

SB 614-FN - AS INTRODUCED

2026 SESSION

26-2226

12/09

SENATE BILL **614-FN**

AN ACT establishing pooled risk management programs for the benefit of child care centers and foster family homes.

SPONSORS: Sen. Ricciardi, Dist 9; Sen. Watters, Dist 4; Sen. Perkins Kwoka, Dist 21; Sen. Altschiller, Dist 24; Rep. Kuttub, Rock. 17; Rep. L. Walsh, Rock. 15; Rep. Post, Hills. 42

COMMITTEE: Health and Human Services

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.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

1 (a) Casualty, including general and professional liability; errors and omissions; workers'
2 compensation and employer's liability; medical payments; or unemployment compensation as
3 authorized under federal law.

4 (b) Property, including marine and inland navigation; transportation; boiler and
5 machinery; fire; theft; or natural hazards.

6 III. A child care center or foster family home is entitled to coverage from the pool if the
7 center:

8 (a) Submits a complete application;

9 (b) Provides other information required by the pool;

10 (c) Meets the underwriting standards established by the pool; and

11 (d) Pays the premiums required for the coverage.

12 5-E:4 Informational Filing Required; Authority of Secretary of State.

13 I. Pooled risk management programs established for the benefit of child care centers or
14 foster family homes shall make an informational filing, as defined in RSA 5-B:2, II, and subject to
15 the provisions of that statute.

16 II. Notwithstanding any other provision of law, the secretary of state shall have the same
17 authority over the New Hampshire child care center and foster family home liability pool as provided
18 for by RSA 5-B:4-a.

19 5-E:5 Standards of Organization and Operation.

20 I. Each pooled risk management program shall meet the following standards of organization
21 and operation. Each program shall:

22 (a) Exist as a legal entity organized under New Hampshire law.

23 (b) Operate as initially provided by in a plan of operation agreed to by the principals,
24 subject to the provision that the principals shall each nominate a representative to serve on the
25 board of directors. Amendments to the plan of operation may be made by the board after
26 appointment by the principals. Board members shall not receive compensation but may be
27 reimbursed for mileage and other reasonable expenses.

28 (c) Return all earnings and surplus in excess of any amounts required for
29 administration, claims, reserves, and purchase of excess insurance to the participating child care
30 facilities or foster family homes.

31 (d) Provide for an annual audit of financial transactions by an independent certified
32 public accountant. The audit shall be filed with the department and distributed to participants of
33 each pooled risk management program.

34 (e) Be governed by written bylaws which shall detail the terms of eligibility for
35 participation by child care facilities or foster family homes, the governance of the program and other
36 matters necessary to the program's operation. Bylaws and any subsequent amendments shall be
37 filed with the department.

1 (f) Provide for an annual actuarial evaluation of the pooled risk management program.
2 The evaluation shall assess the adequacy of contributions required to fund any such program and
3 the reserves necessary to be maintained to meet expenses of all incurred and incurred but not
4 reported claims and other projected needs of the plan. The annual actuarial evaluation shall be
5 performed by a member of the American Academy of Actuaries qualified in the coverage area being
6 evaluated, shall be filed with the department, and shall be distributed to participants of each pooled
7 risk management program.

8 (g) Provide notice to all participants of and conduct meetings for the purpose of advising
9 of potential rate increases, the reasons for projected rate increases, and to solicit comments from
10 members regarding the return of surplus, at least 10 days prior to rate setting for each calendar
11 year.

12 II. If a pooled risk management program fails to provide for an annual audit or an annual
13 actuarial evaluation, the department shall perform or cause to be performed the required audit or
14 evaluation and shall be reimbursed the cost by the program.

15 5-E:6 Declaration of Status; Tax Exemption; Liability.

16 I. Any pooled risk management program meeting the standards required under this chapter
17 is not an insurance company, reciprocal insurer, or insurer under the laws of this state, and
18 administration of any activities of the plan shall not constitute doing an insurance business for
19 purposes of regulation or taxation.

20 II. Any such program operating under this chapter, whether or not a body corporate, may
21 sue or be sued; make contracts; hold and dispose of real property; and borrow money, contract debts,
22 and pledge assets in its name.

23 III. Participation by a child care center or foster family home in a pooled risk management
24 program formed and affirmed under this chapter shall not subject any such child care center or
25 foster family home to any liability to any third party for the acts or omissions of the pooled risk
26 management program or any other child care center or foster family home participating in the
27 program.

28 5-E:7 Confidentiality of Certain Claims Information. Notwithstanding any provision of law to
29 the contrary, any information of any pooled risk management program formed or affirmed under this
30 chapter pertaining to claims analysis or claims management shall be privileged and confidential and
31 not subject to disclosure to any third party.

32 2 Effective Date. This act shall take effect 60 days after its passage.

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

FISCAL IMPACT:

The Secretary of State's Office is currently unable to determine the fiscal impact or identify specific staffing needs. A fiscal note worksheet will be submitted once clarification is received from the legislature during the hearing process.

AGENCIES CONTACTED:

Department of State