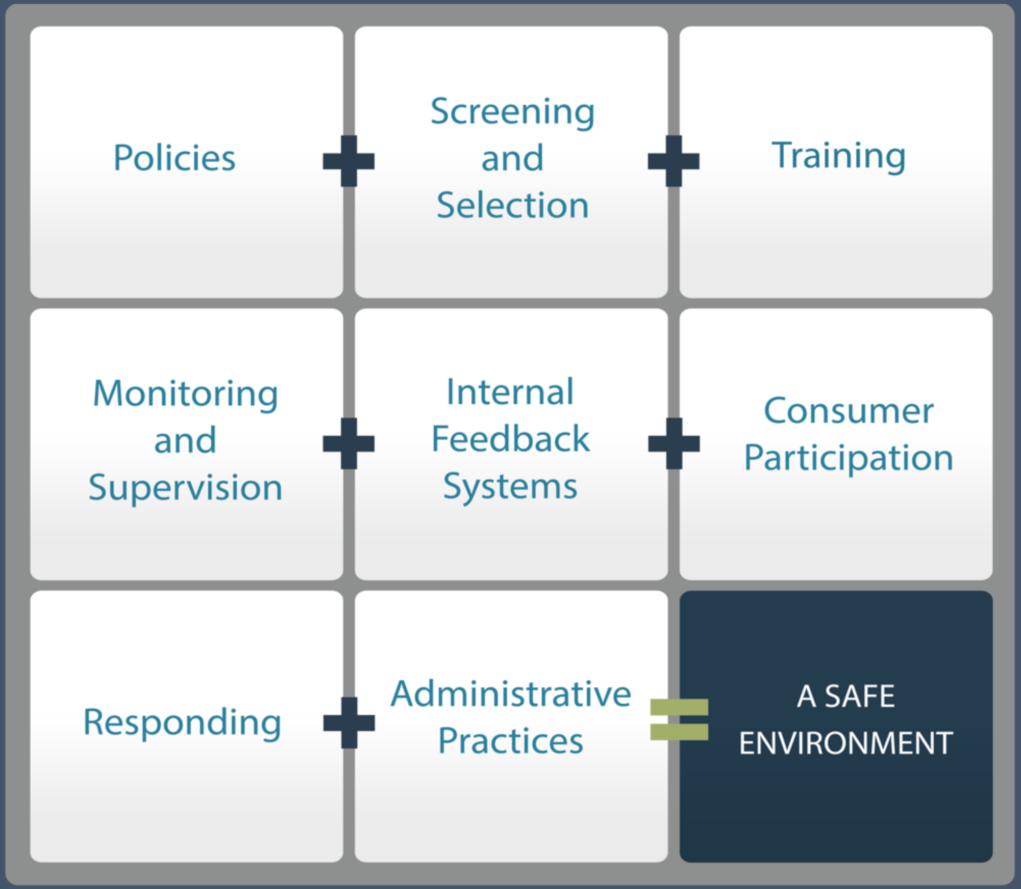
PRAESIDIUM FOR *NAIC CHILD CARE INSURANCE WORKING GROUP*

July 13, 2026

MEREDITH BUNNEL, JD, MPP
Director of Research & Strategic Engagement

PRAESIDIUM



PRAESIDIUM SAFETY EQUATION®

PRAESIDIUM

Evidence-based Risk Management

- Praesidium Safety Equation
- Accreditation Standards for Consumer-Serving Organizations
- Our Approach: Services & Resources
- Industries & Partnerships

2022 SML Benchmarking

- Carriers only

2024 SML Benchmarking

- Carriers & Organizations

2026 SML Benchmarking

- Carriers, Organizations & Brokers
- *Report will be released Fall 2026*

Carrier-side survey: *Anonymous survey capturing both current and anticipated offerings & requirements*

Purchaser-side survey: *Anonymous survey capturing current SML coverage, available resources, and renewal/purchase process experiences*

PRAESIDIUM RESEARCH

SML Insurance Benchmarking

- Example: In 2024, **88%** of respondents reported defined UW requirements addressing how an organization monitors and supervises high-risk situations in order to obtain SML coverage compared to only 67% in 2022.

PRAESIDIUM

2022 SML Benchmarking

- Carriers only

2024 SML Benchmarking

- Carriers & Organizations

2026 SML Benchmarking

- Carriers, Organizations & Brokers
- *Report will be released Fall 2026*

Carrier-side survey: *Anonymous survey capturing both current and anticipated offerings & requirements*

Purchaser-side survey: *Anonymous survey capturing current SML coverage, available resources, and renewal/purchase process experiences*

PRAESIDIUM RESEARCH

SML Insurance Benchmarking

What does that mean?

Procedures to Manage One-on-One Interactions with Youth or Vulnerable Adults

Required by 69%

Considered by 31%

Procedures to Manage Bathrooms, Diapering, or Toileting

Required by 44%

Considered by 44%

Not evaluated by 13%

Procedures to Manage Bathrooms, Diapering, or Toileting

Required by 44%

Considered by 44%

Not evaluated by 13%

Procedures to Manage Transportation

Required by 44%

Considered by 44%

Not evaluated by 13%

Procedures to Manage Overnights

Required by 56%

Considered by 38%

Not evaluated by 6%

PRAESIDIUM

2022 SML Benchmarking

- Carriers only

2024 SML Benchmarking

- Carriers & Organizations

2026 SML Benchmarking

- Carriers, Organizations & Brokers
- *Report will be released Fall 2026*

Carrier-side survey: *Anonymous survey capturing both current and anticipated offerings & requirements*

Purchaser-side survey: *Anonymous survey capturing current SML coverage, available resources, and renewal/purchase process experiences*

PRAESIDIUM RESEARCH

SML Insurance Benchmarking

Example: Are there any industries in which you expect you may **decline** to write SML coverage?

- 38% said Child Care
- 25% said Foster Care
- 25% said Camps (day & overnight)
- 13% said Youth Development

PRAESIDIUM

2022 SML Benchmarking

- Carriers only

2024 SML Benchmarking

- Carriers & Organizations

2026 SML Benchmarking

- Carriers, Organizations & Brokers
- *Report will be released Fall 2026*

Carrier-side survey: *Anonymous survey capturing both current and anticipated offerings & requirements*

Purchaser-side survey: *Anonymous survey capturing current SML coverage, available resources, and renewal/purchase process experiences*

PRAESIDIUM RESEARCH

SML Insurance Benchmarking

In 2024, **94%** of respondents said that accreditation would positively impact the ability for an organization to obtain SML coverage.

- **93% of those reported being more likely to offer any SML coverage at all**

PRAESIDIUM

From the 2026 PRAESIDIUM REPORT

RESILIENCE & ADAPTABILITY

Leaders visibly and consistently model boundaries & expectations

Ongoing, supported, & reinforced supervision norms

Assumptions replaced with verification

Data used to guide improvement, not assign blame

Prevention treated as a dynamic system, not a static checklist

PRAESIDIUM

WHAT PRAESIDIUM ACCREDITATION IS

A COMPREHENSIVE FRAMEWORK FOR SEXUAL ABUSE PREVENTION

RESEARCH-INFORMED AND FIELD-TESTED

FOCUSED ON SYSTEMS, IMPLEMENTATION, AND CULTURE

WHAT PRAESIDIUM ACCREDITATION IS **NOT**

NOT
A ONE TIME CHECKLIST

NOT
A GUARANTEE THAT NOTHING WILL EVER HAPPEN

NOT
A REPLACEMENT FOR LEGAL OR REGULATORY REQUIREMENTS

PHASE 1

- Cohort Selection & Onboarding
- Self-Assessment
- Implementation & Action Plan

PHASE 2

- Site Visit
- Corrective Action Plan

PHASE 3

- Accreditation Decision
- Maintaining Accreditation
- Commitment

**Typical Timeline:
9-12 months**

**Accreditation Valid
for 3 years**

PRAESIDIUM ACCREDITATION

Accountability + Support

- Dedicated Accreditation Specialist & Consultant
- Regular Check-ins & 1:1 Coaching
- Template & Model Policies & Procedures
- Praesidium Academy*
- Praesidium Helpline*
- Background Screening*
- CPG Workshop access*
- Partnership specific resources*
  - Ex: YUSA Partnership
    - Accreditation Readiness Webinar Series
    - YMCA-specific templates
    - YMCA-specific cohorts

PRAESIDIUM

PRAESIDIUM ACCREDITATION STRENGTHENS A CULTURE OF SAFETY

PRAESIDIUM
ACCREDITATION

PROVEN RESULTS:

- 6,000+ employee & volunteer pre- & post-accreditation surveys
- Statistically significant improvement across all Culture-of-Safety indicators following Accreditation

More visible leadership commitment

Clearer policies and expectations

Greater confidence in supervisor's response

Understanding of responsibilities related to protection

Greater confidence in leadership's response

Greater confidence in organization's response

Greater understanding of reporting obligations

Stronger reporting readiness

LASTING IMPACT:

- All indicators remained strong at reaccreditation
- Newer staff reported stronger safety culture

PRAESIDIUM

Questions?

Additional Information Available:

- Praesidium Accreditation
- Praesidium Services
- Praesidium Reports (Annual Reports, SML Insurance Benchmarking, Whitepapers, Webinars)

Aaron Lundberg
President & CEO
alundberg@praesidiuminc.com

Meredith Bunnel
Director of Research & Strategic Engagement
mbunnel@praesidiuminc.com

Want more information?

Prevention Works. We Can Help.

Praesidium offers a variety of services through our consulting, accreditation, training, certification, and screening options. For more information about how we can help you or your clients protect those in their care from sexual abuse, check out praesidiuminc.com or reach out to inquiries@praesidiuminc.com.

PRAESIDIUM

MarshMcLennan Agency

The Insurance Crisis in Child-Serving Industries

July 13, 2026

Gina Hunter, MLS, RN, CPHRM, CAME, CPG

About Marsh McLennan Agency: Established in 1871, MMA is the largest insurance brokerage and risk advisor in the world. Marsh McLennan Agency's Risk Services practice specializes in complex, hard-to-place risks. We work in multiple industries including childcare, foster care, group home, and human services organizations. We sit at the intersection of client need and carrier appetite — we see both sides of this crisis every day. Our role: advocate for clients, educate carriers, and build risk management strategies that improve insurability.

THE SCALE OF THE PROBLEM

Average Liability Premium Increase Since 2019: 163%

- 327 child/family-serving providers surveyed across 46 states (NOSAC/ACRC "Insuring Care," 2025)
- Respondents serve more than 400,000 children annually
- Nearly half saw premiums double; 25% saw increases of 200–1,800%
- 63% changed carriers in the last 5 years due to non-renewal, exits, or unaffordable premiums
- Nearly two-thirds are planning service changes or closures due to insurance concerns

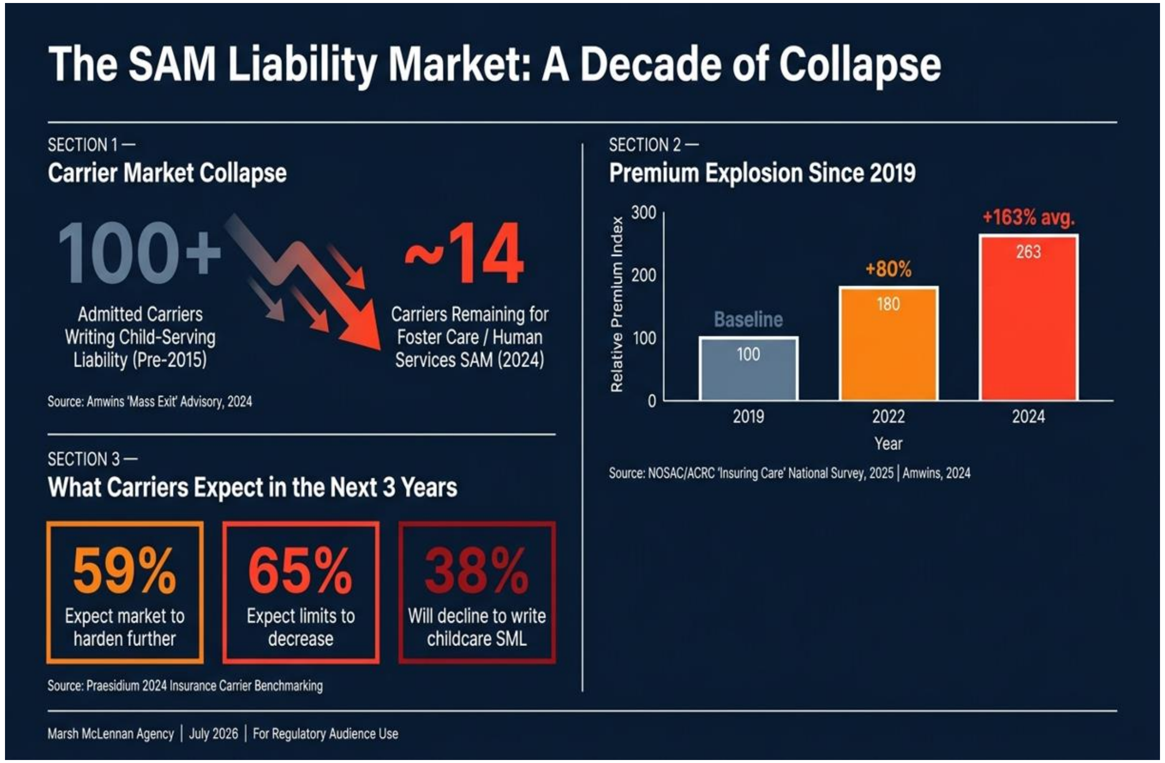
Source: NOSAC/ACRC "Insuring Care" 2025 National Survey | togetherthevoice.org/insuringcare

Copyright © 2026 Marsh & McLennan Agency LLC. All rights reserved.

THE CARRIER MARKET: HOW THIN IS IT?

A Market at the Breaking Point

- Entire foster care/human services SAM/SML market: ~12 domestic carriers + 2 international (Amwins, 2024)
- 59% of carriers expect the SAM/SML market to harden further over the next 3 years (Praesidium, 2024)
- 65% expect limits to decrease
- 38% of carriers expect to decline childcare SAM/SML coverage within 3 years
- 25% expect to decline foster care, day camps, overnight camps, youth sports
- Most GL policies now exclude or severely sub-limit SAM/SML — pushing organizations into separate endorsements or standalone policies
- Only 13% of carriers extend SAM/SML coverage into excess layers



Sources: Amwins "Mass Exit" Advisory (2024); Praesidium 2024 Insurance Carrier Benchmarking

Copyright © 2026 Marsh & McLennan Agency LLC. All rights reserved.

WHAT IS DRIVING CARRIERS OUT OF THE MARKET?

Nuclear Verdicts & Social Inflation	Reviver Statutes & Long-Tail Exposure
Martinez case (CA, 2023): $24.8M verdict — NIAC exited after, dropping coverage for ~90% of CA foster family agencies.	Federal: Eliminating Limits to Justice for Child Sex Abuse Victims Act (Sept. 2022) — opened retroactive exposure for historical claims
Hudson case (IL, 2018): $45M verdict against Lutheran Social Services of Illinois.	Many states have eliminated or extended statutes of limitations for childhood sexual abuse.
NIAC: "We are not seeing an increase in claims. What we are seeing is an increase in claim value."	Washington: ESSHB 1618 (2024) — eliminated civil SOL for abuse occurring on/after June 6, 2024.
One SAM/SML claim can equal 50–200x the annual premium for the entire class	Carriers face decades of retroactive exposure under occurrence-form policies. Clusters of claims during reviver windows can make entire lines actuarially insolvent.
For a small nonprofit earning $500K/year, a single SAM/SML claim can be 50–200x annual premium	Reinsurers sub-limiting or excluding SAM/SML — limiting primary carrier capacity.

Source: Amwins "Mass Exit" Advisory, 2024; Illinois DOI, 2026
Source: Washington OIC JUA Feasibility Study, 2025; actuary.info NAIC Working Group Analysis, 2026

Copyright © 2026 Marsh & McLennan Agency LLC. All rights reserved.

REAL-WORLD IMPACT: ORGANIZATIONS CLOSING THEIR DOORS

California: Ground Zero	Nationwide: Every State Affected
After NIAC's exit: 10 foster family agencies closed foster placement services	Pennsylvania: 50%+ of foster care providers lack affordable/available liability insurance
Sierra Vista Child & Family Services (est. 1972): closed foster care placement, Nov. 2024 — "insurance costs were too much"	Florida: liability insurance described as an "existential threat"
Sycamores: closed foster family services — could not find insurance	Nevada: foster system scrambling after main insurer refused renewals
32% of remaining agencies laid off staff	65% of childcare providers say their program would close without liability insurance
11% closed offices or reduced homes/children served	23 states mandate liability insurance for childcare — unavailability = closure
60% cannot sustain higher premiums; 33% are at risk of full closure	Illinois: 50% of child welfare agencies "very likely" or "likely" to reduce services — nearly double the national rate

Source: KVPR/Fresno NPR, June 2025; Marketplace/APM, Oct. 2024
Sources: AEI, 2025; Bipartisan Policy Center, 2025; Illinois DOI, 2026

Copyright © 2026 Marsh & McLennan Agency LLC. All rights reserved.

THE BROKER PERSPECTIVE: WHAT CARRIERS REQUIRE

The Underwriting Conversation Has Changed — And Here Is the Checklist

- 94% of carriers now have defined underwriting requirements for abuse prevention risk control practices (Praesidium 2024) — up from 67% in 2022.
- Carriers cannot price what they cannot measure — *documented, often independently verified* programs are the price of admission.

✓ Written abuse prevention policies: one-on-one interactions, physical contact, transportation, reporting, and response

✓ Policies must be tailored to the specific organization and risks.

✓ *Documented* training programs for staff, volunteers, and leadership

✓ Robust screening: criminal background checks, sex offender registry, reference checks

✓ Monitoring and supervision protocols + third-party assessment or accreditation

Copyright © 2026 Marsh & McLennan Agency LLC. All rights reserved.

THE MMA & PRAESIDIUM PARTNERSHIP: HOW IT WORKS

Marsh McLennan Agency Brings:	Praesidium Brings:
Insurance market access and carrier relationships	Evidence-based prevention framework
Underwriting submission expertise	Independent assessment and accreditation
Risk financing strategy	Research and benchmarking data
Risk control, regulatory and compliance knowledge	Training and consulting services

Together, we aim to:

- Create a pathway from "uninsurable" to "insurable”.
- Offer clients better coverage terms through demonstrated risk management.
- Assist with genuine safety culture improvement — not just a program on paper.
- Offer a credible story to tell carriers, regulators, and funders.

Copyright © 2026 Marsh & McLennan Agency LLC. All rights reserved.

PREVENTION WORKS — BUT IT HAS LIMITS

What Risk Prevention and Accreditation Delivers — and What It Cannot Fix Alone

Accreditation impact (Praesidium 2024 carrier survey):

- 94% of carriers: external accreditation positively impacts access to SML coverage
- 93% more likely to offer SML coverage at all — 60% more likely to offer higher limits

Even the best-run organizations face structural limits:

- Historical/prior acts exposure: carriers refuse retrospective coverage even for organizations with excellent current programs

Capacity constraints:

- Excess and umbrella SAM capacity is extremely thin — even willing carriers limit per-occurrence and aggregate limits, and we are often having to go to wholesale markets for expensive stand-alone coverage.

Contractual compliance gaps:

- State/county contracts require coverage levels that simply do not exist in the current market.
- Childcare franchise licensees are required to have coverage levels by the franchisor which are costly and at times difficult to maintain.

Copyright © 2026 Marsh & McLennan Agency LLC. All rights reserved.

MarshMcLennan Agency

Marsh McLennan Agency is Committed to Being Part of the Solution.

Your future is limitless. SM

Questions?

Gina Hunter, MLS, RN, CPHRM, CAME, CPG

918-230-2842

Gina.Hunter@MarshMMA.com

This document is not intended to be taken as advice regarding any individual situation and should not be relied upon as such. Marsh & McLennan Agency LLC shall have no obligation to update this publication and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting or legal matters are based solely on our experience as consultants and are not to be relied upon as actuarial, accounting, tax or legal advice, for which you should consult your own professional advisors. Any modeling analytics or projections are subject to inherent uncertainty and the analysis could be materially affected if any underlying assumptions, conditions, information or factors are inaccurate or incomplete or should change. d/b/a in California as Marsh & McLennan Insurance Agency LLC; CA Insurance Lic: 0H18131. MarshMMA.com

Copyright © 2026 Marsh & McLennan Agency LLC. All rights reserved.