
A BILL FOR AN ACT

RELATING TO CHILD CARE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. In an attempt to strengthen minimum standards
2 of child care to improve health and safety of children, the
3 legislature enacted Act 161, Session Laws of Hawaii 2017,
4 requiring child care providers to obtain and maintain liability
5 insurance coverage. Act 161 amended section 346-157, Hawaii
6 Revised Statutes, directing the department of human services to
7 require all child care providers to obtain and maintain
8 liability insurance as a condition of operating a child care
9 facility.

10 The legislature finds that while insurance coverage for
11 providers of child care services is available, there are a
12 variety of policy limits, premium amounts, coverages, and
13 exclusions from coverage that may impact access to affordable
14 child care insurance coverage. The legislature is concerned
15 that cost of obtaining and maintaining insurance coverage may
16 result in a decrease in the number of regulated home-based
17 family child care and group child care providers across the



1 state. Currently, there are approximately 400 independent
2 regulated home-based family child care and group child care
3 providers located state wide. A reduction in available
4 regulated home-based family child care and group child care
5 providers may further result in an increase in child care costs
6 at remaining providers, families choosing to forgo employment to
7 provide their own child care or choosing unregulated child care.
8 Consequently, forgoing employment will reduce a family's income
9 and resources, and choosing unregulated child care will decrease
10 the health and safety measures provided through regulated child
11 care.

12 Further, the legislature finds that survey responses from
13 home-based child care providers have reported that insurance
14 providers have informed child care providers that current
15 homeowners' policies may not be renewed if they are conducting a
16 child care business on the insured property. The legislature
17 finds that the inability of homeowners to obtain homeowners'
18 insurance due to providing child care services is clearly an
19 unintended consequence of Act 161.

20 The purpose of this Act is to delay the implementation and
21 enforcement of Act 161 to provide the legislature additional



1 time to study the issue that balances access to affordable
2 regulated child care and affordable insurance coverage and give
3 the department additional time to develop and implement a
4 compliance process to verify that a regulated child care
5 provider maintains liability insurance.

6 SECTION 2. Section 346-157, Hawaii Revised Statutes, is
7 amended by amending subsections (b) and (c) to read as follows:

8 "(b) The department shall require all providers to obtain
9 and maintain liability insurance coverage [~~in an amount~~
10 ~~determined by the department~~] as a condition of licensure,
11 temporary permission, or registration to operate a child care
12 facility.

13 (c) The department, as a condition of continued licensure,
14 temporary permission, or registration, shall require all
15 providers to disclose in writing to each parent or guardian:

16 (1) Applying to have a child cared for at the provider's
17 facility, summary information including the insurer's
18 name and contact information, coverage amounts, and
19 effective dates for the provider's liability insurance
20 coverage at the time of application; [~~or~~] and



(2) Within seven working days of any change, cancellation, or termination of liability insurance coverage, that the coverage has been changed, canceled, or terminated while the parent's or guardian's child is cared for at the provider's facility."

SECTION 3. Act 161, Session Laws of Hawaii 2017, is amended by amending section 3 to read as follows:

"SECTION 3. The department of human services shall submit a report to the legislature, no later than twenty days prior to the convening of the regular session of ~~[2018]~~ 2019, on the following issues related to the liability insurance requirements established by section 2 of this Act:

~~[(1) The amount of liability insurance coverage required to be obtained by child care providers;~~

~~-(2)]~~ (1) The costs incurred by child care providers to obtain liability insurance and the projected impact these costs may have on the rates charged to consumers; and

~~-(3)]~~ (2) Outreach efforts conducted by the department, to ensure compliance with the requirements of this Act."



1 SECTION 4. Act 161, Session Laws of Hawaii 2017, is
2 amended by amending section 5 to read as follows:

3 "SECTION 5. This Act shall take effect on July 1, 2017;
4 provided that implementation and enforcement of the liability
5 insurance requirements under section 2 of this Act shall take
6 effect on [~~January~~ July 1, 2019."

7 SECTION 5. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 6. This Act shall take effect upon its approval.



Report Title:

Licensed Child Care Providers; Failure to Properly Care; Injury or Death; Misdemeanor

Description:

Establishes a misdemeanor offense when a child under the care of a licensed child care provider is injured or killed as a result of failure to properly care for the child. Requires that a child care provider's license be immediately revoked upon conviction of the new offense.

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