

---

---

# A BILL FOR AN ACT

RELATING TO CHILD CARE.

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

1           SECTION 1. The legislature finds that the intent of Act  
2 161, Session Laws of Hawaii 2017 (Act 161), was to strengthen  
3 minimum standards on child care to improve the health and safety  
4 of children by requiring child care providers to obtain and  
5 maintain liability insurance coverage.

6           The legislature further finds that while insurance coverage  
7 for providers of child care services is available, there are a  
8 variety of policy limits, premium amounts, coverages, and  
9 exclusions from coverage that may be applicable to an individual  
10 child care provider, as determined by the market. However, the  
11 unavailability of specified coverage and cost of obtaining and  
12 maintaining insurance coverage may result in a decrease in the  
13 number of regulated home-based family child care and group child  
14 care providers across the State. At the end of December 2017,  
15 the State had approximately three hundred and fifty independent  
16 home-based child care providers. A reduction in available  
17 regulated home-based family child care and group child care



1 providers may result in an increase in child care costs at  
2 remaining providers. Consequently, families may choose to  
3 forego employment to provide their own child care or choose  
4 unregulated child care. However, foregoing employment will  
5 reduce a family's income and resources, while choosing  
6 unregulated child care means the family will not have the  
7 benefit of the health and safety measures provided through  
8 regulated child care.

9 The legislature additionally finds that survey responses  
10 from home-based child care providers indicate that insurance  
11 providers have informed these child care providers that current  
12 homeowners' insurance policies may not be renewed if the  
13 providers are conducting a child care business on the insured  
14 property. The legislature therefore finds that the inability of  
15 homeowners to obtain homeowners' insurance due to providing  
16 child care services is an unintended consequence of Act 161.

17 The purpose of this Act is to:

18 (1) Repeal language that requires the department of human  
19 services to determine the amount of liability  
20 insurance coverage required to be obtained and  
21 maintained by child care providers;



- 1           (2) Repeal language that requires child care providers to
- 2           disclose a summary of information relating to
- 3           liability insurance coverage to parents and guardians
- 4           applying for child care at a child care facility; and
- 5           (3) Amend Act 161 by extending the deadline for the
- 6           department of human services to submit a report to the
- 7           legislature, amending the information to be included
- 8           in the report, and extending the implementation and
- 9           enforcement deadline for the liability insurance
- 10          requirements until July 1, 2019.

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

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

18           (c) The department, as a condition of continued licensure,  
 19 temporary permission, or registration, shall require all  
 20 providers to disclose in writing to each parent or guardian[+



- 1       ~~(1) Applying to have a child cared for at the provider's~~
- 2       ~~facility, summary information including the insurer's~~
- 3       ~~name and contact information, coverage amounts, and~~
- 4       ~~effective dates for the provider's liability insurance~~
- 5       ~~coverage at the time of application; or~~
- 6       ~~(2) Within], within seven working days of any change,~~
- 7       ~~cancellation, or termination of liability insurance~~
- 8       ~~coverage, that the coverage has been changed,~~
- 9       ~~canceled, or terminated while the parent's or~~
- 10       ~~guardian's child is cared for at the provider's~~
- 11       ~~facility."~~

12       SECTION 3. Act 161, Session Laws of Hawaii 2017, is  
 13 amended as follows:

14       1. By amending section 3 to read:

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

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



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

5       ~~(3)~~ (2) Outreach efforts conducted by the department, to  
6           ensure compliance with the requirements of this Act."

7       2. By amending section 5 to read:

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

12       SECTION 4. Statutory material to be repealed is bracketed  
13       and stricken. New statutory material is underscored.

14       SECTION 5. This Act shall take effect upon its approval.



**Report Title:**

Licensed Child Care Providers; Liability Insurance; Department of Human Services

**Description:**

Repeals language that requires the department of human services to determine the amount of liability insurance coverage required to be obtained and maintained by child care providers. Repeals language that requires child care providers to disclose a summary of information that includes the insurer's name and contact information, coverage amounts, and effective dates for liability insurance coverage. Amends Act 161, Session Laws of Hawaii 2017, by extending the deadline for the department to submit a report to the legislature, amending the information to be included in the report, and extending the implementation and enforcement deadline until 7/1/2019. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

