

By the Committee on Banking and Insurance

311-356-98

1                                   A bill to be entitled  
2           An act relating to insurance for family day  
3           care homes; creating s. 627.70161, F.S.;  
4           providing legislative intent; providing  
5           definitions; providing an exclusion from  
6           liability coverage under residential property  
7           insurance policies for losses arising out of  
8           the operation of a family day care home;  
9           prohibiting cancellation, refusal to renew, or  
10          denial of coverage for residential property  
11          insurance due to family day care operations;  
12          providing exceptions; providing an effective  
13          date.

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15 Be It Enacted by the Legislature of the State of Florida:

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17           Section 1. Section 627.70161, Florida Statutes, is  
18          created to read:

19                   627.70161 Family day care insurance.--

20                   (1) PURPOSE AND INTENT.--The Legislature recognizes  
21                   that family day care homes fulfill a vital role in providing  
22                   child care in Florida. It is the intent of the Legislature  
23                   that residential property insurance coverage should not be  
24                   canceled, denied, or nonrenewed solely on the basis of the  
25                   family day care services at the residence. The Legislature  
26                   also recognizes that the potential liability of residential  
27                   property insurers is substantially increased by the rendition  
28                   of child care services on the premises. The Legislature  
29                   therefore finds that there is a public need to specify that  
30                   contractual liabilities that arise in connection with the  
31                   operation of the family day care home are excluded from

1 residential property insurance policies unless they are  
2 specifically included in such coverage.

3 (2) DEFINITIONS.--As used in this section, the term:

4 (a) "Child care" means the care, protection, and  
5 supervision of a child, for a period of less than 24 hours a  
6 day on a regular basis, which supplements parental care,  
7 enrichment, and health supervision for the child, in  
8 accordance with his or her individual needs, and for which a  
9 payment, fee, or grant is made for care.

10 (b) "Family day care home" means an occupied home in  
11 which child care is regularly provided for children from at  
12 least two unrelated families and which receives a payment,  
13 fee, or grant for any of the children receiving care, whether  
14 or not operated for a profit.

15 (3) FAMILY DAY CARE; COVERAGE.--A residential property  
16 insurance policy shall not provide coverage for liability for  
17 losses arising out of, or in connection with, the operation of  
18 a family day care home unless:

19 (a) Specifically covered in a policy; or

20 (b) Covered by a rider or endorsement for business  
21 coverage attached to a policy.

22 (4) DENIAL, CANCELLATION, REFUSAL TO RENEW  
23 PROHIBITED.--An insurer may not deny, cancel, or refuse to  
24 renew a policy for residential property insurance solely on  
25 the basis that the policyholder or applicant operates a family  
26 day care home. In addition to other lawful reasons for  
27 refusing to insure, an insurer may deny, cancel, or refuse to  
28 renew a policy of a family day care provider if one or more of  
29 the following conditions occur:

1           (a) The policyholder or applicant provides care for  
2 more children than authorized for family day care homes by s.  
3 402.302;

4           (b) The policyholder or applicant fails to maintain a  
5 separate commercial liability policy or an endorsement  
6 providing liability coverage for the family day care home  
7 operations;

8           (c) The policyholder or applicant fails to comply with  
9 the family day care home licensure and registration  
10 requirements specified in s. 402.313; or

11           (d) Discovery of willful or grossly negligent acts or  
12 omissions or any violations of state laws or regulations  
13 establishing safety standards for family day care homes by the  
14 named insured or his representative which materially increase  
15 any of the risks insured.

16           Section 2. This act shall take effect October 1, 1998,  
17 and applies to residential property insurance policies  
18 offered, sold, issued, or renewed on or after that date.

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21           SENATE SUMMARY

22           Provides that a residential property insurance policy  
23 does not cover losses attributable to operation of a  
24 family day care home unless specified conditions are met.  
25 Prohibits cancellation or denial of, or refusal to renew,  
26 a policy for the reason that the policyholder or  
27 applicant operates a family day care home; prescribes  
28 conditions relating to the operation of a family day care  
29 home which will justify denial, cancellation, or  
30 nonrenewal.  
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