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## **An Act To Ensure Adequate Insurance Coverage for Family Child Care Providers**

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 24-A MRSA §3060** is enacted to read:

### **§ 3060. Insurance coverage for family child care providers**

**1. Evidence of business liability insurance.** An insurer may not refuse to issue or renew a policy covering the primary residence of a family child care provider certified under Title 22, section 8301-A, subsection 3 or cancel such policy within the first 90 days of coverage unless the denial of coverage or cancellation is based solely on underwriting factors other than the presence of a family child care business on the premises if the family child care provider has demonstrated satisfactory evidence that the child care business is covered by separate insurance coverage for business liability, including medical payments coverage equivalent to coverage in the policy. For purposes of cancellation or nonrenewal under section 3049 or 3051, an insurer may not treat the presence of the family child care business activity as a factor related to the insurability of the primary residence of a family child care provider certified under Title 22, section 8301-A, subsection 3 if the family child care provider has demonstrated satisfactory evidence that the child care business is covered by separate insurance coverage for business liability in accordance with this subsection.

**2. No liability under property insurance policy.** An insurer has no duty to defend or indemnify a family child care provider certified under Title 22, section 8301-A, subsection 3 under a policy covering the primary residence of a family child care provider issued by the insurer if:

A. The loss or damage for which the family child care provider is liable or alleged to be liable arises in whole or in part from the family child care business activity;

B. The policy issued by the insurer expressly excludes that loss or damage arising from the family child care business activity;

C. The family child care provider has demonstrated satisfactory evidence of separate insurance coverage for child care business liability in accordance with subsection 1; and

D. The insurer issuing the policy covering the primary residence has disclosed to the family child care provider that failure to maintain separate insurance coverage for child care business liability might result in cancellation or nonrenewal of the policy covering the primary residence and that the child care business activity is excluded under the policy.

**3. Effect of cancellation or nonrenewal of business liability policy.** If a family child care provider has demonstrated satisfactory evidence of separate insurance coverage for child care business liability to the insurer as provided in subsection 2, paragraph C, the insurer issuing the policy covering the primary residence continues to have no duty to defend if the insurance policy for child care business liability is cancelled or nonrenewed during the term of the policy covering the primary residence.

Effective September 12, 2009