

Senate Health and Human Services Committee

Sophie Walsh 271-3469

SB 614-FN, establishing pooled risk management programs for the benefit of child care centers and foster family homes.

Hearing Date: January 8, 2026

Time Opened: 10:30 a.m.

Time Closed: 10:52 a.m.

Members of the Committee Present: Senators Rochefort, Avard, Birdsell, Prentiss and Long

Members of the Committee Absent: None

Bill Analysis: This bill creates pooled risk management programs relative to insurance costs for child care centers and foster family homes. The bill also directs the department of the state to ensure standards are met for the establishment of each liability pool.

Sponsors:

Sen. Ricciardi

Sen. Watters

Sen. Perkins Kwoka

Sen. Altschiller

Rep. Kuttub

Rep. L. Walsh

Rep. Post

Who supports the bill: Sen. Ricciardi, Sen. Altschiller, DJ Bettencourt (NHID), Corinne Benfield (Stay Work Play), Natch Greyes (BIA), Sarah McCarthy, and Megan Brabec (Save the Children Action Network).

Who opposes the bill: No one.

Who is neutral on the bill: No one.

Summary of testimony presented:

Senator Denise Ricciardi, Senate District 9

- Senator Ricciardi explained that she has received many calls from constituents who are facing challenges getting back into the workforce due to child care waitlists.
- She reached out to child care centers and learned many of them fear becoming insolvent, closing, or shrinking due to liability insurance being so unaffordable.
- Senator Ricciardi has worked closely with the Insurance Department to try to address this issue. She explained that some work still needs to be done on the bill.

- This bill would allow at least 10 child care centers and foster family homes in New Hampshire to create a risk pool for casualty insurance, property insurance, or casualty and property insurance, rather than purchasing individual policies.
- Establishing a pool will allow providers to share costs and assist them in remaining viable while maintaining strong standards.
- Senator Ricciardi noted that this would also be subject to oversight and regulation by the Secretary of State. Each pool must get an annual independent financial audit, get an annual actuarial review to ensure enough money is set aside for claims, and give members advance notice and input on rate increases.
- Senator Rochefort acknowledged that the Secretary of State was here to testify on the bill and confirmed that Senator Ricciardi will be in contact with them.
- Senator Ricciardi confirmed that she will be meeting with the Secretary of State to continue the work on this issue.

Keith Nyhan, Jennifer Smith, and James Fox, New Hampshire Insurance Department

- Deputy Commissioner Nyhan explained that liability insurance for smaller non-profit child care centers and foster care placement agencies is a hard market.
- Pooled risk programs are one of the options the Department has explored. One challenge is potentially not having enough volume in the pool to generate the desired cost savings and affordability.
- One potential option would be to expand the program to a larger pool, such as other New England or Northeast states. This is an issue throughout the country, and bringing more entities into the pool will create economies of scale and affordability.
- Senator Long asked if there is a number of entities for the pool that the Department would be more comfortable with.
- Deputy Commissioner Nyhan said he does not know what the specific number is, but the more the better. He noted that other states, Texas in particular, have looked into this concept. He speculated that tens if not hundreds of entities would need to come together to create the value-added benefit.
- Senator Rochefort acknowledged some concerns regarding risk pools and asked what assurances there are to ensure we do not find ourselves in a predicament.
- Deputy Commissioner Nyhan acknowledged that the concerns are well-founded and said it comes down to financial oversight and the amount of money being collected as part of the pool. He emphasized this is where volume comes into play for underlying solvency.
- Senator Rochefort said he is not opposed to this idea since he has seen the struggles that child care centers face, but acknowledged that we are still seeing ramifications from similar situations.

- Deputy Commissioner Nyhan said this is just another option we can explore and emphasized that the fully insured market that has been trying to fill this need has been stretched thin.

Corinne Benfield, Stay Work Play

- In Stay Work Play's most recent quality of life survey, child care was found to be the second most challenging issue facing young people in the state.
- Employers are also feeling this pressure, as businesses are struggling to recruit and retain talent.
- Child care centers are doing everything they can, but many facilities are operating on thin margins while facing rising costs. Ms. Benfield emphasized that insurance is a key determining factor in this cycle because when costs spike, facilities delay expansion, cap enrollment, and defer costs to families.
- This bill addresses this pressure point directly by reducing a major overhead cost through pooled risk management. It will help stabilize and expand the early childhood education landscape without lowering standards or increasing State spending.
- Ms. Benfield emphasized that if New Hampshire wants families and businesses to stay, and if businesses want to attract and maintain a workforce, we must strengthen and invest in the child care system.

Natch Greyes, Business & Industry Association

- Mr. Greyes stated that he is speaking in support of this bill and noted the expected amendment from the Insurance Department and Secretary of State.
- From conversations with national partners around the country, we know that the costs of liability insurance for child care providers has increased significantly. This cost is directly passed on to consumers.
- The Business & Industry Association (BIA) is interested in the availability and affordability of child care, as they look at the state economy and companies' ability to attract and retain talent. The BIA is trying to help find solutions to the issues in this sector of the economy and is looking for new opportunities for child care providers to obtain liability insurance at an affordable rate.
- Mr. Greyes emphasized that the cost of liability insurance is quickly reaching a crisis point, and this is predicted to continue nationwide.

Jennifer Smith, New Hampshire Insurance Department

- Ms. Smith explained that this bill is about creating a risk pool to help mainly with liability insurance that child care centers are currently having difficulty affording.

- This is not something new for child care centers, and now non-profits, the foster care system, and businesses delivering services with the State are also feeling this pressure.
- This bill is slightly modeled after Texas statute. The Department has been talking with their counterparts in Texas to see how this has worked for them, but it is important to note that they have a different environment and population, meaning they have more volume.
- The Department is hearing from child care centers that coverage is becoming unaffordable to the point that they are choosing to directly settle with families for incidents, such as playground injuries, rather than file a claim.
- Liability is the main coverage type causing an issue for many child care centers, and the Department has been following this issue for several years. Stakeholder discussions have been underway to identify what other options can be utilized in addition to the risk pool to create a manageable solution.
- Senator Birdsell asked what is causing the massive increase in insurance rates for child care centers.
- Ms. Smith emphasized that this is a hard market, and there are other legal implications putting pressure on the market. Child care centers are at a disadvantage, as the typical everyday accidents are being mixed together with more serious situations such as abuse and neglect at other types of facilities.
- Ms. Smith emphasized that the Department is working on piecing together a solution to alleviate some of this pressure.
- Senator Rochefort asked how far along they are in the process of addressing the larger issue.
- Ms. Smith explained that they have been working on this for quite some time, and now Senator Ricciardi has been brought up to speed with this bill. They have been having conversations with stakeholders and still need to have some more, but Ms. Smith does not think they are far off from identifying a targeted and narrow approach to address the issue.