



February 9, 2026

**Re: Child Caring Agency Liability Insurance limits & premiums**

Dear Legislators,

My name is Janet Hamada, and I'm the Executive Director of The Next Door, Inc, a child caring agency that has 36 programs serving 5 counties in Oregon, and 2 in Washington, located in the Mid-Columbia Gorge region.

Our team of 115 employees provide services for 1,100 active clients per year, but we reach an additional 16,000 people in outreach and educational events every year. In our 55 years of existence, The Next Door has garnered a reputation for responsive, transparent, collaborative services that are essential in keeping our community's children safe and healthy.

Our cornerstone program is providing treatment foster care (also called proctor care) for an average of 15 male foster youth per year in our Klahre House program—providing a home-based setting plus an alternative school, day treatment, case management and skills building for them 24/7 for 365 days a year. These are children referred to us by Oregon Youth Authority and Department of Human Services.

Through our treatment services department, we also provide counseling services to over 200 local children on OHP each year. For this, we have a contract with Pacific Source, our local CCO. We also provide Intensive, In-Home Behavioral Health treatment (IIBHT) and a contract with DHS to provide In-home Safety & Reunification Services (ISRS).

Over the past two years, we have watched as our insurance premiums have gone up substantially. In addition to nine other types of insurance that The Next Door needs to obtain, our state contracts require us to have the following coverage:

1. General liability
2. Social Services Professional
3. Improper Sexual Conduct
4. Umbrella liability coverage

Two years ago, we paid \$22,912 in premiums for these four lines of insurance, last year \$56,849, and this current fiscal year we are paying \$149,503. Our increase this year over last year is 163%, which means that the increase this year compared to two years ago represents an increase of 553%.

The umbrella coverage limits are \$1million per event and \$3million aggregate. Three years ago, one insurance carrier was willing to cover this limit. Last year we had to get two different carriers and this year we had to get three different carriers, and we were barely able to get the third carrier.

In talking to other child caring agencies, I know we got lucky getting coverage before our previous year's coverage lapsed.

So, we join other child caring agencies, as well as childcare providers, in having this enormous cost added to our everyday operations, and we're not sure why when we've had only 1 claim in the past 30+ years and we follow all the rules and regulations that are required of us.

As a child caring agency and a behavioral health provider, we have had 16 audits in a 3-year cycle: some are annual, some are every two years, and others every 3 years. We are audited by Pacific Source, OYA, OHA, and DHS. In addition, DHS licensing audits us for five of our programs and they come out formally every 2 years, along with random unannounced site visits. Almost every single month our licenser can be found at our organization.

Preparing for each audit takes months; we use program managers, directors, and support staff. In addition, we pull in HR, finance, operations, and maintenance as each auditor has unique interests in looking at our operations from all angles.

We have at least 65 policies that are specific to our treatment services' department, with many more by program, in addition to the dozens The Next Door, as an organization, has. The policies and expectations from each auditor are the same and different. There are some that are standard across the board and then policies and procedures that are unique to each auditor.

When we receive findings, we have 30 days to respond with varying expectations of implementation. Needless to say, when found, we take the findings very seriously.

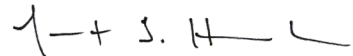
I am at a loss as to understand why we are subject to both this intensive regulation and oversight, as well as such high premiums, unless the insurance companies simply cannot estimate the risk we carry, and therefore cannot figure out a decent,

reasonable rate for us; landing instead on exorbitant rates that will soon put us out of business.

At this point, I feel our only help is you, the legislature, who can help us understand why and help us figure out a plan going forward so we can continue to help our children, youth, and families for many years to come. There was a study recently completed in WA state that came up with multiple policy recommendations. It's 77-pages long, took years to complete, and is well worth looking at for ideas.

Thank you for looking into this and helping us navigate this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Janet L. Hamada". The signature is stylized with a large initial "J" and a long horizontal stroke.

Janet L. Hamada, MSW  
Executive Director