



February 5, 2025

Senator Brian Hardin, Chairman
Members of the Health and Human Services Committee
Nebraska Legislature

RE: LB274

Chairman Hardin and Members of the Health and Human Services Committee,

Thank you for the opportunity to testify today. My name is Mitchell Clark and I am a Policy Advisor for First Five Nebraska, a statewide public policy organization committed to the early care, education and healthy development of our state's youngest children. I am here to testify in the neutral capacity on LB274. I would like to start by thanking Senator Hunt for her responsiveness to child care providers on the issues they face with finding and maintaining liability insurance. First Five Nebraska also recognizes the importance of ensuring that children are protected in the event of accidents and injuries while in child care. My testimony will focus on the current liability insurance market for providers.

Liability insurance is a crucial protection for children and the providers that care for them. Recognizing this, the state requires licensed providers to maintain liability insurance of at least \$100,000 per occurrence. The most common insurance policies in Nebraska for family child care homes are \$100,000 per occurrence/\$300,000 aggregate. For child care centers, the most common policies are \$1,000,000 per occurrence/\$3,000,000 aggregate. I will note that specific coverage amounts depend on a variety of factors such as the license type, capacity, age of the facility, etc.

In the past couple of years, child care providers in Nebraska have reported a spike in premiums, far beyond generally sustained increases. They have also reported more stringent underwriting requirements leading to an uptick in denials and nonrenewals. This is part of a national trend in the child care industry, even for those that haven't submitted any claims.

Last year, First Five Nebraska worked with Senator Hardin to introduce LR429, an interim study that examined the availability and affordability of liability insurance for child care providers. Although we were unable to uncover data on premium increases, we received reports from numerous providers across the state. The National Association for the Education of Young Children also conducted a nationwide survey last year in which 80% of respondents reported a marked increase in premiums, with one-third of respondents reporting denials or nonrenewal due to insurance carriers dropping out of the market.

Child care is a high-risk industry. The majority of providers take the utmost care to provide safe, high-quality environments. When they do occur, accidents and injuries demonstrate the need for ensuring coverage. However, raising the per-occurrence requirement from \$100,000 to \$200,000 would have an impact on the affordability of insurance coverage, particularly for licensed family child care homes, at a time when affordability continues to be a barrier. I would again like to extend my gratitude to Senator Hunt for her responsiveness to providers by addressing their feedback through an amendment.

Thank you for the opportunity to testify. I would welcome any questions you may have.

Sincerely,

A handwritten signature in black ink that reads "Mitchell Clark". The signature is written in a cursive style with a large, prominent "M" and "C".

Mitchell Clark
Policy Advisor
First Five Nebraska