



# TACFS SUPPORTS

## Appropriate Liability Insurance Coverage for Foster Care Providers

### SB 1558 (Perry)

Foster care providers are required by statute and contract to carry liability insurance coverage. However, these providers are experiencing skyrocketing insurance premiums, limited carrier availability, and burdensome policy changes, without direct explanation. Some insurers point to regulatory structure and requirements, or increased risk of lawsuits or settlements, but many providers experience service-limiting insurance changes without any reason or explanation.

### Real-Life Implications



Failure to address this crisis risks profound harm, including re-traumatization of vulnerable children and youth, job losses among care staff, and ripple effects on local communities. Providers unable to secure or afford liability insurance may exit the market, leaving gaps in the care infrastructure and reducing options for children in foster care.

### Key Findings of TACFS Member Survey

#### Insurance Costs and Availability:

Over the past decade, **72% of foster care providers** in Texas have had to change their insurance coverage due to market constraints.

In the last five years alone, **53% of providers** reported premium increases exceeding 50%, with some experiencing hikes over 100%.

Many insurers decline to underwrite foster care-specific policies, combining them instead with broader categories like daycare or other child-serving organizations.

#### Impact on Providers and Services:

- Providers are unable to expand services or take on higher-needs children due to prohibitive insurance costs and outright refusal of carriers to provide coverage.
- If current trends persist, thousands of children could lose placement because their providers cannot maintain required coverage.

#### Systemic Risks to Community-Based Care (CBC):

Single Source Continuum Contractors (SSCCs), who assume state responsibilities for nearly half of the children in Texas foster care, face amplified risks. Loss of liability coverage could force SSCCs to terminate contracts, disrupting community-based care and related services like residential care, family preservation, and prevention programs.

#### What does SB 1558 do?

SB 1558 reinforces the existing protections of the federal Charitable Immunity and Liability Act (CILA) for those who provide community-based care. It gives clear direction for insurers so that providers can access more options for the required liability insurance coverage.

This much-needed coverage separates bad actors from providers doing their due diligence on behalf of Texas children in their care. The bill would also provide separation between employers and employees who caused harm by establishing what employers must do to be in “good standing.”

Learn more at [tacfs.org/89th](https://tacfs.org/89th). Contact us at [policy@tacfs.org](mailto:policy@tacfs.org) for more information.