

3/4/2025

Dear Chair Nolan and Committee Members,

I hope this letter finds you well. I am writing to address the pressing need for a more transparent and clearly defined licensing system in the child care industry. As you are aware, child care services play a crucial role in our communities, and the safety and well-being of our children must always be our top priority.

Currently, the licensing reviews for child care providers lacks clarity, which has resulted in significant challenges for many owners. The existing framework can create barriers that hinder access to necessary insurance coverage for child care centers and home-based care providers, particularly due to the way things are worded on their licensing inspection reports. One example of a citation is, “areas used by children were not in good repair”. A small string had come loose on the carpet and was causing no danger to the children. An insurance underwriter might read the violation and have no context of the situation and decide that they are no longer going to provide insurance coverage.

Another example would be a citation, “maltreatment investigation”. Every maltreatment allegation is investigated, however the investigations that are proven false still show the “maltreatment investigation” label on the licensing reports. This typically is followed by non-renewal or exclusion of abuse/molestation coverage on insurance policies.

Most likely licensing isn’t aware that the inspection documentation has a big impact in the insurance space and the licensing reports wording will make the difference between being in an affordable standard insurance market versus being in an unaffordable surplus insurance market.

The current insurance market can be challenging, and the child care industry is particularly affected. Rising costs, increasing claims, and changing regulations have all contributed to an environment where obtaining adequate insurance can be daunting for child care providers.

Many child care centers and home-based care providers struggle with the escalating premiums that come with specialized coverage. Insurers are becoming more cautious, resulting in tighter underwriting standards and, in some cases, fewer options available for providers. This creates a situation where child care owners find it hard to secure coverage that meets their needs without incurring prohibitive costs.

Many child care providers are small businesses with limited resources. The financial strain of high insurance costs or not being able to get insurance coverage in place due to a licensing report could be the reason a quality child care provider has to close their doors. I

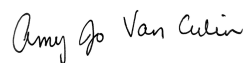
have had owners in tears pleading with me to help them find affordable insurance coverage, they have never had an insurance claim, but their licensing report caused a non-renewal. Heartbreaking! This situation can create a ripple effect in the community, as parents may find it challenging to secure reliable child care services.

It is imperative that we work towards a licensing process that emphasizes the safety of our children and quality care, while also considering the potential impacts on child care owners stemming from the submitted reports. We would never want licensing to downplay a truly unsafe situation, we are asking for more clarity behind their reports.

Thank you for considering this important issue. I look forward to discussing ways to improve the licensing system in our child care industry and to supporting our shared goal of ensuring the safety and well-being of all children.

Sincerely,

Amy Jo Van Culin

A handwritten signature in cursive script that reads "Amy Jo Van Culin".

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