



New York Public Welfare Association, Inc.

Founded in 1869

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MEMORANDUM IN SUPPORT

A.9646 (Hevesi) / S.9113 (Bailey):

Relates to liability insurance for voluntary foster care agencies

The New York Public Welfare Association, Inc. (NYPWA) is a statewide organization that represents local social services departments who are charged with the responsibility for the provision of services, and foster care services to children and families in New York State counties. Our members administer these foster care systems at the county level and rely on voluntary childcare agencies for foster care placement services. These voluntary childcare agencies are required as a condition of operations to carry certain levels of general liability insurance. Foster care agencies in NYS and nationwide are experiencing significant challenges in accessing liability insurance coverage, and they do not have the resources to pay for these increased costs associated with maintaining liability coverage.

We are adding our voice to those who are calling on New York State to help in resolving the looming crisis in foster care as it relates to obtaining, securing, and maintaining general liability insurance. Insurers have begun to indicate that the provision of foster care services by non-profit voluntary foster care agencies creates a risk which the carriers are unwilling to underwrite due to concerns about liability exposure in this sector. Without proper insurance coverage, non-profit foster care agencies are prohibited from providing foster care services.

If left unaddressed, this potential insurance crisis may prevent voluntary childcare agencies from being able to serve children in foster care if they are not able to secure or pay for adequate liability insurance. If the voluntary child care agencies cannot secure general liability insurance, they may have to cease operations, and this will shift the responsibility for the provision of foster care services to the counties which are not possessed of sufficient resources to take on the added responsibility.

We support newly introduced legislation ([A.9646 Hevesi / S.9113 Bailey](#)) which would address the issue in multiple concrete ways. New York can create a state insurance risk pool, similar to existing models for auto or malpractice insurance, to guarantee continued access to coverage. State-set rate adjustments would also help with stabilizing the prohibitive cost of premiums. The time to act is now, in this year's state legislative session, before this looming crisis becomes a full-blown collapse. Every child and family served by this system deserves our best effort to ensure continuity of their care. NYPWA does not want to see the arduous work New York State has accomplished in the foster care system undone with inaction, and we would be proud to work alongside State Agencies in finding a long-term solution.

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