



2025-2026 General Assembly

SENATE BILL 257: 2026 Appropriations Act, Sec. 32.2: Study Insurance Program For Child Care Providers

Analysis of: S.L. 2026-41, Sec. 32.2

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Section 32.2 of S.L. 2026-41 (Senate Bill 257) requires the Department of Insurance (DOI) to study the feasibility of establishing liability insurance coverage for North Carolina child care providers and, no later than May 1, 2027, report to the Joint Legislative Oversight Committee on General Government with the findings of the study. Of the funds appropriated in the act from the General Fund to DOI, \$350,000 in nonrecurring funds for the 2026-2027 fiscal year must be used to conduct the study. In conducting the study, DOI must do the following:

- Collect loss data and operational information from child care providers statewide.
- Evaluate the viability of a program that is designed primarily to provide general liability coverage, including a focus on sexual abuse and molestation coverage.
- Determine the amount of public funding needed to initially capitalize the insurer and explore potential alternative solutions to that funding.
- Analyze the conditions in traditional, excess and surplus, and unauthorized foreign reinsurance markets.
- Determine whether commercial insurance carriers would be willing to participate in this program.
- Recommend a design for the most viable program for North Carolina child care providers.
- Identify any legislative changes necessary to implement any recommendations contained within the report.

The Department of Health and Human Services must cooperate with DOI, and any entity that DOI has contracted with, to supply any information necessary to do the study.

This section became effective July 1, 2026.

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