



Frequently Asked Questions – California Foster Family Agencies

Which states are affected by this nonrenewal?

The nonrenewal of Social Services Professional Liability (SSP), Improper Sexual Conduct and Physical Abuse Liability (ISCPA), and Directors & Officers Liability (D&O) for nonprofits with foster family agency (FFA) operations affects California members only.

Will the nonrenewals of D&O, ISCPA, and SSP coverage for FFAs extend beyond California?

At the current time, NIA has no plans to cancel or nonrenew FFA coverage in any other states.

I have heard rumors that this decision affects nonprofits nationwide. Is that true?

No. This decision affects California FFAs only, which represents less than 150 of NIA's 27,000+ members.

Can NIA continue to write the SSP, ISCPA, and D&O for the rest of my operations and just exclude the FFA portion?

No. Due to potential overlapping exposures, we are unable to provide this option.

Will NIA continue to write D&O, SSP, and ISCPA for foster care programs that do not involve resource homes, like Short-Term Residential Therapeutic Program (STRTP) and Transitional Housing Placement programs (THP)?

Yes, subject to underwriting approval, these remain eligible so long as the organization is not engaged in FFA operations.

Our nonprofit operates an Adult Family Home Agency (AFHA), are we still eligible for ISCPA, SSP, and D&O coverage with NIA?

Yes, AFHAs are still eligible for coverage so long as the organization is not engaged in FFA operations.

Our nonprofit surrendered our license to place children in resource homes. Can NIA continue to insure our nonprofit without this exposure?



Yes, NIA will consider insuring the nonprofit moving forward, **subject to receipt, review, and acceptance of the following documentation PRIOR TO QUOTING:**

- [Signed written statement](#) on the organization’s letterhead certifying the specific date on which they ceased providing such services; and,
 - If the organization holds a contract with a governmental agency for such FFA and/or adoption services, we must receive written confirmation of the date such contract terminated.
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Will an Extended Reported Period (ERP) be offered if my D&O, ISCPA, or SSP included prior acts coverage and/or was written on a claims-made basis?

In most instances, an optional one-year ERP may be considered according to the policy terms. This ERP will exclude coverage for claims involving any transfer or porting of resource home approval done under the Welfare and Institutions Code or the Health and Safety Code, as amended by AB 2496. Consult with your underwriter for eligibility, terms, and pricing.

Our broker needs more time to seek alternative quote options. Can my coverage be extended to allow time to find a replacement carrier?

Unfortunately, no. NIA has worked diligently with state legislators to find a resolution to insurability concerns while other insurance companies exited the marketplace. We are unable to provide further coverage extensions in the absence of a fair legislative solution.

Where can I find more information about NIA’s legislative efforts in California?

Up-to-date information on NIA’s legislative efforts can be found on [NIA's website](#).

Can you refer our organization to other insurance companies offering this coverage for foster care programs in California?

The insurance market is always changing, and the best contact to find alternatives is through your insurance broker. We are unaware of any other programs that offer similar coverage, but we will advise our brokers if and when that changes.

For NIAC members that are also members of California Alliance of Child and Family Services (CACFS), we encourage those members to contact CACFS directly to see if other insurance programs are available.

We are a resource family seeking liability coverage for our personal liability. Where can I obtain coverage?



The State of California offers licensed foster family homes access to liability coverage via The Foster Family Home (FFH) and Small Family Home (SFH) Insurance Fund. The fund provides liability insurance coverage for foster parents related to incidents in providing foster care services. More information on the fund can be found here:

<https://www.cdss.ca.gov/inforesources/foster-care/fsh-fund-information>.

Our nonprofit is domiciled outside of California but is responsible for resource family placements in California. Do these nonrenewals apply to our nonprofit?

Yes. Any member with FFA operations in California will receive notice of nonrenewal for ISCPA, SSP, and D&O.

Our nonprofit previously received notice of nonrenewal for all lines of coverage. Is this changing? Is our nonprofit now eligible to renew GL, Auto, Property, and Umbrella?

First, please ask your broker to contact your underwriter for eligibility.

If eligible for GL, Auto, Property and/or Umbrella coverage, NIAC is agreeable to rescinding notice of nonrenewal on these lines of coverage. To expedite the renewal quoting process, we ask that you please send the following to your broker as quickly as possible:

- Completed and signed Lost Policy Release (LPR) forms for ISCPA, SSP, and D&O canceling those coverages effective at least one day before your policy expiration date; and,
 - Complete renewal submission, to include completed NIAC renewal application, loss runs, schedule of values, vehicle schedule, and any applicable Acord applications.
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I have a carrier that will quote ISCPA and SSP but must also write our GL coverage. Can NIAC offer Property and/or Auto only in this instance?

No, NIAC must insure GL to offer any other lines of coverage.

I've heard rumors that NIAC is filing for bankruptcy. Is this true?

No, this is completely untrue. NIAC has an A rating from AM Best. NIAC's financials are also available on the public website at any time as a point of reference:

www.insurancefornonprofits.org.



Brokers and/or carriers have approached our organization to let us know that NIA is making “drastic changes” to its appetite and planning to nonrenew other types of nonprofits as well. Is this correct?

No, this is not correct. NIA prides itself on transparency. If an underwriting change is made that impacts our members, NIA will surely communicate this to its members and their brokers first. If you haven't heard this information from NIA, it likely isn't true. Please contact Melissa Dalske at 831-621-6031 or mdalske@insurancefornonprofits.org with any questions.