

CR 86-228

CERTIFICATE

STATE OF WISCONSIN)
) SS
DEPARTMENT OF HEALTH AND SOCIAL SERVICES)

RECEIVED
MAY 28 1987
10:10 am
Revisor of Statutes
Bureau

I, Timothy F. Cullen, Secretary of the Department of Health and Social Services and custodian of the official records of the Department, do hereby certify that the annexed rules relating to liability insurance for family foster parents were duly approved and adopted by this Department on May 26, 1987.

I further certify that this copy has been compared by me with the original on file in the Department and that this copy is a true copy of the original, and of the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Department at the State Office Building, 1 W. Wilson Street, in the city of Madison, this 26th day of May, 1987.



Timothy F. Cullen, Secretary
Department of Health and Social Services

SEAL:

ORDER OF THE
WISCONSIN DEPARTMENT OF HEALTH AND SOCIAL SERVICES
ADOPTING RULES

To create HSS 56.04(5) and (6), relating to liability insurance for family foster parents.

Analysis Prepared by the Department of Health and Social Services

Section 48.627, Stats., was revised by 1985 Wisconsin Acts 154 and 336 to require family foster parents to have homeowner's or renter's liability insurance that covers the negligent acts of foster children that result in bodily injury or property damage to third parties. This insurance was made a condition for obtaining or renewing a license to operate a family foster home. However, if in a particular case the insurance cannot be obtained or is cancelled or payment of the premium would cause undue financial hardship for the foster parents, a licensing agency is permitted to waive the requirement in accordance with rules promulgated by the Department.

The rules specify procedures for requesting a waiver of the homeowner's or renter's liability insurance requirement and prescribe the documentation required to verify an applicant's need for a waiver.

The Department's authority to adopt these rules is found in s. 48.627(1)(b), Stats. The rules interpret s. 48.627(1)(a) and (b), Stats.

SECTION 1. HSS 56.04(5) and (6) are created to read:

(5) LIABILITY INSURANCE. (a) Before a family foster home license is issued or renewed, the applicant for a license or foster parent applying for renewal of a license shall furnish proof of homeowner's or renter's liability insurance that provides coverage for the negligent acts or omissions of foster children resulting in bodily injury or property damage to third parties.

(b) Each licensing agency shall have on file documentation that each foster home licensed by that agency has insurance coverage required under par. (a) and s.48.627(1)(a), Stats., has been granted a waiver from that requirement in accordance with sub.(6), or has been issued a license for a period not to exceed 90 days to allow foster parents to obtain necessary documentation to request a waiver in accordance with sub.(6).

(6) WAIVER OF LIABILITY INSURANCE REQUIREMENT. (a) In this subsection, "Wisconsin insurance plan" means the mandatory risk-sharing insurance plan established under ch. 619, Stats., in accordance with s. Ins 4.10;

(b) A foster parent or an applicant for a family foster home license may request a waiver of the requirement under sub.(5)(a) if he or she is unable to obtain the required insurance, the insurance policy that he or she had was canceled or payment of the premium for the required insurance would cause undue financial hardship.

(c) A request for a waiver shall be sent directly to the licensing agency and shall include one of the following:

1. A written denial of homeowner's liability insurance by an insurance company for a reason other than the poor condition of the property and also a written denial of the same insurance coverage from the Wisconsin insurance plan;

2. A written cancellation of homeowner's liability insurance by an insurance company for reasons other than nonpayment of premiums and a written denial of the same coverage from the Wisconsin insurance plan;

3. Written denial of renter's liability insurance from 2 insurance companies;

4. A written cancellation of renter's liability insurance by an insurance company and, in addition, a written denial of the same insurance coverage from one other insurance company; or

5. Documentation that payment of the insurance premium would cause undue financial hardship for the foster parent as evidenced by the family:

a. Receiving aid to families with dependent children (AFDC);

b. Receiving supplemental security income (SSI); or

c. Having a family income at or below 70% of state median income as determined by the department for purposes of administering, the uniform fee system under Ch. HSS 1.

(d) Within 30 days after receipt of a request that is accompanied by the documentation required under par. (c), the licensing agency shall either waive the requirement or deny the request for a waiver, and shall notify the applicant or foster parent of its decision and the reasons for it.

Note #1: The Wisconsin Insurance Plan is property insurance of the last resort. Foster parents and applicants for a foster home license should consider the Wisconsin Insurance Plan only if they cannot obtain conventional insurance from an insurance company. For information on the Wisconsin Insurance Plan, see any insurance agency or contact: Wisconsin Insurance Plan, 744 North Fourth Street, Milwaukee, WI 53203, or phone (414) 276-1616.

Note #2: The department's 70% of state median income standard is found in s. HSS 1.03(12)(Table) where it is called minimum family budget. The same standard, annualized and updated for 1987 in accordance with s. HSS 1.03(12)(c)1b, is as follows:

<u>Family Size</u> (excluding foster children)	<u>Gross Annual Income</u> (at or below)
1	\$ 9,456
2	\$12,370
3	\$15,259
4	\$18,169
5	\$21,081
6	\$23,984
7	\$24,530
8	\$25,077
9	\$25,624
10	\$26,161
For each additional person add \$537	

The rules contained in this order shall take effect on the first day of the month following publication in the Wisconsin Administrative Register as provided in s. 227.22(2), Stats.

Wisconsin Department of Health and
Social Services

Dated: May 26, 1987

By:



Timothy F. Cullen, Secretary

SEAL:



State of Wisconsin

DEPARTMENT OF HEALTH AND SOCIAL SERVICES
1 West Wilson Street, Madison, Wisconsin 53702

Tommy G. Thompson
Governor

Timothy F. Cullen
Secretary

Mailing Address:
Post Office Box 7850
Madison, WI 53707

May 26, 1987

RECEIVED

MAY 25 1987

Mr. Orlan Prestegard
Revisor of Statutes
9th Floor - 30 on the Square
Madison, Wisconsin 53702

Revisor of Statutes
Bureau

Dear Mr. Prestegard:

As provided in s. 227.20, Stats., there is hereby submitted a certified copy of HSS 56.04(5) and (6), administrative rules relating to liability insurance for family foster parents.

These rules are also being submitted to the Secretary of State as required by s. 227.20, Stats.

These rules apply to family foster parents. Family foster homes are not small businesses as defined in s. 227.114(1)(a), Stats., and therefore these rules do not affect small businesses.

Sincerely,

Timothy F. Cullen
SECRETARY

Enclosure