

## Fact Sheet on Foster Parent Liability Insurance

OFFICE OF THE COMMISSIONER OF INSURANCE

PI-048 (R 02/2017)

The Office of the Commissioner of Insurance (OCI) has prepared this fact sheet to answer questions raised concerning liability insurance coverage for foster children.

### **Are foster parents required to have liability insurance coverage?**

Yes. Some county social services or human services departments require parents to provide a foster parent insurance verification form to confirm they have homeowner's or renter's liability insurance. This form does not obligate an insurance agent or company to provide more liability coverage than what is provided to other members of the insured's family. The Department of Children and Families will now accept proof of existence of a homeowner's and renter's insurance policy as adequate to fulfill its insurance requirements.

### **What acts are covered by liability insurance?**

**Intentional** acts by any child in a family are generally *excluded* from coverage in a homeowner's or renter's policy. **Unintentional** bodily injury or property damage by any child in a family to a third party is generally covered by the liability portion of most homeowner's or renter's policies. The courts decide on the basis of the child's age and circumstances of the claim whether the child's actions are intentional or unintentional. This would apply to both foster children and other children in the family.

### **May insurance companies treat foster children differently from other children in the family?**

No. Liability insurance coverage in a homeowner's or renter's insurance policy applies equally to all children in the household, including foster children.

### **May foster care be considered a business by an insurance company?**

No. Care of foster children is not regarded as a business. Monthly payments provided are only intended to meet the needs of the foster children and

are not to be considered remuneration for the foster parent. Allowances are not considered taxable income by the federal government.

### **May an insurer refuse homeowner's or renter's insurance to someone who provides foster parent care?**

An insurer must underwrite applicants with foster children for homeowner's or renter's insurance on the same basis as it does other applicants. This means that in some instances an insurer may refuse to issue a policy.

### **What happens if a family is not able to obtain insurance?**

If a family with foster children is unable to obtain required homeowner's or renter's insurance, or the insurance policy is nonrenewed, cancelled, or payment of the premium would cause undue financial hardship, the family may request a waiver of the requirement from the licensing agency. The Wisconsin Insurance Plan (WIP) may also be able to provide coverage (see below).

### **Is there any immunity from liability for foster parents?**

Except as provided in Wisconsin state statutes for the use of fireworks and automobile insurance coverage, licensed foster parents are immune from civil liability for an act or omission of the foster parent while acting in the capacity of a foster parent or an act or omission of a foster child while in the foster parent's care. This immunity does not apply if the act or omission of a foster parent was not done in good faith or was not in compliance with any written instructions received from the agency that placed the child.

### **Wisconsin Insurance Plan**

Foster parents who have trouble obtaining adequate property insurance in the voluntary market should consider applying to the Wisconsin Insurance Plan

(WIP). WIP offers an insurance policy providing liability and property insurance to homeowners who are unable to obtain coverage in the voluntary market. WIP premiums tend to be higher than premiums in the voluntary market. For more information about WIP, contact any property insurance agent or contact WIP directly at:

Wisconsin Insurance Plan  
600 West Virginia Street, Suite 101  
Milwaukee, Wisconsin 53204  
(414) 291-5353  
[www.wisinsplan.com](http://www.wisinsplan.com)

## **Department of Children and Families Special Fund**

The Wisconsin Department of Children and Families administers the Foster/Treatment Foster and Family-Operated Group Home Liability Insurance Program ([dcf.wisconsin.gov/fc/insurance](http://dcf.wisconsin.gov/fc/insurance)). This program was created by the Wisconsin legislature to ensure that foster, treatment foster, and family-operated group home parents and their families are reimbursed for damages or losses they might experience that are caused by acts or omissions of children placed in their care and that are not covered by private insurance policies.

For additional information, contact the social worker for the child who is placed in your foster or group home.

## **Office of the Commissioner of Insurance**

Anyone who has questions about insurance protection for foster children and is unable to receive satisfactory answers or service from an insurance agent or company may contact OCI.

To file a complaint or print a complaint form:

[OCI's Web Site](http://oci.wi.gov)  
[oci.wi.gov](http://oci.wi.gov)

Phone  
(608) 266-0103 (In Madison)  
or  
1-800-236-8517 (Statewide)

Mailing Address  
Office of the Commissioner of Insurance  
P.O. Box 7873  
Madison, WI 53707-7873

Electronic Mail  
[ocicomplaints@wisconsin.gov](mailto:ocicomplaints@wisconsin.gov)  
Please indicate your name, phone number,  
and e-mail address.

**Deaf, hearing, or speech impaired callers may  
reach OCI through WI TRS**

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