

June 27, 2023

The Honorable James B. Eldridge
Senate Chair, Joint Committee on The Judiciary

The Honorable Michael S. Day
House Chair, Joint Committee on The Judiciary

Dear Chair Eldridge, Chair Day, Vice Chairs, and Committee members,

The Children's League of Massachusetts (CLM) is a statewide non-profit association of nearly 60 private and public organizations that collectively advocate for the availability, accessibility, and quality of services that are in the best interest of the Commonwealth's children, youth, and families. Our Foster Care Task Force includes the community-based organizations who provide Comprehensive Foster Care and other foster care services as state contractors to the Department of Children and Families (DCF).

We are writing **in support of "an act clarifying insurance liability for foster care providers"** ([S.1134](#) / [H.1600](#)). This legislation provides a technical clarification that will help ensure foster care providers are able to continue delivering these vital services to the state.

We Risk Losing Foster Care Programs Due to Skyrocketing Insurance Rates & Requirements

Over the past several years, community-based nonprofit organizations have had to reduce services and even consider shutting down completely due to unaffordable insurance. Many types of nonprofits have been affected but none more than foster family agencies. Large claims *in states other than Massachusetts* have had a negative impact on the national child welfare insurance marketplace.

The number of insurers willing to offer foster care liability insurance in Massachusetts has reduced to one standard market carrier, eliminating marketplace competition. One of our providers reported a 120% increase in their premium in 2021, with a reduction in key coverage. In 2022, another provider reported a 74% increase in annual liability insurance costs over a three-year period. Further, insurance companies have added programmatic oversight requirements beyond what is required by the state, driving up operational costs for providers. These added operational costs threaten the financial viability of community-based organizations to offer these services, and the state risks losing these contracted foster care services altogether. Losing these services would exacerbate the already severe placement crisis within our child welfare system and reduce the number of foster homes available, especially for the most medically complex children, who are typically served by providers.



An Act Clarifying Insurance Liability for Foster Care Providers Protects These Critical Services

This legislation corrects the unfair practice of government contracts currently shifting liability for potential negligence conducted by the Department of Children and Families or other third parties to contracted nonprofit providers; it renders such contracts unenforceable. Thereby, insurers will gain assurance that providers will only be liable for their own actions. This clarification of accountability will help insurance providers remain in this market, which will increase the pool of insurance options and, ultimately, drive down costs for nonprofit providers.

We urge the Committee to report this bill out favorably and secure its timely passage in order to sustain our ability to provide community-based foster care across the Commonwealth.

Sincerely,

Rachel Gwaltney
Executive Director
Children's League of Massachusetts

Endorsing Members of the Children's League of Massachusetts

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