

Chairman Louser, Vice-Chair Ostlie, and members of the House Industry, Business, and Labor Committee:

My name is Kathy Busche. I own and operate two childcare programs in Hazen. One program is a group facility licensed for 30. I own the facility and operate a 0-5 program with a current enrollment of 33 children. The second program is my home where I operate a school age program with a license for 30 with 25 children enrolled. The facility is Step 2 in Bright and Early QRIS. Our home program is Step 1 QRIS. I have been operating my business out of my home since 2007 and purchased and renovated the facility opening the second location in January 2022. I have a bachelor's degree in Early Childhood Education from MSUM and providing quality childcare is my passion.

I am sorry I can not be present to testify in person, but unfortunately I do not have the back up staff required to be away from our programs at the present time.

I am writing today in opposition of HB 1298. I am not in opposition to having a liability policy for child care programs, I am in opposition of the State requiring family and group programs to carry a policy. I currently hold a liability policy on my facility. As of February 2023 when my policy renews I will be paying \$5,000 for both commercial building insurance and business liability insurance. I believe it is important to have both these policies, but the it is becoming more and more difficult to find an underwriter to offer programs such as mine insurance. I have been dropped by two insurance companies in the last 5 years and have struggled to find a company willing to write a policy for my unique program. Because the insurance is so expensive I have not acquired an insurance policy for my school age program in my home. The one policy I currently hold is approximately 5% of my gross income. This is a huge cost and I fear that if the state of North Dakota requires family and group providers to carry insurance we are going to see another huge increase in premiums. The cost of this insurance will be detrimental to child care. Many new programs simply can't afford the premiums.

My second concern with HB 1298 is that it doesn't have a requirement in regards to the type of insurance or amount of coverage a program is required to carry. I have spoken to many providers throughout the state in order to compare types of liability insurance and amount of coverage providers carry and it isn't enough. Often providers think they carry insurance for certain types of incidents and they find out after an incident that their policy has an exclusion or doesn't have the amount of coverage necessary. Requiring a program to carry insurance without guidance into the type of insurance or amount of coverage is not the answer.

Carrying insurance needs to be a business owners' decision and although I fully agree that as a professional business childcare providers should carry insurance it is extremely hard to find and expensive to obtain. For these reasons I oppose HB 1298.

I would be more than happy to answer any questions the committee might have.

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