Draft: 7/9/26

Child Care Insurance (C) Working Group
Virtual Meeting
July 13, 2026

The Child Care Insurance (C) Working Group of the Property and Casualty Insurance (C) Committee met July 13, 2026. The following Working Group members participated: Patty Kuderer, Chair, Charles Malone, and Bryon Welch (WA); D.J. Bettencourt, Vice Chair (NH); Kathryn Taras (CA); Joshua Hershman (CT); Richie Fredrick (FL); Mariam Hassan (IL); Colby Dillon (MA); Courtney Thornton (MD); Jeana Thomas (MO); Christian Myers (NM); Eric Bredeson (OR); Michael Humphreys (PA); Elizabeth Kelleher Dwyer (RI); and Robert Grishaber (WV).

1. Adopted its June 15 Minutes

The Working Group met June 15 and took the following action: 1) heard a presentation from the National Conference of State Legislatures (NCSL) on state legislative activity; and 2) heard presentations from the Non Profit Insurance Program (NPIP) and the Nonprofits Insurance Alliance (NIA) on risk pool and risk retention group insurance access.

Commissioner Bettencourt made a motion, seconded by Commissioner Humphreys, to adopt the Working Group's June 15 (Attachment X) minutes. The motion passed unanimously.

The Working Group met June 29 in regulator only session to discuss company data related to sexual abuse and molestation liability.

2. Heard a Presentation from Praesidium on Accreditation and Training for Child Care Providers

Meredith Bunnel (Praesidium) said Praesidium is a business services firm focused on abuse prevention risk management and they are grounded in a root cause analysis around sexual abuse.

Bunnel said Praesidium's approach is based on its Safety Equation and 24 best-practice standards for abuse prevention in organizational settings. Services include consulting, management systems reviews, background screening, online training through Praesidium Academy, research resources, individual certification through the Certified Praesidium Guardian program, and organizational accreditation.

Bunnel clarified that certification applies to individuals, while accreditation applies to organizations or systems. Certification is not required for accreditation, but Praesidium has found it helpful when an organization has an internal champion supporting accreditation work.

Bunnel described Praesidium's accreditation process as a phased, comprehensive framework for sexual abuse prevention that typically takes nine to twelve months. The process includes onboarding, a self-assessment, development of an action plan, site visits, interviews, program observation, file review, corrective actions, an accreditation decision, and ongoing support. She said accreditation is valid for three years.

Bunnel said Praesidium has been conducting SML insurance benchmarking studies to better understand carrier appetite, underwriting requirements, and the insurance purchasing experience for organizations. Bunnel reported that in the 2024 carrier survey, 88% of respondents had defined underwriting requirements for monitoring and supervising high-risk situations, up from 67% in 2022.

Bunnel noted that 38% of carrier respondents anticipated declining to write SML coverage for childcare over the next three years, while 25% cited foster care, 25% cited camps, and 13% cited youth development. In the 2024 study, 94% of respondents said third-party abuse prevention accreditation could positively affect an organization's ability to obtain SML coverage, most often by affecting basic insurability rather than rates or limits.

Bunnel said risk management cannot function as a checklist. Effective abuse prevention requires leadership commitment, a culture of safety, operational implementation, and ongoing reinforcement. Praesidium's data shows statistically significant improvements across culture-of-safety indicators before and after accreditation, with indicators remaining strong during reaccreditation, including among newer staff.

Commissioner Kuderer asked how many organizations have reached accreditation in Praesidium's program. Bunnel said there are 396 accredited organizations and over 1,700 Certified Praesidium Guardians.

Commissioner Bettencourt asked about the affordability of the program for smaller organizations. Bunnel said the cost is dependent on the size of the organization and the complexity of their management systems.

Commissioner Kuderer asked if insurance companies are more willing to write the coverage needed for these organizations if taking into account the risk management accreditation. Bunnel said some insurance companies are implementing premium credits for organizations that achieve accreditation. She said more insurers have reached out to Praesidium for more information, including insurers that have previously declined to write the business.

Bunnel said there are many possible approaches in terms of legislative policy but no single clear answer. She emphasized the importance of improving communication among organizations, carriers, brokers, and policymakers about what meaningful risk mitigation looks like.

Commissioner Kuderer asked how long Praesidium has offered this accreditation and certification. Bunnel said 2004 was the first accreditation and that organization is still accredited today. She said Praesidium's current consumer serving organization accreditation standards were last updated last year, in 2025.

Pamela Davis (NIA) asked if Praesidium has data on the difference between larger organizations that may have the ability to cover up abuse compared to smaller organizations. Bunnel said their benchmarking survey showed there is some market impact that is trickling down to smaller organizations.

3. Heard a Presentation from Marsh McLennan Agency (MMA) on Partnering with Accreditation Programs to Implement Risk Mitigation

Gina Hunter (MMA) said MMAis an insurance brokerage working with complex and hard-to-place risks, including childcare, foster care, group homes, and human services organizations. She described the sexual abuse and molestation liability market as thin rather than merely hard, with many carriers exiting or restricting coverage for child-serving organizations.

Hunter said premium increases and coverage restrictions have affected organizations across the country. She noted that some foster care and human services providers have discontinued programs because they could not obtain coverage or could not afford available coverage.

 

Hunter identified key market drivers including nuclear verdicts, social inflation, reviver statutes, long-tail exposures, and catastrophic claim severity. She emphasized that carrier exits are driven more by claim severity than claim frequency and that organizations without claims are still affected by broader market dynamics.

Hunter said underwriting expectations have changed substantially. She said carriers often require detailed, documented, and tailored abuse prevention policies addressing one-on-one interactions, physical contact, transportation, incident reporting, allegation response, training, supervision, and monitoring. Some carriers conduct site visits before agreeing to provide coverage.

Hunter described MMA's partnership with Praesidium, which began approximately three years ago. MMA uses clinical and risk-control expertise, carrier relationships, underwriting submission expertise, and Praesidium resources to help organizations move from potentially uninsurable to more insurable. She said MMA clients may receive a 5% discount on certain Praesidium services.

Hunter gave an example of a group home caring for children with special needs that had historically faced 12% to 20% renewal increases. After demonstrating improved prevention programs, the organization saw a 3.2% increase at renewal compared with peers in the industry.

Commissioner Kuderer asked if there has been an impact of the industry moving to a claims made policy for sexual abuse and molestation liability coverage. Hunter said claims-made policies cover exposures from the policy period forward and can leave prior exposures uncovered if a tail policy is not available.

Commissioner Kuderer asked if there was an impact on lifting the statute of limitations. Hunter said tying the change to claims occurring after an effective date would not create the same retroactive impact as reviver statutes in other states.

Commissioner Kuderer asked if the insurance industry views foster care agencies differently from other child care and child welfare organizations. Hunter said foster care agencies are viewed as higher risk because they serve highly vulnerable children, often in overnight family or group settings, and may involve children with prior abuse histories.

Hunter was asked about state and county contract compliance gaps and she said organizations may be contractually required to carry certain coverage limits even when the market does not provide those limits, creating operational and compliance challenges.

In response to a question about whether claims have been dismissed when organizations followed protocols, Hunter did not cite dismissals but emphasized the importance of victim-centered reporting and response protocols.

Hunter stated that state licensing and other accreditation programs may provide important minimum standards, but organizations often need stronger, specialized sexual abuse prevention controls beyond baseline requirements.

When asked how carriers view Praesidium accreditation, Hunter said Praesidium is generally considered a gold standard in abuse prevention, and carriers pay attention when it is part of an organization's risk management story.

Having no further business, the Child Care Insurance (C) Working Group adjourned.

 