

Testimony of Denise K. Cressman

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House Bill #685

Good morning. My name is Denise K. Cressman. I have been a certified family child care provider in Pennsylvania for 24 years. I currently am a Keystone STARS, Star IV facility, which is the top quality rating in the commonwealth. I care for 6 children from infant through school-age. In addition to caring for children full-time, I also serve on the board of the Pennsylvania Home-based child Care Providers Association. Our association is a statewide, non-profit membership organization consisting of individuals who provide child care in their homes.

There are four types of childcare facilities available in the commonwealth...Legally unregulated, which is one provider caring for up to 3 children in your home; certified family child-care, which is one provider caring for 4 to 6 children in your home; certified/licensed group child-care which is two or more providers caring for 7 to 12 children in a home; and finally certified/licensed center-based care which is staff caring for more than 12 children in a non-residential building.

Today I am going to share a personal story, as well as the needs and concerns of my constituents.

As a STAR IV rated facility, I am inspected every other year for quality. It is an unannounced inspection within a 1 month window. In addition to this inspection,

I also participate in an Adult and Child Care Food Program which is in my home 3 times a year, two of which are unannounced visits. So a provider, who participates in the Keystone STARS Quality Initiative and also a food program, has visits by mandated reporters 3 to 4 times a year. A parent can call their local DPW licensing office and ask for a history of violations on any prospective facility, home or center based. We also have a new system online "PELICAN", which has our Department of Public Welfare (DPW) history listed. So parents do have resources available to them to verify a facility's history with DPW.

In 2004 my insurance company at the time, dropped my homeowners insurance policy and I began an extensive search for a company to provide homeowner's insurance. After a 10 day search using all the resources available to me, I was at a dead-end. I could not find an insurance company to offer me homeowners insurance because of my child care business; much less cover the business with a rider/endorsement. I called the Pennsylvania Insurance Department asking for help finding homeowners insurance and they had no help to give me. If I made that same call today, I would venture that the answer would still be the same. I was totally on my own seeking insurance, trying not to panic. What should I tell my mortgage company? Would I have to close my business? Should I not mention my child care business and take the risk just to get homeowners insurance? After 2 weeks, I found a very small local insurance company to underwrite a homeowner's policy including an endorsement for my child care, but they will only cover 3 children. So should Sarah, Chelsea and Sam be covered this week on Monday, Wednesday and Friday and Johnny and Sue are covered Tuesday and Thursday and we'll switch the next week? And don't get hurt on your off days, or you won't be covered.

Now I was on a new mission for additional liability coverage in the form of a free-standing policy. In theory this should be an easier mission than finding homeowners insurance. In my position with the Pennsylvania Home-based Child Care Providers Association, I had compiled a list, through trial and error, of companies that offered free-standing liability insurance policies to family child care providers. To my knowledge, we are the only association with the list, which we have shared throughout the years. My first call was to an agent in Pennsylvania with whom I had developed a personal and professional relationship through years of PHCCPA business. "I'm sorry I can't write a policy for you, since you have a swimming pool and a Doberman." I was shocked as I went through the list the answer was the same, if you have a swimming pool or a dog, even a mixed breed that looks like a Doberman, German shepherd, pit bull, Rottweiler; there are 6 breeds total, we won't insure you. It didn't matter that our pool has a deck top fence, putting access at over 7' high, or that we have an ultra-sonic alarm that floats in the pool and anything over 10 lbs that falls into the pool, the siren sounds; or that our dear Doberman, Chase, was a certified pet-therapy dog, meaning that he went through extensive "good citizen" training and was able to do visits in nursing homes and hospitals, or that he was a big scaredy cat. It only mattered that he was a Doberman. I finally found one company, outside of Pennsylvania that would insure me. I did not "push the cost onto parents", as it is not the parents problem that I couldn't get a rider to a homeowners policy, but had to seek a more expensive free-standing liability policy, it is my responsibility. Ms. Dougherty is in error in her statement that the insurance companies involved would inspect my facility for faulty equipment, health and safety concerns, etc. In 24 yrs. and experience with several insurance companies, both for homeowners and liability insurance, no insurance company has "inspected" me for health and safety compliance of DPW regulation.

To rely on an insurance inspection is an unrealistic expectation and most certainly beyond the scope of their abilities. I am certain that it is not the intention of this bill to use the marketplace or insurance companies to crack down on problem child care facilities. It is the responsibility of DPW to inspect facilities for

regulation compliance. While we support yearly inspections, we would additionally recommend a pre-license inspection to verify health and safety standards are met. We also understand that currently DPW has neither the resources nor manpower to inspect another 4,000 facilities a year. We need to be looking for the additional resources to empower DPW, with trained inspectors to expand inspections by 4,000 facilities; not depending on insurance companies for inspection.

Family childcare providers earn considerably less than their center-based counterparts and so affordable insurance could be the difference between staying regulated and keeping children in a safe and healthy environment and dropping off the radar into unregulated/illegal care.

I would urge you to make sure that there is a provision in this bill requiring the Pennsylvania Insurance Department to compile a list of insurance companies that provide a rider for 6 children on a homeowner's policy and additionally a list of companies that provide free-standing liability coverage in Pennsylvania and provide that list to DPW licensing offices. I would also urge that a study be undertaken to look at current providers and their insurance coverage, costs, availability, etc. Let's look at the number of providers who have insurance and those who don't.

We need to provide family child care providers with liability insurance that is accessible and affordable, and to pass a bill without a comprehensive study and these measures in place is irresponsible and has the potential to drive good providers underground who cannot absorb the additional costs.

Thank you.