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Legal Aspects of Managing an ECE Center

Insurance: What should I look for in a policy?

(Source: DCI Insurance Services, Inc.)

Following are some of the most important coverages that best protect an ECE business.

Defense Coverage. If you are sued, the insurance company will pay for your defense even if the suit (claim) is groundless or fraudulent. For maximum defense coverage, look for policy whose defense coverage is in addition to the policy limit. This will reduce the amount of your liability coverage.

Child Abuse. This covers liability for claims made against you, residents of your household, or your employees/helpers, whether groundless or not. Beware of policies that include defense cost in the limit. It reduces the amount of your insurance. Look for a policy that includes legal representation or defense costs for Administrative Hearings resulting from allegations of Child Abuse.

Incidental Malpractice. This covers your liability in giving medication or following a child's dietary needs.

Personal Injury. This coverage protects you against libel, slander, false arrest, wrongful eviction and malicious prosecution.

Alienation of Affection. This protects you against claims that you are "stealing the affection and control" of a child from their parent or legal guardian.

Contractual Liability. This covers your obligations under written agreements. For example, it could cover your obligations to seek medical care in emergencies, take a child on field trips, or to take and pick-up after school.

Field Trips/Off Premised Activities. This provides coverage when you are away from your premises: trips to the park, museum, theater or market.

Products Liability. This includes preparing and serving of food.

Non-owned Auto Liability. This provides protection from lawsuits resulting from children getting injured in an automobile accident caused by someone using their car on your behalf. This coverage is not part of the liability coverage and may be offered as an option.

Transportation Coverage. This protects you from lawsuits resulting from children injured in an automobile operated by you or one of your employees. This coverage is not part of the liability coverage and may be offered at an additional cost.

Accidental Medical Insurance. This pays medical bills resulting from an accident, even if it is not your fault. Be sure the coverage is without a deductible, so you do not have to pay part of the bills. Look for a policy that pays at least \$20,000 for each child injured as a result of an accident, including while being transported in an automobile. This coverage can be added at a very low cost. Some companies may include your own children enrolled in your childcare. Some will offer coverage for you or your employees.