



British Columbia

Federation of Foster Parent Associations

RE: BCFFPA INSURANCE INFORMATION

To Whom It May Concern:

The BCFFPA Foster Parent Insurance Rider for Extended Property Damage (the insurance rider) was implemented in September 1984. As an indication of the value the then Ministry of Social Services placed on the work of foster parents, the ministry paid for coverage for approximately 4,500 foster homes in the province. The Ministry of Children and Family Development (MCFD) continues to provide this additional coverage for family care resources that have children placed by a director designated under the Child, Family and Community Services Act, Section 91. This coverage extends to:

1. Restricted, Regular, Levels 1, 2 & 3 Foster Care Homes as well as Aboriginal Delegated Agency Homes **#125396**
2. Residential Resource, "Mom & Pop" Group Homes **#125397**

If a foster parent fosters for a Delegated Agency and has a signed contract, which follows MCFD guidelines, they are automatically covered. Foster parents who foster for an Aboriginal band and hold a contract directly with the band are required to purchase the rider themselves. In 1987 the insurance rider also became available to resources caring for four or fewer children placed under contract (Satellite Homes). Because these foster parents do not foster directly for the ministry, they are required to become members of BCFFPA and purchase the rider themselves. In order to be considered a Satellite Home, the children/youth must reside in the caregiver's primary residence. Otherwise the home is considered a staffed resource (business) and is not eligible to purchase the Rider.

The insurance rider is carried by AXA Insurance and is intended as a supplement to existing insurance policies held by foster parents. Its purpose is to provide coverage for the foster family home and possessions against losses caused by a child in care. Where an insurance claim due solely to malicious or willful acts by the foster child is not considered valid or collectible under the foster family's personal insurance coverage, the rider will apply. The limit of coverage was

increased to \$500,000.00 per occurrence for a complete loss of house and contents effective April 1, 2009.

The Comprehensive General Liability Policy came into effect April 1, 1989. This policy covers all Restricted, Regular, Level 1, 2 & 3 homes. The premiums for this policy are automatically covered by MCFD. This policy is a negligence policy whereby the insurer will pay all sums the foster parents become legally obligated to pay as a result of bodily injury occurring to, or property damage caused by, a foster child. The coverage includes all legal fees should the matter be taken to civil court. Not covered are costs for any type of abuse: sexual, physical or emotional. The policy became a "claims made" policy beginning in 2001. In order to enact a claim, the foster parent contacts the BCFFPA office immediately upon becoming aware that there is the potential for a claim arising in the future or upon receipt of a writ of summons. The BCFFPA office contacts the carrier of the policy, who may then appoint a lawyer to represent and work with the foster parents. On June 1, 2005 the Liability Insurance coverage was moved over to fall under the government liability policy through AON Reed Stenhouse. See more information regarding this change by going to www.bcfosterparents.ca.

The process for filing claims, which may require the insurance rider, is as follows:

- Original claim is submitted to the family's primary, personal insurer
- BCFFPA office is contacted upon receipt of a letter from the primary insurer regarding denial of claim due to willful and malicious damage
- Letter outlining the requirement for filing an insurance rider claim is mailed to foster parent
- Insurance rider claim received by BCFFPA office is forwarded to the BCFFPA insurance company, who assigns an adjustor to the case
- The adjustor contacts the caregiver directly

As a condition of their contract with the ministry, foster parents are required to have homeowner/tenant insurance in place. For those foster parents unable to obtain primary insurance due to remote location, lack of water availability, high number of claims, etc., Risk Management has developed a generic policy to which the insurance rider can be attached. This generic policy is offered at no cost to the foster parent. Claims are funneled through the BCFFPA office and forwarded to Risk Management, who will issue the letter of denial of coverage required to enact the insurance rider.

While the insurance rider program has been in place for 18 years and has been very successful, some difficulties have arisen in the past two or three years. Foster parents are finding it increasingly difficult to obtain primary insurance coverage, especially if they have a leveled home with more than two placements. As well, the cost of coverage has risen substantially, both for foster parents who have suffered a loss not covered by their primary insurer, and for long-time subscribers with no prior insurance claims. To attempt to counteract an apparent discrimination against foster parents, BCFFPA has been in correspondence with the Insurance Bureau of Canada requesting that they share information about the BCFFPA insurance rider with their member agencies.

MCFD and the Delegated Aboriginal Agencies cover the deductible of foster parents' insurance after ensuring that there are no unexpended funds in the maintenance portion of the foster home payment.

The Legal Indemnity Policy covers legal costs up to conviction for a foster parent who is charged with any type of abuse. If the foster parent is found guilty in a court of law, the government has the ability to sue back for costs under the Financial Services Act. This coverage is available to those foster parents specifically named in the Foster Care Home Agreement. Any adult over 19 residing in a foster home who is not named on the contract is not covered under the Legal Indemnity Policy.

The BCFFPA Insurance Rider Questions and Answers booklets are available from the BCFFPA provincial office. If you have further questions, do not hesitate to contact us at 1-800-663-9999.

Yours truly



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