Home Health & Adult Day Care Insurance

100 Frequently Asked Questions — Straight Answers for Owners and Managers

After more than 46 years helping Kansas City–area business owners with their insurance, I hear the same questions from home health agency and adult day care owners again and again. Here are straight answers to the 100 I hear most, grouped by topic. Every policy is worded differently, so treat this as a starting point for a good conversation about your own coverage — not a substitute for reading your policy. **— Jay Stoetzer**

GETTING STARTED & COVERAGE BASICS

1. What insurance does a home health agency or adult day care need?

The core program is professional liability, general liability, abuse and molestation coverage, workers' compensation, hired and non-owned auto (or commercial auto if you own vehicles), and cyber. Most agencies also need a third-party fidelity bond, employment practices liability and an umbrella.

2. Why isn't general liability enough for a care provider?

General liability covers bodily injury from your premises and operations, but it excludes injuries caused by professional services — a missed medication, improper transfer or failure to monitor a client. Professional liability fills that gap and is the heart of a care provider's program.

3. Is coverage different for skilled home health versus non-medical home care?

Yes. Skilled agencies with nurses and therapists face medical malpractice-style exposures and are rated higher. Non-medical personal care and companion agencies face fewer clinical risks but heavy abuse, theft and auto exposures. Carriers price and underwrite them differently.

4. How do carriers rate a care agency?

Usually on revenue, client hours or visits, and the number and type of caregivers. Services provided — skilled nursing, personal care, companionship, transportation, dementia care — and your training, screening and supervision practices drive the price.

5. What do underwriters want to know?

Services offered, client population, annual revenue and hours, number of employees and contractors, hiring and background check procedures, training, supervision ratios, incident history, licensing, transportation of clients and loss runs.

6. What liability limits should I carry?

$1 million per claim and $3 million aggregate is a common professional and general liability standard, with an umbrella on top. State contracts, Medicaid waiver programs, hospitals and referral partners often specify the minimum.

7. Do state contracts or Medicaid programs require specific insurance?

Often. Contracts with state agencies (such as Missouri's Department of Health and Senior Services or Kansas' KDADS programs), managed care organizations and referral partners commonly require specific limits, additional insured status and proof of workers' comp. Read each contract's insurance section.

8. Are specialty carriers better for care providers?

Usually. Carriers that specialize in home care and adult day understand abuse and molestation, client theft and auto exposures, and design forms without gaps that generic policies leave.

PROFESSIONAL & GENERAL LIABILITY

9. What is professional liability insurance?

Professional liability covers claims that your services — or the failure to provide them — caused harm. Examples include medication errors, falls during transfers, missed visits, failure to report a change in condition, and pressure injuries.

10. Is professional liability claims-made or occurrence?
Many care provider policies are claims-made, covering claims first made during the policy period for incidents after a retroactive date. Occurrence policies cover incidents during the policy period whenever the claim is made. Know which you have.

11. What is a retroactive date and why does it matter?
On a claims-made policy, incidents before the retroactive date aren't covered. When switching carriers, keep your original retro date so prior work remains covered.

12. What is tail coverage?
An extended reporting period that allows claims to be reported after a claims-made policy ends. It's essential if you close, sell or merge your agency.

13. What are the most common claims against home care agencies?
Client falls, medication errors, abuse or neglect allegations, theft of client property, auto accidents during client transportation, and wrongful death claims related to missed care.

14. Does professional liability cover each caregiver individually?
Many agency policies cover employees as insureds while working within the scope of their duties. Confirm that nurses, aides and administrators are all covered — and whether independent contractors are.

15. Are independent contractors covered under my policy?
Often not, or only by endorsement. If you use contractors, require their own insurance or confirm your policy extends to them. Misclassifying caregivers as contractors also creates wage and comp problems.

16. What does general liability cover for a care agency?
Bodily injury or property damage from non-professional operations — a caregiver damages a client's furniture, a visitor trips in your office, or a client is hurt at an agency-sponsored event.

17. Am I covered if a caregiver damages a client's home?
Accidental property damage is generally covered under general liability, though "care, custody or control" exclusions can apply to property the caregiver is handling. Ask how your policy treats damage in client homes.

18. Does my policy cover falls during transfers or bathing?
Falls during hands-on care are professional services claims, covered under professional liability. Training on transfers, gait belts and fall-risk assessments are the best prevention.

19. What about medication errors?
Medication administration or reminder errors are classic professional liability claims. Clear policies on what caregivers may and may not do, documentation and nurse oversight reduce them.

20. Are wrongful death claims covered?
Yes, under professional or general liability depending on the cause. These claims can be severe — another reason for adequate limits and an umbrella.

21. Does my policy cover regulatory investigations?
Many care provider policies offer limited regulatory or licensing defense coverage for state survey actions or board complaints. It's valuable — ask whether yours includes it.

22. Are punitive damages covered?
That depends on state law and the policy. Some states prohibit insuring punitive damages. Neglect or abuse allegations often include punitive claims, so understand your exposure.

23. Are HIPAA violations covered by professional liability?
Generally not. Privacy breaches fall under cyber or a privacy liability endorsement. Some care provider policies include limited HIPAA coverage.

24. Does my policy cover care provided through telehealth or remote monitoring?
Not always. If you offer virtual check-ins or remote monitoring, confirm those services are included in your professional liability definition.

ABUSE & MOLESTATION

25. What is abuse and molestation coverage?
It covers claims that an employee, volunteer or another client abused or molested someone in your care — physical, sexual or emotional abuse. Many general and professional liability policies exclude it unless added back.

26. Why do care agencies need abuse coverage?
Caregivers work one-on-one with vulnerable adults, often behind closed doors. Even unfounded allegations require expensive legal defense. It's one of the most important coverages for this industry.

27. Is abuse coverage usually sublimited?
Often. Many policies provide a lower limit for abuse claims. Make sure the limit is adequate for the severity these claims can reach.

28. Does abuse coverage protect the accused employee?
Most policies protect the agency, but not the individual perpetrator if the act is proven. The agency can still be defended for negligent hiring or supervision claims.

29. What do insurers expect for abuse prevention?
Thorough background checks, reference checks, abuse prevention training, supervision and unannounced visits, clear reporting procedures and policies against caregivers being alone with clients in certain settings.

30. Are mandatory reporting obligations relevant to insurance?
Yes. Failing to report suspected abuse can create liability and regulatory penalties. Train staff on state reporting requirements and document reports.

31. Does abuse coverage include allegations against another client?
In adult day settings, client-on-client incidents can lead to claims. Confirm your abuse coverage includes them.

32. What background screening is required?
State rules vary, but most require criminal background checks and registry checks. Missouri and Kansas both maintain registries and screening programs — follow them consistently for every hire.

AUTO & CLIENT TRANSPORTATION

33. Do I need auto insurance if caregivers drive their own cars?
Yes — hired and non-owned auto liability. If a caregiver causes an accident while driving to a client or running a client errand, your agency can be sued.

34. Is transporting clients in caregivers' personal cars covered?
Transportation of clients increases exposure significantly. Some non-owned auto policies exclude or limit client transportation; confirm coverage and verify caregivers carry adequate personal auto limits.

35. Will the caregiver's personal auto insurance pay first?
Usually, yes. But personal policies may exclude business use, and limits are often low. Your hired and non-owned coverage then becomes critical.

36. What auto limits should caregivers carry?
Many agencies require caregivers to carry at least $100,000/$300,000 liability limits. Verify proof of insurance annually.

37. Do I need commercial auto for agency-owned vans?
Yes. Agency-owned vehicles transporting clients need commercial auto liability, physical damage and medical payments coverage. Passenger transport is rated carefully, so expect questions about drivers, routes and wheelchair securement.

38. Are wheelchair lift injuries covered?

Under auto coverage for injuries from loading and unloading, generally. Train drivers on lift operation and securement.

39. Should I check caregiver driving records?

Yes. Review motor vehicle records at hire and annually. Set written standards for who may transport clients.

40. What if a client is injured getting in or out of the car?

Depending on circumstances, auto liability, auto medical payments or professional liability may respond. Train caregivers on safe vehicle transfers and use transfer aids — these injuries are common and preventable.

41. Are errands like grocery runs covered?

When caregivers drive their own cars on agency business, hired and non-owned auto liability protects the agency above the caregiver's personal policy. Confirm your policy doesn't exclude client transportation if clients ride along.

42. Is mileage reimbursement relevant to insurance?

Reimbursing mileage doesn't create insurance coverage, but it confirms the driving is business use. Caregivers should tell their personal insurers they drive for work, since some personal policies exclude business use.

43. Do adult day centers need special auto coverage?

Yes. Daily van transportation of participants is one of a center's largest exposures. You need commercial auto with adequate limits, trained drivers, lift and securement procedures, and a written transportation policy.

44. Are rideshare services a risk?

If your agency arranges rides through rideshare or contracted transport companies, review their insurance and agreements. You may still be named in a claim, so require certificates and indemnification where possible.

WORKERS' COMPENSATION & CAREGIVERS

45. Is workers' compensation required?

In Missouri, most employers with five or more employees must carry it; in Kansas, most employers with more than $20,000 in annual gross payroll must. Caregiving is physically demanding, so coverage is essential even if you're below the threshold.

46. Why is workers' comp so expensive for home care?

Caregivers lift and transfer clients, work in uncontrolled home environments and drive between visits. Back and shoulder injuries are common and costly, and class codes for home health reflect that.

47. What injuries are most common?

Back injuries from lifting and transfers, slips and falls in client homes, dog bites, auto accidents between visits, needle sticks and occasional assaults by confused or agitated clients.

48. Are caregivers covered while driving between clients?

Generally yes — travel between client homes during the workday is usually considered part of the job. Commuting to the first visit and from the last may be treated differently depending on state law and circumstances.

49. Can I treat caregivers as independent contractors to avoid comp?

Misclassification is risky. When you control schedules, training and care plans, caregivers are usually employees under federal and state tests. Audits, back premiums, penalties and uncovered injuries can follow.

50. What about family caregivers paid through consumer-directed programs?

In consumer-directed programs, the client may be the legal employer, with your agency acting as fiscal intermediary. Workers' comp responsibility depends on program rules — confirm exactly who covers what.

51. How is workers' comp priced for care agencies?

Payroll by class code times a rate, adjusted by your experience mod. Clinical staff, aides and office staff are classified differently — keep payroll records split accurately.

52. What is an experience mod?

A factor comparing your claims to similar agencies; 1.00 is average. High-turnover agencies with frequent small claims often see elevated mods.

53. How do I reduce lifting injuries?

Train on body mechanics and safe transfers, use gait belts and mechanical lifts, assess client mobility before assigning caregivers, and require two-person transfers for high-risk clients.

54. What about dog bites in client homes?

Require pets to be secured during visits and document it in the care plan. Dog bites are a frequent comp claim for in-home caregivers.

55. What safety training should caregivers receive?

Safe transfers, infection control, bloodborne pathogens, recognizing unsafe home environments, de-escalation, driving safety and how to report injuries immediately.

56. What is a return-to-work program?

A program offering injured caregivers modified duty — office tasks, companionship-only clients — while they recover. It reduces lost-time costs and helps your mod.

57. Are caregivers covered for assaults by clients?

Yes, injuries from client assaults are compensable. De-escalation training and care plans that flag behavioral risks help prevent them.

58. Do I need occupational accident coverage?

Not if you carry workers' comp. Occupational accident policies are sometimes used for true independent contractors, but they're no substitute for comp for employees.

CLIENT PROPERTY, THEFT & BONDS

59. What is a third-party fidelity bond?

It protects clients against theft by your employees — cash, jewelry, medications or credit card misuse. Standard employee theft coverage only protects your agency's own property; third-party coverage protects clients.

60. Is a fidelity bond required?

Some state contracts, referral partners and clients require it, and many agencies advertise "bonded and insured." Even when not required, it builds trust and protects your reputation.

61. Does the bond require a conviction?

Some bonds require a conviction before paying, which can delay or prevent payment. Look for coverage that pays on proof of theft without a conviction.

62. What limit should my third-party bond have?

Common limits range from $25,000 to $100,000 or more. Consider the value of property in clients' homes and any contractual requirements.

63. Is theft of client medications covered?

Third-party theft coverage can include medications, but drug diversion also raises regulatory and professional liability concerns. Medication logs and counts help prevent and detect it.

64. What about financial exploitation of clients?

Caregivers misusing clients' checks or cards is a serious risk. Third-party crime coverage and policies prohibiting caregivers from handling client finances protect everyone.

65. Does employee theft coverage protect my agency's money?

Yes — first-party crime coverage protects your agency against employee theft, payroll fraud and billing fraud.

66. Are surety bonds required for Medicare or Medicaid?

Some programs and states require surety bonds as a condition of enrollment or licensing. Check your licensing and payer requirements.

PRIVACY, HIPAA & CYBER

67. Do I need cyber insurance?

Yes. Agencies hold protected health information, Social Security numbers and billing data. Breaches bring notification costs, regulatory fines and lawsuits that other policies exclude.

68. What does cyber insurance cover?

Breach response, forensic investigation, notification, credit monitoring, legal defense, regulatory fines where insurable, ransomware, and business interruption from system outages.

69. Are HIPAA fines covered?

Many cyber policies cover regulatory defense and fines and penalties where insurable by law. Limits and conditions vary.

70. What if a caregiver loses a phone or laptop with client data?

Lost devices are a common cause of breaches. Encryption and mobile device management reduce exposure; cyber covers the response costs.

71. Are electronic visit verification (EVV) systems a cyber risk?

Yes. EVV, required for Medicaid personal care services under the 21st Century Cures Act, stores location and client data. Make sure vendor contracts address security and liability.

72. What about ransomware attacks?

Ransomware can lock scheduling, billing and records systems. Cyber covers response, restoration and lost income; carriers require multi-factor authentication and backups.

73. Is billing fraud by an employee covered?

First-party crime coverage protects against employee fraud; regulatory billing errors are a separate exposure, sometimes addressed by regulatory coverage.

74. Do I need a business associate agreement with vendors?

Yes. HIPAA requires business associate agreements with vendors that handle protected health information — billing services, EVV and scheduling platforms, IT providers. Confirm those vendors also carry cyber insurance.

ADULT DAY CARE CENTERS

75. What insurance does an adult day care center need?

Professional and general liability, abuse and molestation, property, commercial auto for transportation, workers' compensation, cyber and an umbrella. Centers serving dementia participants need coverage that addresses wandering and elopement.

76. How is adult day care rated?

Carriers typically rate adult day programs on licensed capacity, average daily attendance and revenue, along with services offered, the share of participants with dementia, and whether you provide transportation.

77. Is elopement or wandering covered?

Elopement claims are professional liability claims. Secured exits, alarms, headcounts and wandering-risk assessments are critical risk controls.

78. What about falls at the center?

Falls are the most common claim. Fall-risk assessments, appropriate staffing, clear walkways and non-slip flooring reduce them.

79. Is food service covered?

Meals and snacks you serve fall under products liability. Follow physician dietary orders and allergy plans closely — choking and allergic reaction claims are real risks with older adults, so supervise mealtimes.

80. Are activities and outings covered?

On-site activities are generally covered under your liability policies. Off-site outings add auto exposure and premises risks you don't control — disclose outings to your carrier and staff them appropriately.

81. Does licensing affect insurance?

Yes. Adult day programs are licensed by the state — Missouri's DHSS and Kansas' KDADS — and carriers review licensing status and survey results.

82. Do centers need property coverage?

Yes. Insure the building if you own it, plus furniture, medical and kitchen equipment, and improvements to leased space. Add business income so you can keep paying staff if a fire or storm closes the center.

83. What about medication administration at the center?

Medication errors are professional liability exposures. Use medication administration records, store medications securely, follow state rules on who may administer, and have a nurse oversee the process where required.

84. Are participants' belongings covered?

Coverage for participants' property in your care is usually limited. Third-party theft (fidelity) coverage and property of others coverage help, and a policy discouraging valuables at the center prevents disputes.

85. What staffing ratios do insurers look at?

Carriers review staff-to-participant ratios, staff training and supervision — especially for dementia care. Meeting or exceeding state licensing ratios supports both safety and better underwriting.

86. Are volunteers covered?

Many policies include volunteers as insureds under general and professional liability, but confirm it. Abuse and molestation coverage should include volunteers, and volunteers should be screened just like employees.

EMPLOYMENT PRACTICES & MANAGEMENT LIABILITY

87. Do I need employment practices liability (EPLI)?

Yes. High turnover, scheduling disputes and terminations make care agencies frequent targets for discrimination, harassment, retaliation and wrongful termination claims.

88. Does EPLI cover wage-and-hour claims?

Usually not, or only limited defense costs. Home care workers employed by third-party agencies are generally entitled to minimum wage and overtime under federal rules adopted in 2015, so pay practices — including travel time between clients — need careful attention.

89. Does EPLI cover claims from clients' family members?

Third-party EPLI coverage can respond to harassment or discrimination claims brought by non-employees, including clients and their families. Not every EPLI policy includes it, so ask specifically.

90. What is directors and officers insurance?

D&O protects your organization's leaders against claims of mismanagement, breach of duty or regulatory violations. It's especially important for nonprofit agencies with boards and for agencies with outside investors.

91. Do nonprofit agencies need D&O?

Yes. Volunteer board members can be personally named in lawsuits over agency decisions, funding or employment matters. D&O coverage protects them — and makes recruiting good board members much easier.

92. Are employee benefit plan errors covered?

Errors in administering benefits — failing to enroll an employee in health coverage, for example — are excluded from general liability. Employee benefits liability coverage, often added inexpensively, covers them.

93. What HR practices reduce claims?

A written handbook, consistent discipline, documented performance reviews, harassment training and a clear complaint process. Many EPLI carriers also provide free HR hotlines for advice before you terminate an employee.

94. Are contract disputes covered?

Generally no. Disputes over payments, contract terms or payer audits are business risks rather than insured events. Have contracts reviewed by an attorney before you sign.

CLAIMS, PRICING & WORKING WITH AN AGENT

95. What should I do after a client injury?

Ensure the client's safety, contact family and physicians as needed, document thoroughly, complete an incident report and notify your carrier promptly.

96. How can I lower insurance costs?

Strong hiring, screening, training, supervision and documentation practices; safe transfer equipment; driver standards; and cyber controls.

97. Why did my premium increase?

Healthcare liability claims are growing more severe, abuse and auto verdicts are rising, and your premium also grows with revenue, client hours and payroll. Strong screening and training records help your account stand out to underwriters.

98. Should I report allegations even if unfounded?

Yes. Report any allegation of abuse, injury or error to your carrier promptly, even if you believe it's baseless. Late reporting can jeopardize coverage, especially on claims-made policies.

99. How often should I review coverage?

At every renewal, and whenever you add services such as skilled nursing or dementia care, open a location, start transporting clients, or sign new state or managed care contracts.

100. Why use an independent agent?

Care providers need specialty markets for professional, abuse, auto and bond coverage, and those pieces must fit together. An independent agent compares multiple carriers and coordinates coverage so there are no gaps between policies.

Have a question that isn't on this list?

Every operation is different, and the right answer depends on your building, your people and your contracts. I'm glad to review your current policies and give you a straight opinion — no pressure.

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