

July 31, 2024

Assemblymember Ash Kalra
Chair, Assembly Judiciary Committee
State Capitol
PO Box 942849
Sacramento, CA 94249-0025

RE: In strong support of AB 2496 (The Foster Family Agency Accountability Act)

Dear Chair Kalra,

California's foster family system is on the verge of collapse due to imminent loss of insurance for foster family agencies (FFAs). We know that sometimes mere problems are brought to you and represented as crises. This is not one of those times.

A collapse of California's foster family system will hurt the 9,000 children presently in resource homes. If FFAs lose their insurance coverage and can no longer serve children and families, children across the state will be at risk of losing thousands of caregivers, and counties will experience a severe placement crisis resulting from a lack of safe and stable settings for children.

As California foster family agencies (FFAs) whose mission is to protect these children, we implore you to pass AB 2496, The Foster Family Agency Accountability Act in a form that allows FFAs to be insurable.

FFAs are nonprofit organizations licensed by the Community Care Licensing Division of the California State Department of Social Services to engage in the recruiting, approving, and training of, and providing professional support to, resource parent(s), or in finding homes for placement of children for temporary or permanent care who require that level of care as an alternative to a group home. In their contracts with FFAs, counties require FFAs to carry insurance.

Over the past several years, we have been alarmed as one insurance company after the other has refused to renew our property/casualty insurance policies. Simultaneously, counties have increased insurance

requirements and introduced clauses into their contracts which shift their liabilities onto us.

As the insurance market has shrunk, we have come to rely on a state-authorized, nonprofit risk pool called Nonprofits Insurance Alliance of California (NIAC), which insures 12,000 501(c)(3) nonprofits in California — including 90% of California FFAs.

NIAC has successfully insured FFAs for 35 years, and they assure us that FFAs have not become uninsurable because they are less diligent in protecting children, but because of changes to the judicial system, which are now holding FFAs responsible for the negligence and bad acts of others, over which FFAs have no control. NIAC recently made it clear to us that, if AB 2496 does not become law by September 30, 2024, in a form that allows FFAs to be insurable, they will be forced to issue nonrenewals to all California FFAs they presently insure. This will cause a collapse of California's foster family system.

As a 501(c)(3) nonprofit organization, NIAC is accountable to all of the nonprofits that rely on it and cannot jeopardize its financial solvency for FFAs that represent less than 10% of its business.

As FFAs, it is our duty and responsibility to take every reasonable step to assure the safety and wellbeing of the children in these resource families. Nothing in AB 2496 will release us from our responsibilities to these children.

Respectfully,

cc:

Members, Assembly Judiciary Committee

Chief Counsel, Assembly Judiciary Committee, Alison Merrilees

Republican Consultant, Daryl Thomas

July 31, 2024

Governor Gavin Newsom
1021 O Street
Suite 9000
Sacramento, CA 95814

RE: In strong support of AB 2496 (The Foster Family Agency Accountability Act)

Dear Governor Newsom,

California's foster family system is on the verge of collapse due to imminent loss of insurance for foster family agencies (FFAs). We know that sometimes mere problems are brought to you and represented as crises. This is not one of those times.

A collapse of California's foster family system will hurt the 9,000 children presently in resource homes. If FFAs lose their insurance coverage and can no longer serve children and families, children across the state will be at risk of losing thousands of caregivers, and counties will experience a severe placement crisis resulting from a lack of safe and stable settings for children.

As California foster family agencies (FFAs) whose mission is to protect these children, we implore you to pass AB 2496, The Foster Family Agency Accountability Act in a form that allows FFAs to be insurable.

FFAs are nonprofit organizations licensed by the Community Care Licensing Division of the California State Department of Social Services to engage in the recruiting, approving, and training of, and providing professional support to, resource parent(s), or in finding homes for placement of children for temporary or permanent care who require that level of care as an alternative to a group home. In their contracts with FFAs, counties require FFAs to carry insurance.

Over the past several years, we have been alarmed as one insurance company after the other has refused to renew our property/casualty insurance policies. Simultaneously, counties have increased insurance requirements and introduced clauses into their contracts which shift their liabilities onto us.

As the insurance market has shrunk, we have come to rely on a state-authorized, nonprofit risk pool called Nonprofits Insurance Alliance of California (NIAC), which insures 12,000 501(c)(3) nonprofits in California — including 90% of California FFAs.

NIAC has successfully insured FFAs for 35 years, and they assure us that FFAs have not become uninsurable because they are less diligent in protecting children, but because of changes to the judicial system, which are now holding FFAs responsible for the negligence and bad acts of others, over which FFAs have no control. NIAC recently made it clear to us that, if AB 2496 does not become law by September 30, 2024, in a form that allows FFAs to be insurable, they will be forced to issue nonrenewals to all California FFAs they presently insure. This will cause a collapse of California's foster family system. You can prevent this by signing AB 2496 into law, in a form that will allow FFAs to be insurable.

As a 501(c)(3) nonprofit organization, NIAC is accountable to all of the nonprofits that rely on it and cannot jeopardize its financial solvency for FFAs that represent less than 10% of its business.

As FFAs, it is our duty and responsibility to take every reasonable step to assure the safety and wellbeing of the children in these resource families. Nothing in AB 2496 will release us from our responsibilities to these children.

Respectfully,

cc:

Assemblymember Gail Pellerin

July 31, 2024

Senator Anna Caballero
Chair, Senate Appropriations
Committee
1021 O Street, Suite 7620
Sacramento, CA 95814

RE: In strong support of AB 2496 (The Foster Family Agency Accountability Act)

Dear Chair Caballero,

California's foster family system is on the verge of collapse due to imminent loss of insurance for foster family agencies (FFAs). We know that sometimes mere problems are brought to you and represented as crises. This is not one of those times.

A collapse of California's foster family system will hurt the 9,000 children presently in resource homes. If FFAs lose their insurance coverage and can no longer serve children and families, children across the state will be at risk of losing thousands of caregivers, and counties will experience a severe placement crisis resulting from a lack of safe and stable settings for children.

As California foster family agencies (FFAs) whose mission is to protect these children, we implore you to pass AB 2496, The Foster Family Agency Accountability Act in a form that allows FFAs to be insurable.

FFAs are nonprofit organizations licensed by the Community Care Licensing Division of the California State Department of Social Services to engage in the recruiting, approving, and training of, and providing professional support to, resource parent(s), or in finding homes for placement of children for temporary or permanent care who require that level of care as an alternative to a group home. In their contracts with FFAs, counties require FFAs to carry insurance.

Over the past several years, we have been alarmed as one insurance company after the other has refused to renew our property/casualty insurance policies. Simultaneously, counties have increased insurance

requirements and introduced clauses into their contracts which shift their liabilities onto us.

As the insurance market has shrunk, we have come to rely on a state-authorized, nonprofit risk pool called Nonprofits Insurance Alliance of California (NIAC), which insures 12,000 501(c)(3) nonprofits in California — including 90% of California FFAs.

NIAC has successfully insured FFAs for 35 years, and they assure us that FFAs have not become uninsurable because they are less diligent in protecting children, but because of changes to the judicial system, which are now holding FFAs responsible for the negligence and bad acts of others, over which FFAs have no control. NIAC recently made it clear to us that, if AB 2496 does not become law by September 30, 2024, in a form that allows FFAs to be insurable, they will be forced to issue nonrenewals to all California FFAs they presently insure. This will cause a collapse of California's foster family system.

As a 501(c)(3) nonprofit organization, NIAC is accountable to all of the nonprofits that rely on it and cannot jeopardize its financial solvency for FFAs that represent less than 10% of its business.

As FFAs, it is our duty and responsibility to take every reasonable step to assure the safety and wellbeing of the children in these resource families. Nothing in AB 2496 will release us from our responsibilities to these children.

Respectfully,

cc:

Members, Senate Appropriations Committee

Staff Director, Senate Appropriations Committee, Mark McKenzie

Republican Consultant, Chantele Denny