

# CHILD WELFARE LIABILITY INSURANCE SURVEY

## ACT- HB762

*Empowering Illinois to Address the Liability Insurance Crisis*

FACT SHEET

2025

### THE PROBLEM

Illinois' child welfare system is facing a critical challenge that threatens the stability of the foster care system and the well-being of thousands of children. The Child Welfare Liability Insurance Survey Act (HB762) will help uncover the escalating liability insurance crisis that our community-based organizations are facing in Illinois.

Community-based organizations contract with the Department of Children and Family Services (DCFS) to provide services for more than **13,000 children** in the Illinois foster care system (nearly 75% of all youth in care). These organizations are foundational to child and family well-being by providing essential services.

#### ILLINOIS PROVIDER'S REPORT INCREASED GENERAL LIABILITY PREMIUM COSTS:

- 56%** Experienced a premium increase of more than **50%**
- 47%** Had their premiums at least double
- 31%** Had their premiums increase by **200-1800%**

NOSAC, 2025

To contract with DCFS, these community-based organizations are required to maintain adequate liability insurance. Recently, insurance carriers have dramatically increased premiums or withdrawn from the market, **refusing to renew policies regardless of an organization's claims history.**

As federal support for families and youth faces ongoing threats, it is imperative for Illinois to act decisively to preserve the stability of its child welfare ecosystem. This insurance instability jeopardizes the ability of community-based organizations to continue offering services during a time that they are needed most.

### THE SOLUTION

Empower the Illinois Department of Insurance (DOI) to conduct a comprehensive study into the underlying causes of rising liability insurance premiums and the decreasing availability of coverage for community-based organizations that provide foster care services. By investigating the market conditions and barriers, the DOI will gather critical data to inform policy responses and ensure sustainable coverage solutions.



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## CALL TO ACTION

*Supporting **HB762** (Rep. Ness) is essential to authorizing the DOI to assess the root causes of the liability insurance crisis. The resulting data will be pivotal in developing lasting solutions, so that foster youth and families continue to receive vital services.*

ICOY promotes the safety, health, and success of Illinois' children, youth, and families by acting as a collective voice for policy and practice, and by connecting and strengthening the organizations that serve them. Visit [ICOYouth.org](https://ICOYouth.org).

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