frustrated; simply put, providers want to spend their funds on serving youth and families, not insurance. From this survey sample alone, almost $200 million[5] in public funds are being diverted from services to children to pay annual insurance premiums. While some providers indicated that they are "making it work" with insurance challenges right now, they do not expect to be able to do so in coming years. In some cases, this belief is driven by what their insurance brokers are forecasting about future rates and availability of coverage.

When asked "how likely are you to make changes to the child welfare services you offer in the future," only nine percent of respondents indicated that they were "very unlikely" to make changes. Two-thirds of survey respondents were willing to contemplate or were planning to make changes, *due to liability insurance concerns*.[6]



More than two-thirds of providers (69%) are either on the fence or plan to make changes to the child welfare services they offer in the future due to liability insurance concerns

There was no significant difference in responses to this question between the 25% of respondents who indicated they do not provide services outside the child welfare system and the 75% of respondents who have a more diversified service array. Providers with a diversified service array are more readily positioned to pivot away from child welfare-related services, should their Boards of Directors make that decision, but providers regardless of service array are expressing a similar amount of concern.

[5] $197,813,230 was the total current year liability insurance expense just from this sample of providers (n=238) including the sum of self-reported general liability, umbrella, and sexual abuse and molestation policy premiums.
[6] The options for response on a Likert scale were "very likely," "likely," "neither likely nor unlikely," "unlikely," and "very unlikely." Analysis of this question in the context of open-ended responses indicated that "neither likely nor unlikely" was largely interpreted as contemplating change. In some instances, respondents selecting "neither likely nor unlikely" had already made changes due to liability insurance concerns, making additional change not applicable. See Appendix 2 for additional detail.

On a hopeful note, when asked whether they had reduced child welfare service contracts due to liability insurance concerns, 85% of providers said "no." For some, that was because they already did not have a child welfare contract or had recently ended child welfare programs, but others are trying to maintain their work. California recently added $31.5 million to the budget to address rising insurance costs and prevent foster family agencies from closing,[xix] but this is a temporary band-aid to provide time to find more sustainable solutions. With collaborative action, there is still an opportunity to curb this unsustainable trajectory and strengthen the public-private partnership essential to supporting child and family well-being.

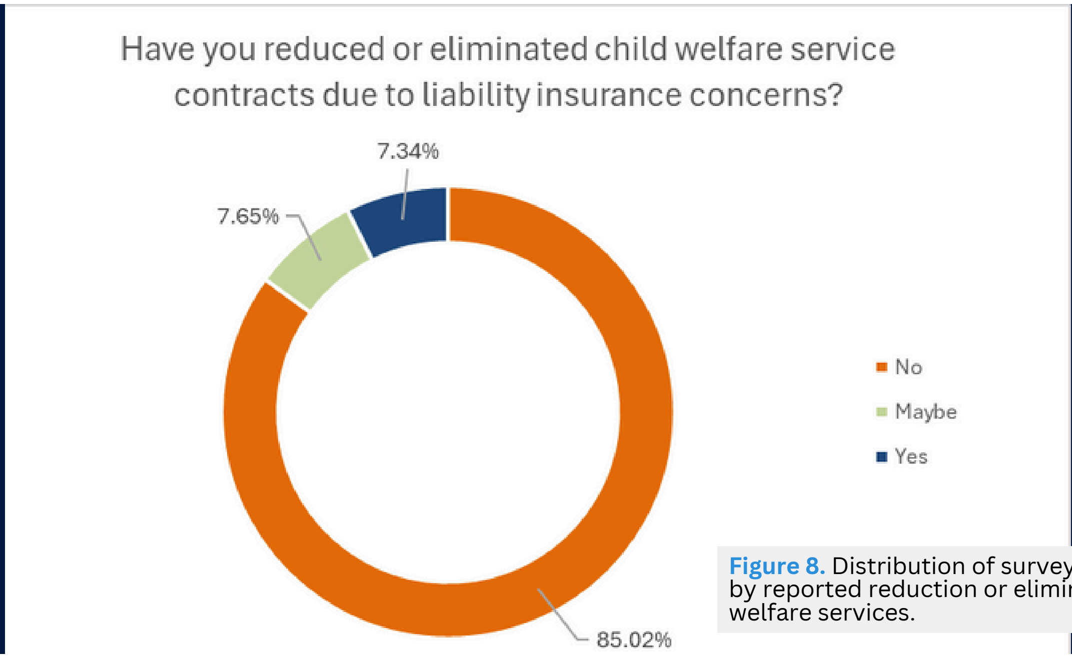


Figure 8. Distribution of survey respondents by reported reduction or elimination of child welfare services.

Provider Voices:

"If we are unable to obtain the insurance coverages requested by local counties and other partnerships, we risk not meeting insurance requirements to join contracts with other agencies. This means we could not accept new youth and would have to close down our [child welfare services]."

"The ongoing liability insurance crisis has created significant financial strain and barriers for the young people we serve...Without urgent action to ease these burdens, the financial strain could force agencies such as ours to cut programs, reduce participation, or, in the worst cases, discontinue vital social services altogether. The youth we serve deserve reliable access to the opportunities that prepare them for success, and the insurance crisis threatens to deprive them of these essential experiences."

"We are assessing closing one to two programs in the next year due to the cost to provide liability coverage. The increase in liability coverage is more than one of our programs causing the increase even brings in annually (foster care)."

"We take the increase in premiums under consideration when setting foster care per diem rates for county contracts. We do not intend to eliminate services, but the cost of services will have to continue to increase as long as insurance premiums are increasing."

"We have been trying to work with our state legislators but most are not familiar with the problem and when we make them familiar, their response is generally, "I am not sure what we can do to help." - Service provider

CALL TO ACTION AND POTENTIAL SOLUTIONS

Youth and families who have been harmed should absolutely be able to bring lawsuits and recover damages from responsible individuals and organizations. All youth and families should also be able to receive the supports they need. In many instances, that requires service provision from high-quality community providers, through public-private partnerships. When providers with no suits or claims against them are unable to obtain or afford insurance–and begin closing programs as a result–the continuum of care in communities, and the children and families who depend on it, will be impacted. Additionally, just in this survey sample, approximately $200 million in public funding and donor dollars are being spent on essential liability insurance coverage this year. As good stewards of limited resources, we owe it to our children, families, and communities to develop solutions that address this trajectory without undermining safety or quality of care. An accelerating insurance crisis is impacting child welfare service providers across the country and calls for a federal response.

***"I think people who have been harmed should have opportunities to recover from that harm. The complexity of it is, how do you make sure that people get the kind of restitution that they're entitled to without also completely undermining the community-based infrastructure that serves kids and families today?"*[xx]**

Andrea Durbin, CEO,
Illinois Collaboration on Youth

Partners must work together to look at the data and address the underlying challenges.

When the Senate Committee on Banking, Housing, and Urban Affairs was examining challenges in the property insurance market and the impact on consumers, the National Association of Insurance Commissioners (NAIC) committed that chief insurance regulators in every state would collect data from insurers to better understand property markets, coverages, and protection gaps, especially when related to challenges around the availability and affordability of property insurance.[xxi] Similarly, building off the state and national data collected from providers, NAIC could play a pivotal role in addressing this liability insurance crisis.

Regulators, public agency leaders, lawmakers, and community-based providers, in partnership with youth and families, should work together to identify strategies that will ensure accountability for wrongdoers while allowing effective child and family-serving organizations to remain viable and available to families and communities in need.

Congress has provided federal solutions in other sectors impacting the public good and should step in here, because both the federal and state governments have a special, shared responsibility to support effective child welfare system infrastructure.

Congress has addressed insurance marketplace limitations and failures in other sectors. There are current proactive and responsive examples that could be models for how Congress, in partnership with states, might intervene:

- The Liability Risk Retention Act of 1986 amended the law to expand access to liability insurance through risk retention groups and risk purchasing groups with the aim of helping organizations that were priced out or shut out of the insurance market.[xxii]
- Federally Qualified Health Centers have medical malpractice liability coverage through the Federal Tort Claims Act.
- The Terrorism Risk Insurance Act created a temporary federal program that provides for a transparent system of shared public and private compensation for certain insured losses resulting from a certified act of terrorism. The Secretary of the Treasury administers the program with the assistance of the Federal Insurance Office.

Solving this challenge will likely require a suite of policy solutions, not a one-size-fits-all approach.

There are several recommendations that could potentially help achieve the goal of ensuring both accountability and a service continuum that can meet youth, family, and community needs. These include:

- a reinsurance program supported and guaranteed by the federal government;
- a national risk pool, that encourages insurers to participate in the child welfare insurance market by spreading risk more widely across states and organizations; or
- federal incentives for insurance providers to cover child welfare organizations, paired with quality assurance measures that ensure better outcomes for children and families (i.e., premiums or coverage tied to an agency's actual performance and compliance with best practices).

Groups ranging from the American Enterprise Institute to Social Current have discussed some of the above ideas, and suggested others, including a victim compensation fund[xxiii] or federal legislation to address affordable coverage.[xxiv] These are just a few possible solutions that protect the rights of victims to recover when they are harmed, incentivize high-quality service provision, and ensure that needed services remain available in our communities.

There are solutions, if we have the will to act; achieving them will require creativity, collaboration, and urgency. Providers are being dropped from their insurance right now, with no viable alternatives. Public agencies and our neighbors are counting on those services and supports to be available in our communities when needed. The community providers who participated in this survey, along with members of the federal working group on this issue, stand ready to partner with other child welfare stakeholders and policymakers to explore and develop these other solutions.

CONCLUSION

The crisis in liability insurance for child welfare providers is widespread, severe, and threatens the viability of services for vulnerable children and families. Many providers maintain excellent safety records and have no claims history, yet they face untenable costs and reduced access to necessary coverage. The data and feedback obtained through this national survey underscore the urgent need for solutions that will ensure community providers can continue to fill their essential role in serving children, families, and communities.

"In an environment where our most vulnerable children, youth, and families are already facing access and coverage barriers, to increase liability and other required insurance for organizations (some with shoestring budgets) will only lead to the inability to hire necessary staff and even further decreased supports for families. These increases essentially take away direct service dollars to pay exorbitant premiums. Who ends up suffering? Children, youth and their families."

- Millie Sweeney, *Director*, Learning and Workforce Development, Family-Run Executive Director Leadership Association (FREDLA)

ENDNOTES

[i] "The trend toward higher liability costs, while present societally, is especially apparent in education. As a result, many high-profile insurance companies have exited the market, leaving only a small group of specialty carriers that offer coverages such as General Liability and Directors and Officers Liability (D&O) to schools." Brooks, M. (March 12, 2024). *Challenges Persist Amid Increasing Market Stability for Education Insurance.* Alera Group. https://aleragroup.com/insights/challenges-persist-amid-increasing-market-stability-education-insurance

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[iii] Dziengelski, S., et al. (March 2025). *An Uninsurable and Unavailable Foster Care System: How Lawsuits, Regulations, Social Inflation, and Policy Failures Are Making the Most Vulnerable Children Uninsurable.* American Enterprise Institute. https://www.aei.org/research-products/report/an-uninsurable-and-unavailable-foster-care-system-how-lawsuits-regulations-social-inflation-and-policy-failures-are-making-the-most-vulnerable-children-uninsurable/

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[vi] Meenasian, Sam. (March 19, 2025). *Rising Business Insurance Premiums: What's Causing the Increase?* USA Business Insurance. https://www.businessinsuranceusa.com/news/economy/rising-business-insurance-premiums/

[vii] Davis, Pamela A. (January 29, 2020). T*estimony of Pamela E. Davis at a Hearing "Examining the Availability of Insurance for Nonprofits."* https://www.congress.gov/116/meeting/house/110415/witnesses/HHRG-116-BA04-Wstate-DavisP-20200129.pdf

[viii] Ibid.

[ix] Praesidium. (February 2025). *Insurance Carrier Benchmarking: Sexual Abuse and Molestation Liability.* https://bit.ly/SMLBenchmarking24

[x] Texas Alliance of Child and Family Services. (2025) *Liability Insurance Crisis Among Texas Foster Care Providers.* https://tacfs.org/wp-content/uploads/2025/01/50th-Legislature-One-Pager-Liability.pdf

[xi] Together Georgia Provider Alliance. (nd.). *Insurance Crisis Threatens Georgia's Foster Care System.* On file with authors.

[xii] MCHS Family of Services. (nd.). *Fixing the Professional Liability Insurance Crisis in Foster Care.* On file with authors.

[xiii] Ellis, R. (Sept. 18, 2024). *Thousands of foster kids in California could lose their homes amid insurance crisis.* Los Angeles Times. https://www.latimes.com/california/story/2024-09-18/thousands-of-foster-kids-in-california-could-lose-their-homes-amid-insurance-crisis; Monk, G. (May 2, 2025). *Insurance costs threaten CT foster care providers.* CT Mirror. https://ctmirror.org/2025/05/02/insurance-costs-threaten-ct-foster-care-providers/; Miller, R. (Mar. 19, 2025). *Crisis looms for private foster care agencies.* Carbondale Times. Available at https://insurancenewsnet.com/oarticle/crisis-looms-for-private-foster-care-agencies-miller; Children's League of Massachusetts. (Feb. 2023). *Fact Sheet: An Act Clarifying Insurance Liability for Foster Care Providers.* https://www.childrensleague.org/wp-content/uploads/2023/02/Foster-Care-Liability-Insurance-Fact-Sheet-1.pdf; Bates, C. (Apr. 29, 2025). Sweeping Missouri child welfare bill, including child marriage ban, heads to governor's desk. Missouri Independent. https://missouriindependent.com/2025/04/29/sweeping-missouri-child-welfare-bill-including-child-marriage-ban-heads-to-governors-desk/; Citizen Portal. (Feb. 12, 2025). Nonprofit leaders demand New York legislature address foster care insurance crisis. https://www.citizenportal.ai/articles/2304258/New-York/Nonprofit-leaders-demand-New-York-legislature-address-foster-care-insurance-crisis; Babb, J. (Dec. 21, 2023). Foster Care Providers See Liability Insurance Rates Increase. Available at https://pccyfs.org/foster-care-providers-see-liability-insurance-rates-increase/

[xiv] S.B 1558, 2025 Leg. (Tex. 2025). https://capitol.texas.gov/BillLookup/History.aspx?LegSess=89R&Bill=SB1558

[xv] H.B. 737, 2025 Leg. (Mo. 2025). https://house.mo.gov/bill.aspxbill=HB737&year=2025&code=R

[xvi] S.B. 70 12, 2025 Leg. (Fla. 2025). https://www.flsenate.gov/Session/Bill/2025/7012

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[xvii] Kramer, N. (May 13, 2025). *Florida Legislature passes bill on foster care insurance coverage reform.* Beinsure Media. https://beinsure.com/news/florida-passes-bill-care-insurance/

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[xxiii] Dziengelski, S., et al. (March 2025).

[xxiv] Social Current. (2025). *Policy Brief: The Growing Liability Insurance Crisis.* https://www.social-current.org/reports/policy-brief-the-growing-liability-insurance-crisis/

APPENDIX 1 - Glossary of Insurance Terms Used in this Report

Insurance Terms

This glossary is an abbreviated list of key insurance terms adapted and edited for clarity from the "Glossary of Risk Management and Insurance Terms", *published by the Nonprofit Risk Management Center. Their complete glossary can be accessed at* https://nonprofitrisk.org/resources/glossary-of-risk-management-and-insurance-terms/.

Aggregate limit — Maximum amount that the insurer will pay under a liability policy during one annual policy period, regardless of the number of occurrences, usually in addition to legal defense costs. For general liability, policies are sometimes written with the aggregate limit applying separately to each scheduled location.

Alternative market — Nontraditional risk financing, including risk retention groups, risk pools, self-insurance and captive insurance companies.

Broker — An insurance professional/intermediary who markets and explains insurance products to insureds and prospective insureds. Brokers are typically licensed by a state to place insurance on behalf of clients (individuals and organizations) with any number of companies, while others represent a single insurer. A broker technically represents the client.

Captive insurance company — Subsidiary of one or more parent or member organizations formed for the purpose of insuring the exposures of the parent or member organization(s).

Charitable risk pool — A nonprofit property/casualty insurance company that insures nonprofit organizations and qualifies as a charitable risk pool pursuant to federal tax laws and is exempt from federal income tax. A qualified charitable risk pool may only be comprised of nonprofit organizations that qualify under section 501 (c)(3) of the Internal Revenue Code.

Claims-made basis — A liability coverage form that requires that claims be reported to the insurance company while the policy is still in force in order for coverage to apply. In other words, a claim must be made while the policy is in force. The claims-made form is one of two types of liability policy forms. The other more common form is called occurrence form. Under an occurrence form policy, a claim occurring during the policy term may be reported to the insurance company at any time, even years after the policy expires.

Deductible — Amount deducted from a loss. The deductible is an amount assumed in advance by an insured as required by the insurance company or as a means of obtaining a lower premium for the coverage. Also, the amount of the loss that the insured must pay.

Excess and surplus lines carrier — Insurer that is not admitted (not licensed) to do business in a particular state, but is permitted because coverage is not available through licensed insurers.

Excess liability insurance — Provides coverage over and above primary insurance. The coverage is triggered when the amount of a loss exceeds (exhausts) an existing primary policy. Excess liability coverage mirrors the terms and conditions of the underlying policy.

APPENDIX 1 - continued

Indemnify — To compensate for actual losses sustained.

Liability insurance — Insurance covering the financial risk of civil lawsuits.

Long-tail exposure — Exposures for which a claim might be filed long after the insurance policy or policies expire. Loss may not be recognized for many years, involving such latent injuries as asbestos, medical malpractice, and sexual abuse or molestation.

Occurrence-based — A form of liability coverage that covers claims that occur during the policy period, and for which claims can be reported to the insurance company at any time during or after the policy period, even years after the policy expires.

Premium — The payment for an insurance policy or bond.

Property insurance — Insurance that covers direct damage to the nonprofit's property and equipment including consequential losses (business income, loss of rents, extra expense) caused by an insured peril.

Risk-financing pools — A mechanism where multiple entities come together to share the financial burden of potential losses, typically by pooling their contributed premiums to finance losses.

Self insurance — When an organization's own resources (internal) are used to fund losses. An organization may self-insure risks through a formally structured risk-financing program, such as a captive insurer, or by setting aside funds to pay for losses. A nonprofit can also be self-insured on an informal basis when it has made no arrangements to finance losses and must use operating funds when losses occur.

Sexual Abuse and Molestation Insurance — Historically, until the mid-1980s, coverage for sexual abuse claims who not always addressed specifically within policies, thus leaving the policies open to interpretation. Policyholders would claim that their general liability policies provided coverage, while insurers disagreed. Today sexual abuse and molestation coverage can be proactively covered in a variety of ways: as a stand-alone policy form developed specifically to address this coverage, as a separate section of a package policy, or as an addon to a professional liability policy.

Umbrella liability insurance — Provides excess coverage over several primary policies, such as general liability, auto liability, and employers' liability. Increases the amount of liability insurance beyond that of the underlying policies carried by the insured and covers some claims not covered by underlying policies.

APPENDIX 2 – SURVEY DETAIL

Survey Distribution

This electronic survey was widely available and distributed through an online link to providers of child welfare and related services across all 50 states via national and state organization listservs. ACRC, NOSAC, and members of the Child Welfare Liability Insurance Working Group shared the survey announcement through their respective networks. The survey was open for responses for eight weeks, from April 22 through June 16, 2025 (the initial deadline was May 9, 2025, but there were several requests for more time). Private provider organizations that "provided any services related to foster care and child welfare in the last five years" were invited to contribute one response per organization.

Survey Respondents

There were 337 responses to the survey. Ten of the responses were duplicate organizational responses. Seven of the ten duplicates were survey responses completed by the same person at a later date. Knowing that this is a rapidly changing environment, we used the most recent response for multiple-choice and numerical questions and combined responses to open-ended questions. Three of ten duplicates were completed by different people at the same organization. We used the most complete response from the most senior leader. The survey instructions stated that:

"The organization leader most familiar with your liability insurance coverage should be the person to complete the survey on behalf of your organization. If you are an organization with a complex and or/multi-state structure, please ensure a leader from each entity/state that holds the policy completes this survey separately. Before you begin the survey, please have access to your current liability policies, as well as your policy information from 2019 (to help us show the changes over time). We suggest you contact your broker if you don't have this information, and your broker can help you complete this. This survey also asks for general information about your organizational budget, services you provide, and number of children served in 2024 and in 2019."

This report is based on responses from 327 unique organizations across 46 states (all except Maine, New Mexico, South Dakota, and Vermont).

Data Collection and Analysis

The survey was divided into five sections and contained a total of 54 questions. The complete list of survey questions is available at: https://bit.ly/LiabilityInsuranceSurvey.

Survey Section 1 – Contact Information

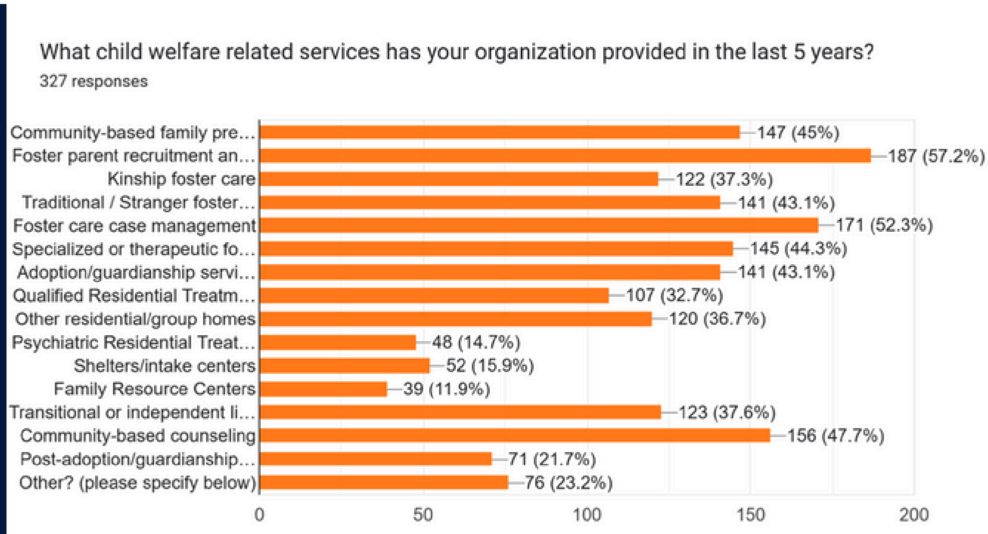
Although all responses were anonymized, we did collect mandatory information from the person completing the survey, including email address, first name, last name, organization name, and title at the organization. We applied this information when solving for duplicate organizational responses and it allows for potential follow-up with respondents who indicated an interest in having their experiences highlighted as part of an example or case study (this was the final question of the survey).

Survey Section 2 – Organization Information

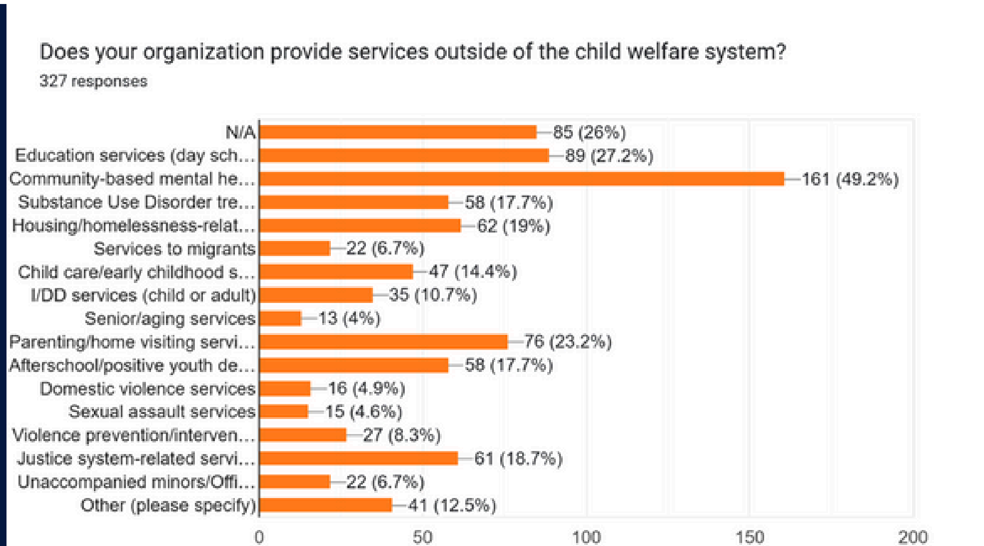
This section included questions about the organization's location (including an opportunity to describe whether they served urban, rural, and/or suburban communities), number of employees, and annual budget to help understand the organization's size and reach. The survey also asked about tax status. Knowing that most child welfare providers are nonprofit organizations, we wanted to know that our survey sample reflected the general provider mix nationwide.

APPENDIX 2 – SURVEY DETAIL

Survey Section 2 – Organization Information cont.
To gain insight into how much each organization's work was related to child welfare, we asked, “Approximately what percent of your organization’s current budgeted income is from child welfare services?” We also asked, “What child welfare services has your organization provided in the last five years?” Respondents could select all applicable types of service from a list and add in “other” services through an open-ended follow-up question. **The figure below represents the distribution of child welfare-related services that respondents provide.**



We were also interested to know what other services respondents might be providing in their communities. Respondents were asked, “Does your organization provide services outside of the child welfare system?” This was a mandatory question. One in four respondents selected “N/A.” **The remaining three in four respondents selected a variety of services outside the child welfare system, detailed in the figure below.** Respondents could select all applicable from a list and add in “other” through an open-ended follow-up question.



APPENDIX 2 – SURVEY DETAIL

Survey Section 2 – Organization Information cont.

Because we were focused on the impacts of the liability insurance crisis on the public-private partnerships essential to children's services, we asked respondents if they currently provide services paid for by the child welfare system. If they answered "yes," they were directed to answer detailed questions in Sections 3 and 4 about their service delivery, general liability coverage, umbrella coverage, and sexual abuse and molestation coverage. If they answered "no," they were directed to the final section, Section 5.

One in five respondents (n=65) answered "no," and proceeded to the questions in Section 5. Four in five respondents (n=262) continued to Sections 3 and 4. The subgroup of providers not currently reimbursed by the child welfare system provide a variety of services, including: private adoption and guardianship, community counseling services, therapeutic programs paid for by Medicaid or other sources, mentoring services, shelters, and educational programs. They also operate as lead entities in privatized systems, serve as care management organizations, or, in the case of 8 providers in this subgroup, they recently closed their programs and ceased most or all operations due to dropped insurance coverage.

Sections 3 & 4 – General Liability Insurance Policy Questions and Sexual Abuse and Molestation Policy Questions

Respondents completing questions in the third and fourth sections were from 43 states. The three states in the total sample not represented in this subsection of the survey were the lone respondents from Alaska, New Hampshire, and Oklahoma, who each answered "no" when asked if they currently provided services paid for by the child welfare system.

The main body of the report regarding Liability Insurance Trends contains a detailed analysis of the information respondents shared in these sections.

Regarding premiums, of the providers who shared both current and 2019 costs (n=238), a small number (n=27) reported a decrease in premium costs, but comments revealed the reasons were lower coverage, a decrease in general liability costs but increases in other lines of coverage, and changes in their service lines, including no longer providing foster care services.

To identify whether increased premiums were due to changes in organization structure or expansion of services, all respondents (n=327) were asked whether their organization has "gone through a merger, or experienced other changes in size and scope of service over the past five years that would impact [their] liability insurance?" and if so, to please describe. Nearly a quarter—23% (n=75)—of respondents identified they had changes to their organization, but the changes were a combination of expansion (n=42), contraction including program closures (n=20), and changes with neutral or undescribed impact to size and scope (n=13). **Across patterns of fluctuation in premiums, changes in carriers, difficulty getting insurers to bid on their business, and expressed concerns regarding the insurance market, there was no significant difference between organizations that identified changes to their size and scope and organizations that did not.**

Section 5 – General Insurance Market Experiences

The final section of the survey was available to all 327 respondents and asked general questions about insurance market experiences. The main body of this report, identifying changes in the insurance marketplace, contains a detailed analysis of the information shared by respondents in this section.

APPENDIX 2 – SURVEY DETAIL

Future Data Analysis and Information Sharing

The broad analysis from this survey is intended to present the experiences of the respondents as captured at the time they completed the survey. Unfortunately, we know that some providers who completed this survey may already have experienced a change in their access to liability insurance coverage, possibly impacting their ability to serve their communities. **Based on the sample's size and diversity, trends revealed through this survey can inform a national dialogue and response.**

This report is intended to be an initial analysis of the data collected through this national survey of providers. There are many ongoing opportunities to:

- learn more within the existing data;
- build on the data through follow-up engagement with respondents and other stakeholders; and
- develop a deeper understanding of the challenges related to liability insurance coverage nationwide and how to support solutions.

New briefs, case examples, and other resources will continue to be added to a landing page at https://togetherthevoice.org/insuringcare/.

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