



Ronald E. Richter
Commissioner

MEMORANDUM

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Budget, Claiming & Revenue
Financial Services

150 William Street
10th Floor
New York, NY 10038

DATE: July 3, 2013
TO: *EarlyLearn NYC* Providers
FROM: Jose Mercado 
SUBJECT: **Transfer of Insurance Coverage Responsibility for
EarlyLearn NYC Providers**
EL Numbered Memorandum #5

The purpose of this Memorandum is to notify *EarlyLearn NYC* providers of the transfer of insurance coverage responsibility for various insurances currently provided by the New York City Central Insurance Program (CIP). In order for providers to accommodate the purchase of the contractually and legally mandated insurance, ACS will increase the various *EarlyLearn NYC* rates which is detailed further below. Effective November 1, 2013, CIP insurance plans for *EarlyLearn NYC* providers will no longer be available. This transition is in line with other contracts overseen by the Administration for Children's Services where the cost of insurance is included in the rate.

As of November 1, 2013, CIP will no longer provide insurance coverage for *EarlyLearn* providers. As a result, *EarlyLearn NYC* providers will need to obtain the following insurance coverage:

- Commercial General Liability
- Workers' Compensation and Disability
- Fidelity Bond (crime)

INCREASED EARLYLEARN NYC PER DIEM RATES

Effective November 1, 2013, *EarlyLearn NYC* rates are being increased to allow for the purchase of the insurance coverage listed above. Increased rates are based on the current spending for these City managed policies. The methodology used for the rate changes is based on the total amount spent historically for recurring insurance costs allocated by level of care and service days. The chart below demonstrates the incremental addition to the per diem rates for the next fiscal year. ACS will send a rate schedule to providers with a listing of the new per diem rates and the add-on rates. **The rate increase will take effect on November 1, 2013.**

SETTING AND AGE	INCREMENTAL ADD-ON
Child Care Infant	\$1.65
Child Care Toddler	\$1.20
Child Care Pre-School	\$0.66
Dual and Head Start Pre-School	\$0.73
Family Child Care Network all ages	\$0.07

INFORMATIONAL FORUMS

To assist providers in this process, ACS will hold informational forums this summer. Insurance brokers will be present to share information on available products/types of insurance and accompanying costs. There will also be representatives from Essensa, the City's nonprofit group purchasing organization partner. Details for event registration will follow. Providers are strongly encouraged to attend. Additionally, ACS staff will be available throughout this process to assist providers with obtaining prior year loss runs and any other necessary information. For questions, please contact Jose Mercado at 212-676-8858 or at jose.mercado@dfa.state.ny.us

CONTRACTUAL REQUIREMENTS

Please be advised that beginning November 1, 2013, sites cannot provide services to children without the appropriate coverage as listed above. Article 7 of Appendix A of the *EarlyLearn NYC* contract requires providers to have these and other insurance policies in place. **Those providers operating a site without the required insurance may be fined by the New York State Insurance Fund and/or be subject to closure until such insurance is obtained.**

CERTIFICATE SUBMISSION

Upon obtaining insurance, providers are required to submit copies of the ACORD Certificate of Liability and Certificate by Broker for each site to the attention of Jean Sheil at Jean.Sheil@ac.nyc.gov **no later than November 8, 2013.** Should you have any questions about this requirement, please contact Ms. Sheil at (212) 341-3518.