



June 18, 2024

The Honorable Thomas Umberg
Chair, Senate Judiciary Committee
1021 O Street, Room 3240
Sacramento, CA 95814

RE: AB 2496 (Pellerin) – SUPPORT

Dear Senator Umberg,

On behalf of the California Alliance of Child and Family Services (CA Alliance), we write to express our support for Assembly Bill 2496 (Pellerin). AB 2496, the Foster Family Agency Accountability Act, will make the procedural corrections required that allow Foster Family Agencies (FFAs) to become insurable – and expand the number of carriers willing to insure them. This will create a healthier, more competitive insurance market in California.

The California Alliance represents over 160 nationally accredited non-profit community-based organizations serving children, youth, and families in public human services systems. Many of our members are Foster Family Agencies which are nonprofit organizations licensed by the Community Care Licensing Division of the California State Department of Social Services to engage in the recruiting, approving, and training of, and providing professional support to, certified parent(s), or in finding homes for placement of children for temporary or permanent care who require that level of care as an alternative to a group home.

AB 2496 is necessary to assure that the 9,000 foster children presently in resource homes across California remain in those homes with continued placement and monitoring by nonprofit FFAs. Without AB 2496, there will be no insurance for FFAs who approve and support these resource families. Without insurance, nonprofit FFAs will be unable to continue this important work because they will be unable to meet County contract requirements to have liability insurance. AB 2496 clarifies that those who cause harm to foster children are held accountable for their own actions and identifies the legal framework for proving liability and a process for responding to settlement demands.

AB 2496 does nothing to abrogate responsibility for those who cause harm to children. To the contrary, AB 2496 provides that the responsibility for harm is placed appropriately on the offending party. One of the provisions of AB 2496 makes it clear that counties retain liability for any harm to foster children caused by county employees. AB 2496 prohibits counties from contractually transferring their legal liability for any wrongful actions of the county employees to FFA's.

Commercial insurance carriers are no longer providing property/casualty insurance to Foster Family Agencies, particularly insurance related to professional and sexual abuse exposures. A single carrier, NIAC, that is a state-authorized risk pool exclusively for 501(c)(3) nonprofits and whose mission is to serve this sector, now insures 90% of the Foster Family Agencies in California but has found it impossible to continue because of certain practices occurring with the judicial process. It has announced an intent to nonrenew all of those it presently insures by the end of the 2024, without the changes in AB 2496.



As an Association representing many FFAs, it is our duty and responsibility to take every reasonable step to assure the safety and wellbeing of the children in these resource families. Nothing in AB 2496 will release us from our responsibilities to these children.

For these reasons, the CA Alliance requests an “aye” vote on AB 2496.

Sincerely,

A handwritten signature in black ink, appearing to read "Adrienne Shilton".

Adrienne Shilton
Director of Public Policy and Strategy

CC: Members of the Senate Judiciary Committee
Assemblymember Pellerin, Author