



British Columbia

Federation of Foster Parent Associations

January 2011

RE: BCFFPA INSURANCE INFORMATION

To Whom It May Concern:

The BCFFPA Foster Parent Insurance Rider for Extended Property Damage (“the insurance Rider” or “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**
3. Youth Justice Care Homes

If a foster parent fosters directly with the Ministry or through a Delegated Agency and has a signed contract, which follows MCFD guidelines, they are automatically covered by the Rider Insurance. Effective December 2010, Youth Justice care homes are also covered by the Rider Insurance.

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 or a delegated agency, they are required to purchase the insurance 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. For these foster parents, the Rider can be purchased at a cost of \$115.

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 AON Reed Stenhouse* 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 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 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 along with instructions 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 sent through the BCFFPA office and forwarded to Risk Management, who will issue the letter of denial of coverage required to enact the Insurance Rider.

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 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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