



# HOW INSURANCE CAN PROTECT YOUR FINANCES





## What You Really Need to Know

### Key Insurance Coverage to Protect Your Child Care Center

<b>Business Property (aka Fire) Insurance</b>	For center's assets, building, equipment, furniture, and supplies that are damaged or stolen.
<b>Commercial Auto Insurance</b>	Only needed if transporting children in a business vehicle, or by employees in a personal vehicle.
<b>Business Liability Insurance</b>	For medical and legal expenses when someone is hurt onsite. Abuse and molestation is sometimes covered—purchase separately if not.
<b>Workers' Compensation Insurance</b>	For medical expenses and lost wages when an employee is injured onsite—required by law.
<b>Professional Liability Insurance</b>	For legal expenses due to claims of negligence against you and staff (e.g., an activity triggers an allergy)

### WHAT KIND OF ITEMS CAN BE COVERED BY INSURANCE?

- Repairs/replacement when fire or storm damage impacts your property
- Medical and legal expenses if a parent or child has a physical injury on your property, indoors or outdoors (e.g., slips, trips, or falls and breaks a bone)
- Medical and legal expenses if a child gets notably sick as a result of your/staff actions
- Legal expenses if an employee is accused of abusing an enrolled child
- Medical expenses if there's a car accident when transporting enrolled children

-  **Some insurance providers offer specific Child Care Insurance packages** with property coverage + liability coverage + abuse and molestation coverage.
-  **On top of the key insurance above, you can buy Umbrella Liability Insurance** which will kick in after you reach the limits of your other liability policies.
-  **Having insurance, especially liability insurance, and abuse and molestation insurance, can save you \$20,000+ if you are successfully sued.**
-  **All business insurance costs can be deducted on your business taxes.**

See next page for additional information

Questions? Contact WBDC:  
(203) 353-1750  
childcarebusiness@ctwbdc.org



## How To Get Insurance

**Contact your insurance company** to find out their products.

**Contact an insurance agent** or **look online** to get three free quotes. Compare prices and terms of coverage. Explore combo policies. Don't hesitate to ask questions!

## How Much It Costs

**Costs** depend on several factors, including number of children your program serves, and amount and type of coverage chosen. Purchase as much coverage as you can afford! If you can, get \$1 million per occurrence for liability insurance.

**Deduct costs!** Centers and group homes in a commercial setting can deduct 100% of liability insurance cost to reduce business taxes.

## Tips

- When getting a quote, let your agent/broker know if your center is accredited, and other positives, such as length of time your Director/Head Teacher has been in place.
- If you have funding from a lender (e.g., CHEFA), make sure to comply with their insurance requirements.
- **If you don't own the location, you still need business insurance.** When renting or using a town, school, or church space, business property insurance is needed to cover your program's physical assets. With liability insurance, make sure to add the property owner as additional insured to your policy.
- **Knowing the terms of your insurance policy, is just as important as having coverage.** Speak to your agent to ensure the coverage is comprehensive and meets your needs. Get in writing anything that is a specific inclusion. It's okay to advocate for the needs of your center.

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*The Women's Business Development Council's child care business support is made possible through a partnership with the Connecticut Office of Early Childhood (OEC).*



## READY TO TAKE THE NEXT STEP?

**Get free insurance quotes from an insurance broker or company.**

**Need help navigating insurance options or budgeting for it?**

Contact the Women's Business Development Council (WBDC) for FREE, expert, confidential advising.

Assistance includes:

- Understanding insurance options
- Finding new or replacement insurance
- Determining what questions to ask the insurance company
- Budgeting for the cost of insurance
- Managing risk and liability