

~ PROTECTION 101 ~
CHILD CARE INSURANCE

STRATEGIES:

Business Plan
Parent Contract
Crisis Management Plan

NECESSARY EXPENSES:

Toys & Books
Blankets & Bottles
Supplies & Equipment

GODSEND:

Liability Insurance

A good deal of time and money can be spent establishing and maintaining strategies and supplies for a successful child care business. But once the tangible items are purchased and the strategies are put in place the next step is to secure vitally important protection for yourself, your investment, your staff and your clients.

Finding yourself the object of a lawsuit can be one of the most devastating experiences of your life. Having appropriate and adequate insurance protection can make the most dramatic and positive difference in the outcome. So, how can you determine what insurance to purchase and who will be your business insurance partner? The following should provide some insight:

1. Your Basic Needs should be met:

First and foremost you will want to fulfill your intrinsic and essential need to be understood, to feel welcome, important, secure, confident and comfortable with the insurance professional that you will be working with. While technology is awesome, you will still need a person that you can talk with. There is no value to any service or product if these basic needs are not met to your satisfaction.

2. Your Expectations should be met:

Your insurance representative should understand your needs, have knowledge about your unique exposures and have solutions to secure the coverage that you require. They should be able to provide you with personal and immediate attention, discuss options available to you, and provide timely follow-up when issues, concerns or claims arise. Your insurance professional is part of your management team and should be readily available to you before and after you purchase coverage.

3. Protection offered should be a Good Value:

Take the time to really understand and appreciate that your insurance plan is a good value. Ask about the maximum limit of liability that is available to you. Take this annual premium and divide this by 52 weeks (or the number of weeks that you provide child care service). Divide this number by the number of children in your care. By example a \$500 annual premium divided by 52 weeks is \$9.61; divided by 6 children is \$1.60 per week/per child. If you cannot possibly bear this business cost you may consider increasing what you charge your families by this amount each week.

4. Claims: Coverage, Financial Stability, Support and Timely Service:

Ask questions about what is and what is not covered by the policy prior to purchase. Typical child care liability policies will excludes suits caused by pets, trampolines, private pools, lead and automobiles. An insurance company with a high financial rating will be able to defend and pay covered claims; so look for an "A" rated carrier. Professional support, timely and compassionately settled claims is crucial. Make sure that your needs and expectations were met on the initial contact!



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