



CDSS

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DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY  
**DEPARTMENT OF SOCIAL SERVICES**

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EDMUND G. BROWN JR.  
GOVERNOR

December 24, 2014

ALL COUNTY INFORMATION NOTICE NO. I-45-14

TO: ALL COUNTY WELFARE DIRECTORS  
ALL FOSTER FAMILY HOMES

SUBJECT: SENATE BILL (SB) 522, CHAPTER 494, STATUTES OF 2013,  
REGARDING CHANGES TO THE FOSTER FAMILY HOME AND  
SMALL FAMILY HOME INSURANCE FUND

REFERENCE: ALL COUNTY LETTER NO. 86-102

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

The purpose of this letter is to notify counties of the recent changes made by SB 522 (Chapter 494, Statutes of 2013) to the Health and Safety Code (HSC) sections 1527-1527.9 that governs the Foster Family Homes (FFH) and Small Family Home (SFH) Insurance Fund (Fund). The Fund provides coverage under specified conditions to licensed foster parents who are facing potential liability for bodily or personal injury to foster children in their care.

The Fund is administered by the Department of General Services (DGS) Office of Risk Management (ORIM) on behalf of the California Department of Social Services. The ORIM processes claims against foster parents that are filed by foster children, their parents, guardians, or guardian ad litem for an injury to a foster child. When a claim is filed with ORIM that comes within the statutory provisions, ORIM will attempt to settle the claim, if appropriate. If this attempt fails and the foster parent is served with a lawsuit, ORIM provides a defense by hiring legal counsel for the covered foster parent.

Specific exclusions from the Fund's coverage are set forth in HSC section 1527. The Fund will not cover injuries to a foster child caused by any of the following: the operation or use of a motor vehicles; immoral or sexual behavior on the part of the foster parent; and criminal or intentional acts, as specified. Whether an injury caused by an intentional or criminal act is excluded from the Fund's coverage depends on the date that the injury occurred. Prior to SB 522, HSC section 1527.3(a) excluded damages caused by the criminal or intentional act of any person. SB 522 added the words "of a foster parent" to this section.

Under this new amendment, only harm caused by the intentional act of a foster parent is excluded. The HSC section 1527.35 specifies that this amendment only applies to losses that occurred after July 1, 2013. Therefore, a loss which occurred prior to July 1, 2013 continues to be excluded if caused by the intentional or criminal act of any person, i.e. the foster parent or anyone else. The maximum amount the Fund will pay for claims made against a foster parent is \$300,000 for each period of coverage, for all occurrences during a coverage period. Under SB 522, a coverage period is now defined as a consecutive 12 month period; prior statute defined it as one calendar year.

SB 522 also clarified the definition of "occurrence" in HSC section 1527(e); this section now states that multiple incidents of a general course of conduct are to be considered one occurrence, regardless of the period of time during which the acts transpired. SB 522 added further clarification by stating that "the Fund shall be liable only once for damages arising from one occurrence." The result of these statutory amendments is to clarify that the maximum amount that the Fund will pay for damages caused by a continuous course of conduct over multiple calendar years is \$300,000.00.

Counties are encouraged to share this information with potential and existing foster parents when identifying the types of resources and supports available to foster parents.

If you have any questions regarding this notice, please contact the Funding and Eligibility Unit at (916) 651-9152.

Sincerely,

***Original Document Signed By:***

CHERYL TREADWELL, Chief  
Foster Care Audits and Rates Branch