

SB3824



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3824

Introduced 2/6/2026, by Sen. Ram Villivalam

SYNOPSIS AS INTRODUCED:

New Act

Creates the Liability Insurance for Day Care Providers Act. Provides that the Department of Insurance and the Department of Early Childhood, in consultation with community partners, shall conduct a survey that shall include, but not be limited to, specified subjects concerning the accessibility of liability insurance for day care providers. Requires the Department of Insurance and Department of Early Childhood to develop a finalized report of the survey and submit the findings of the report to the relevant community partners, the General Assembly, and the Governor no later than one year after the effective date of the Act. Effective immediately.

LRB104 19379 BAB 32827 b

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Liability Insurance for Day Care Providers Act.

6 Section 5. Findings; purpose.

7 (a) The General Assembly finds that:

8 (1) There is an ongoing concern regarding the
9 availability and affordability of liability insurance for
10 day care providers within the State of Illinois.

11 (2) In Illinois, day care providers operate tight
12 margins within a fragile economic model in which the
13 overall revenue fails to offset operating expenses, an
14 issue predating the pandemic but now exacerbated by rising
15 costs, low subsidy reimbursement rates, staffing
16 shortages, and current economic limits on a parent's
17 ability to pay for the cost of day care. In addition,
18 revenue barely covers rising operating costs, including
19 salaries for staff, building maintenance, utilities,
20 insurance, licensing costs, supplies, food, and other
21 expenses, which make it difficult for many day care
22 providers to account for unexpected increases in operating
23 costs. Day care owners often struggle to provide health

1 insurance and retirement benefits for staff and report
2 growing challenges in accessing and affording required
3 liability insurance coverage for their licensed programs.

4 (3) Liability insurance protects day care providers
5 from unforeseen financial risks due to accidents, and
6 inadequate liability insurance coverage can have harsh
7 financial, regulatory, and legal repercussions for
8 providers. Premiums for liability insurance, a necessary
9 and mandatory requirement under State licensing for day
10 care programs, have risen exponentially in recent years,
11 significantly increasing the cost of operating day care
12 programs across the United States, including Illinois.

13 (4) Eighty percent of day care providers, including
14 family day care, rural, urban, and suburban programs have
15 reported rising liability insurance costs over the past
16 year. Among center-based and subsidy-serving programs,
17 most experienced annual increases between \$2,000 and more
18 than \$10,000, further straining the day care system in
19 Illinois. In addition to rising liability insurance
20 premiums, day care providers increasingly face challenges
21 when they are unable to secure adequate coverage or, in
22 some cases, any coverage at all.

23 (b) The purpose of this Act is to address the ongoing
24 crisis of rising liability insurance premiums and the growing
25 inability of day care providers in Illinois to obtain
26 adequate, affordable, or sufficient coverage, with particular

1 focus on identifying and responding to the regulatory barriers
2 affecting day care providers and insurance premiums and
3 coverage.

4 Section 10. Survey to study liability insurance premiums
5 for day care programs; report.

6 (a) The Department of Insurance and the Department of
7 Early Childhood, in consultation with community partners,
8 including licensed day care providers and insurance providers,
9 shall conduct a survey that shall include, but not be limited
10 to, the following subjects:

11 (1) the availability and affordability of liability
12 insurance for day care owners;

13 (2) an assessment of the breadth and scope of the
14 financial impact of rising liability insurance premiums on
15 day care programs;

16 (3) an assessment of the reasons for increasing
17 liability insurance coverage;

18 (4) descriptions of claims for liability insurance in
19 general;

20 (5) barriers to obtaining liability insurance as a
21 requirement of day care licensing;

22 (6) types of insurance coverage available to child
23 care providers offered in Illinois and other states;

24 (7) insurance premium and coverage changes in other
25 industries;

1 (8) causes of the increasing difficulty in maintaining
2 liability insurance coverage; and

3 (9) an examination of applicable policy solutions
4 related to increasing liability insurance in other states.

5 (b) The Department of Insurance and Department of Early
6 Childhood shall develop a finalized report of the survey and
7 submit the findings of the report to the relevant community
8 partners, the General Assembly, and the Governor no later than
9 one year after the effective date of this Act.

10 Section 15. Repeal. This Act is repealed on January 1,
11 2028.

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.