

ZERO TO FIVE MONTANA

- Survey respondents represent 35 counties across Montana, with the greatest number of responses from Yellowstone, Missoula, Gallatin, and Cascade.
- Most survey respondents have a license capacity of 15 kids or fewer.
- About 55% of survey respondents both participate in CACFP and accept Best Beginnings Scholarships.
- 98% of survey respondents currently have liability insurance coverage for their business
- 24% of survey respondents have been dropped by their insurance carrier at some point since 2023.
- Over half of survey respondents who lost coverage at some point since 2023 said that it was because the insurance carrier no longer provides child care coverage.
- Half of respondents report an increase of over 25% in yearly insurance premiums from 2023 to 2026.
- 37% of respondents report an increase of over 50% in yearly insurance premiums from 2023 to 2026.

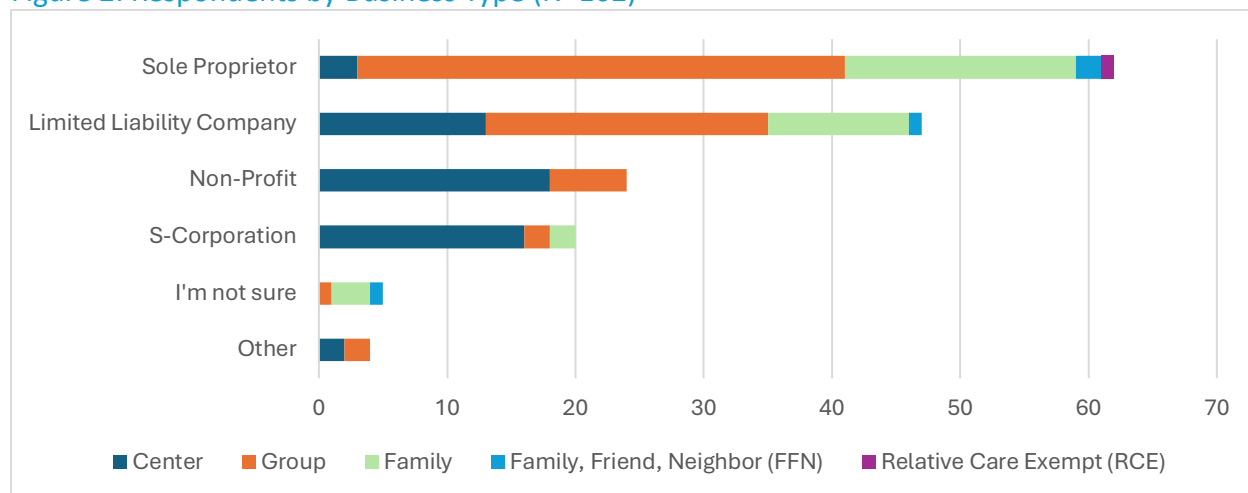
The 2026 Zero to Five Montana Insurance Survey yielded 162 responses. 16% from Yellowstone County, followed by 12% from Gallatin County, 9% from Missoula County, and 8% from Cascade County. Most counties surveyed had between 1 and 4 responses.

A map of Montana showing the number of counties in each congressional district. The map uses a color scale from light blue (1) to dark blue (14). The districts are numbered 1 through 14, with some districts having multiple counties. The map shows the following distribution of counties per district:

- District 1: 1 county
- District 2: 2 counties
- District 3: 3 counties
- District 4: 4 counties
- District 5: 5 counties
- District 6: 6 counties
- District 7: 7 counties
- District 8: 8 counties
- District 9: 9 counties
- District 10: 10 counties
- District 11: 11 counties
- District 12: 12 counties
- District 13: 13 counties
- District 14: 14 counties

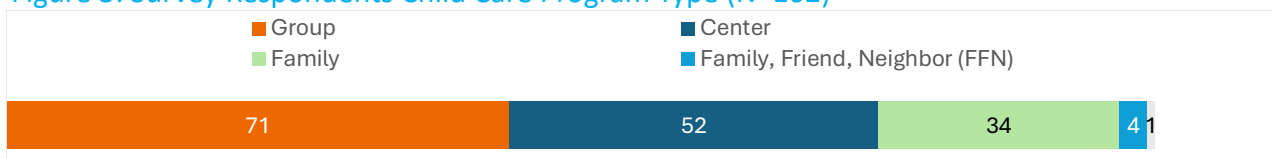
In Montana, Group Child Care facilities are licensed to care for 9 to 15 children, usually in a residential setting. In contrast, Child Care Centers are licensed for 16 or more children. Family Child Care facilities are licensed to serve under 9 children.

Figure 2: Respondents by Business Type (N=162)



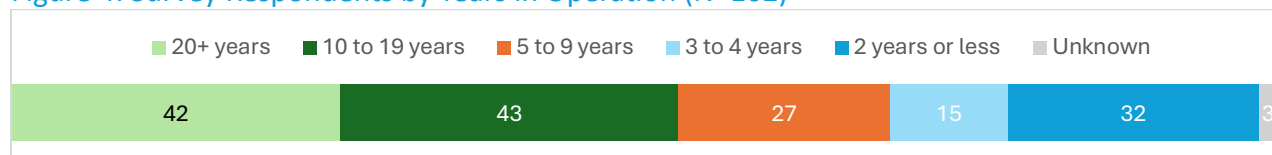
The business category most represented by survey respondents is Sole Proprietor (62 respondents, 38%), followed by Limited Liability Companies (29%), and Non-Profits (12%). 2 selected school-based, 1 C-Corporation, 1 Partnership, and 5 did not know their business type.

Figure 3: Survey Respondents Child Care Program Type (N=162)



The type of child care program was well distributed, with 44% categorized as Group, 32% as Center, and 21% as Family.

Figure 4: Survey Respondents by Years in Operation (N=162)

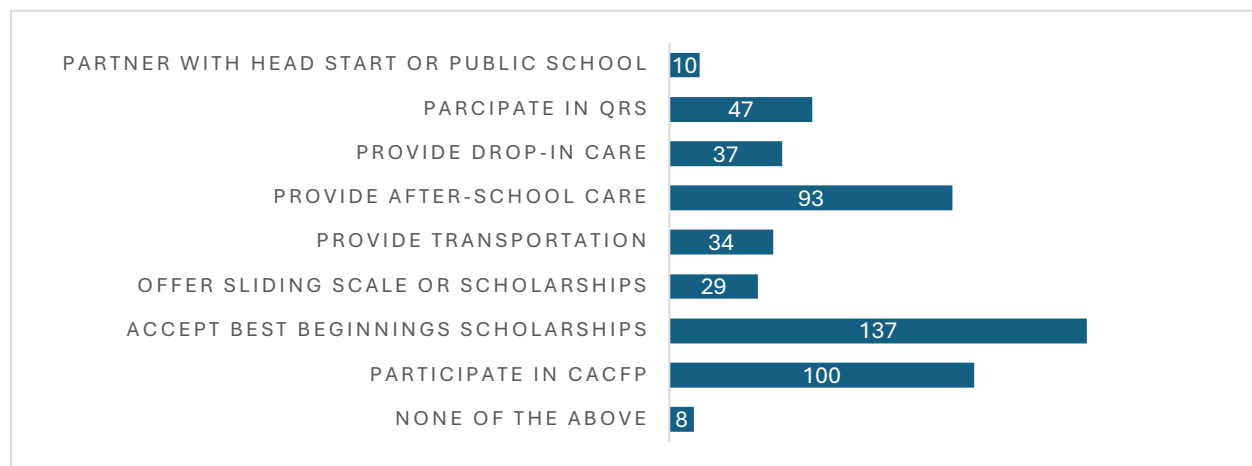


Survey Respondents were well distributed by number of years in operation, with a mean of 14 years, and a median of 11 years. Approximately 70% of survey respondents have operated their business for 5 or more years.

PROGRAM PARTICIPATION

85% of survey respondents accept Best Beginnings Scholarships, 62% participate in CACFP, and 57% offer after school care.

Figure 5: Programs and Services that Survey Respondents Participate in. Each Respondent Could Select Multiple (N=162)



INSURANCE STATUS

158 of 162 respondents (98%) currently have general liability insurance for their business.

24% of survey respondents reported that they have been dropped by an insurance carrier within the last 4 years. **Among those who were dropped, 62% indicated that the reason given to them was that the “Insurance carrier no longer provides child care coverage.”**

Other reasons child care providers were dropped from their insurance carrier include:

- “Operating out of a mobile home”
- “I didn't have long enough history working in a licensed facility to keep previous insurance when I took ownership of daycare”
- “I think they mentioned we had claims and they didn't like that”
- “Only covers 6 children”
- “They would only cover 18 children and I need 19”

44% of respondents have applied for insurance carriers other than their current carrier since 2023. 24 out of 158 (15%) of respondents have been denied coverage by other carriers at some point since 2023. Of those 24, 14 were given a reason why they were denied.

Reasons Child Care providers were denied liability insurance coverage:

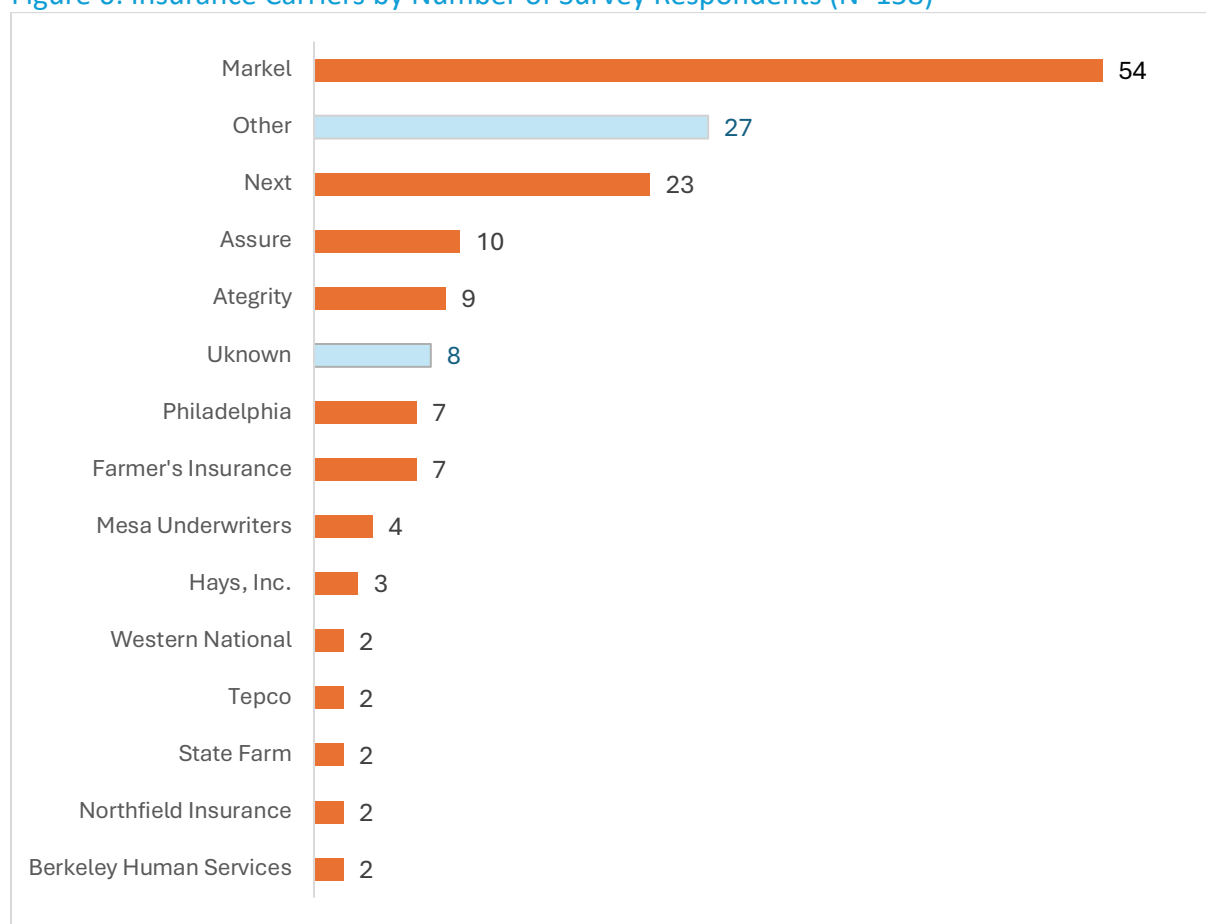
- No longer covering child care providers (6 respondents)
- Do not cover Montana (3 respondents)
- Do not cover special needs children (2 respondents)
- Do not cover more than a certain number of kids (2 respondents)
- Do not cover a provider with under 3 years history working in a licensed child care and without a degree in Early Childhood Education.

List of insurance providers that have denied coverage (bolded carriers were identified by multiple respondents):

- Capitol Indemnity, Capitol Specialty, Great American, **Markel**, Marsh McLennan Agency, Nautilus, **Next**, Philadelphia, **State Farm**, and USLI

Survey respondents currently use a wide range of insurances. Most Child Care providers use Markel, followed by Next then Assure.

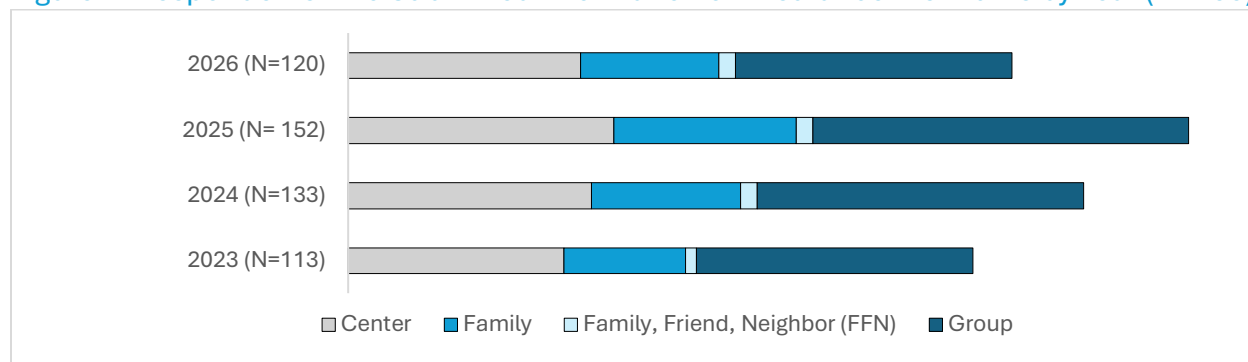
Figure 6: Insurance Carriers by Number of Survey Respondents (N=158)



INSURANCE COST

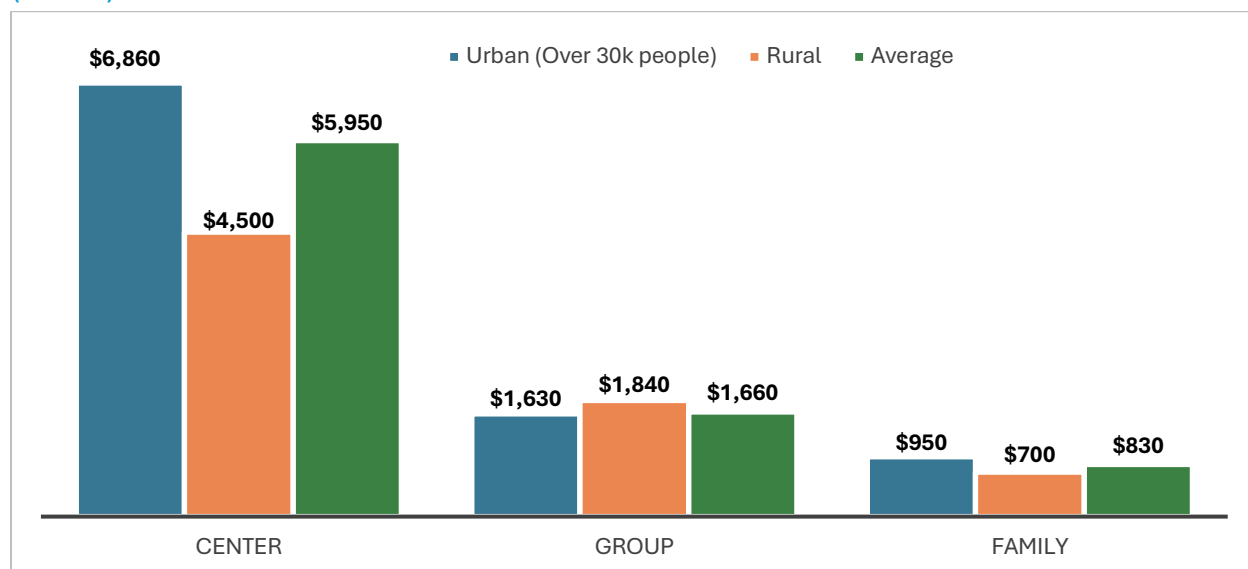
38 of 158 providers did not know their premium for 2026, since this survey concluded in March of 2026. This question was optional on the survey, below are the number of responses for insurance premiums for each program type.

Figure 7: Respondents who Submitted Information on Insurance Premiums by Year (N=158)



Since there are just 3 FFN survey respondents who provided pricing information, this category was not included in averages. 2025 is the most recent year with actual cost instead of estimates, so 2025 was used for averages below.

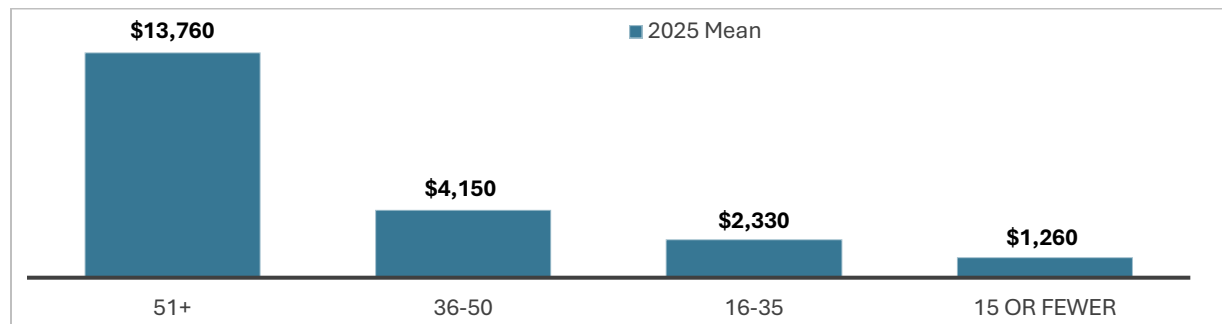
Figure 8: 2025 Annual Liability Insurance Cost Averaged¹ by Program Type and Location Type² (N=149)



¹ **Average** is a trimmed mean: top and bottom 10% were removed to reduce influence of outliers, then mean was calculated from remaining values.

² **Location:** urban is defined here as a city with a population of over 30,000 people. When this report was published in May of 2026 urban includes Billings, Bozeman, Butte, Great Falls, Helena, and Kalispell. All other locations are considered rural.

Figure 9: 2025 Annual Liability Insurance Premium by Providers Averaged³ by Number of Children Served (N=152)

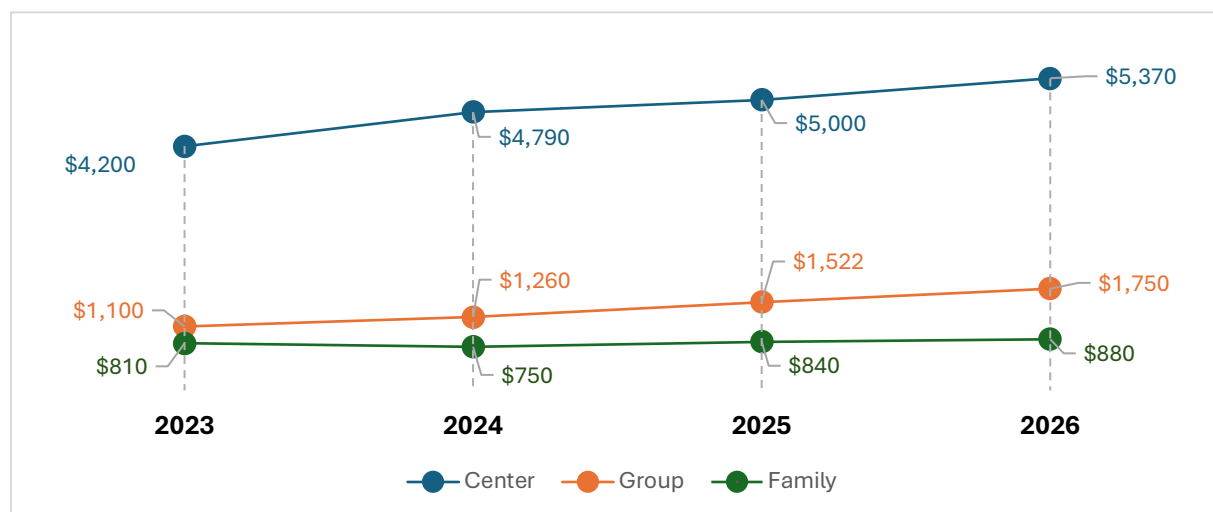


Centers can vary from 16 to 51+ children. The graph above breaks down average cost in 2025 by number of children served by the program. Child care providers serving more than 50 children on average, report an annual insurance premium of \$13,760, while those serving 15 kids or fewer, on average, pay \$1,260 annually for liability insurance.

CHANGE IN INSURANCE PREMIUMS

Insurance premiums have increased from 2023 to 2026. The graph below shows averages for the 82 providers who included information for all 4 years. For centers, the mean payment increased from \$4,200 in 2023 to \$5,370 in 2026. For Groups: \$1,100 to \$1,750 and for Family Programs, the average insurance premium increased from \$810 to \$880 from 2023 to 2026.

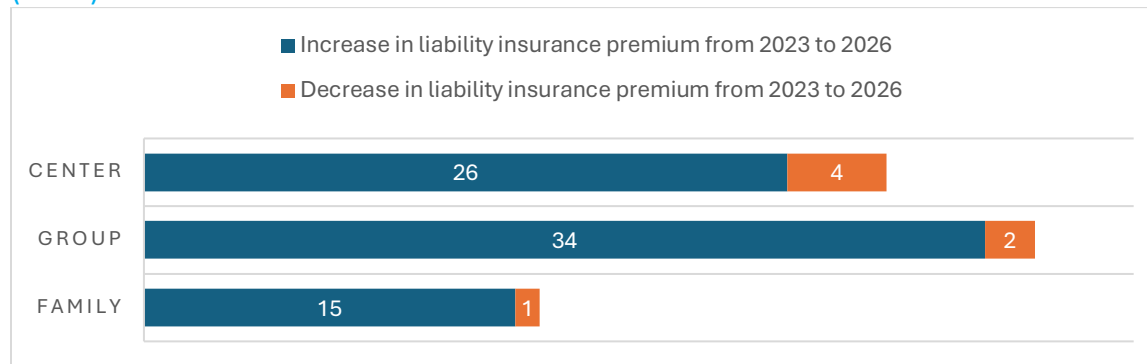
Figure 10: Average⁴ of Yearly Insurance Premiums Over Time 2023 to 2026 (N=82)



³ **Average** is a trimmed mean: top and bottom 10% were removed to reduce influence of outliers, then mean was calculated from remaining values.

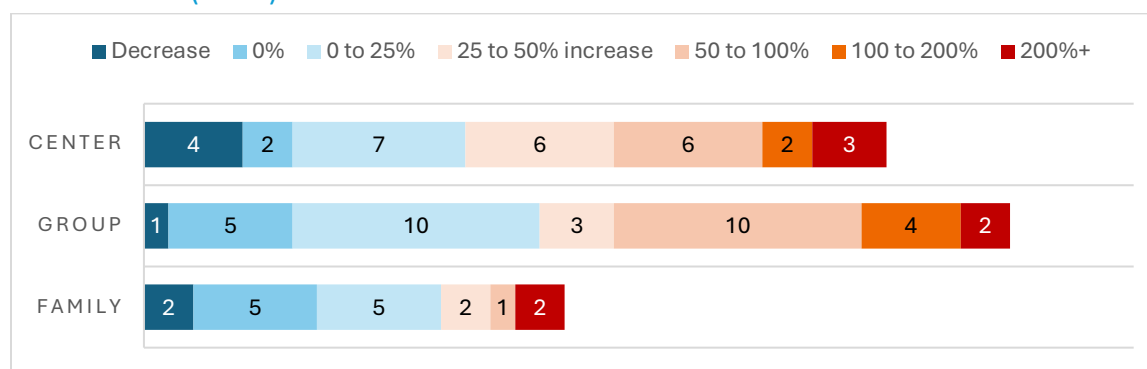
⁴ **Average** is a trimmed mean: top and bottom 10% were removed to reduce influence of outliers, then mean was calculated from remaining values.

Figure 11: Change in Annual Insurance Premiums by Child Care Provider Type from 2023 to 2026 (N=82)



Of the 82 programs that provided insurance cost from 2023 to 2026, only 7 reported a decrease in cost from 2023 to 2026, the remaining 75, or 91% reported their yearly insurance premiums increased or remained the same.

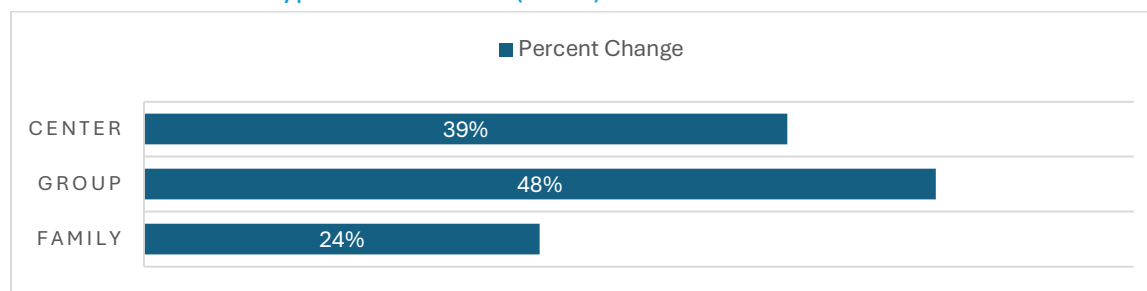
Figure 12: Percentage Change in Yearly Insurance Premiums by Child Care Provider Type from 2023 to 2026 (N=82)



Across all provider types, 76% (63 of 82) reported an increase in yearly insurance premiums. 50% of providers (41 of 82) reported an increase in annual insurance premiums of over 25%, and **37% of providers (30 of 82) reported an increase of over 50% between 2023 and 2026.** 16% (13 of 82) reported an increased percentage of over 100%, and 9% (7 of 82) or provides reported an increase of more than 200% in their insurance price from 2023 to 2026.

56% of Child Care Centers surveyed had their yearly insurance premium increased over 25% from 2023 to 2026. For Group Programs, 19 of 35, or 54% reported an increase of over 25% from 2023 to 2026. For Family Programs 29%, 5 of 17, reported an increase of over 25% for yearly insurance premium cost.

Figure 13: Average of Percentage Changes (trimmed mean) in Yearly Insurance Premium by Child Care Provider Type 2023 to 2026 (N=82)



On average, percentage increase in liability insurance premiums from 2023 to 2026 for Group Programs was the highest, at 48%, followed by Centers at 39% and Family programs at 24%.

Figure 14: Average of Yearly Percentage Changes of Insurance Premiums, 2023 to 2026. (N=157)

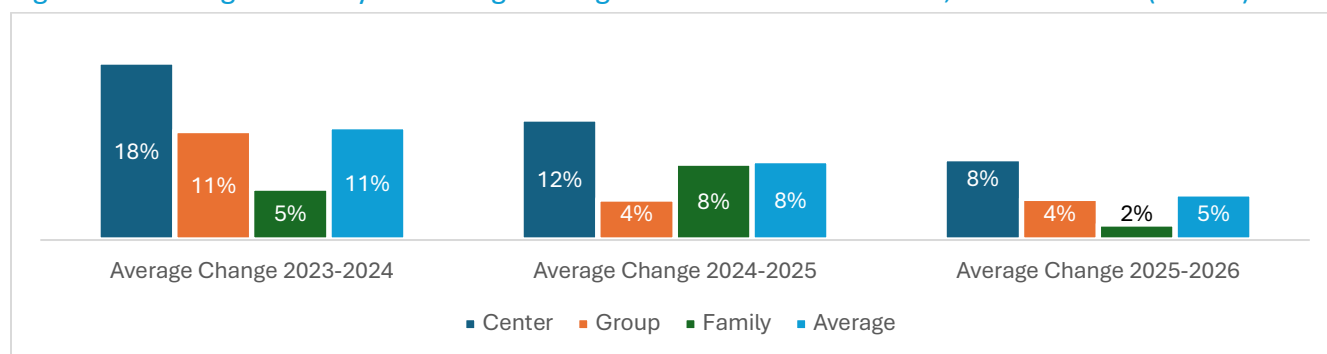
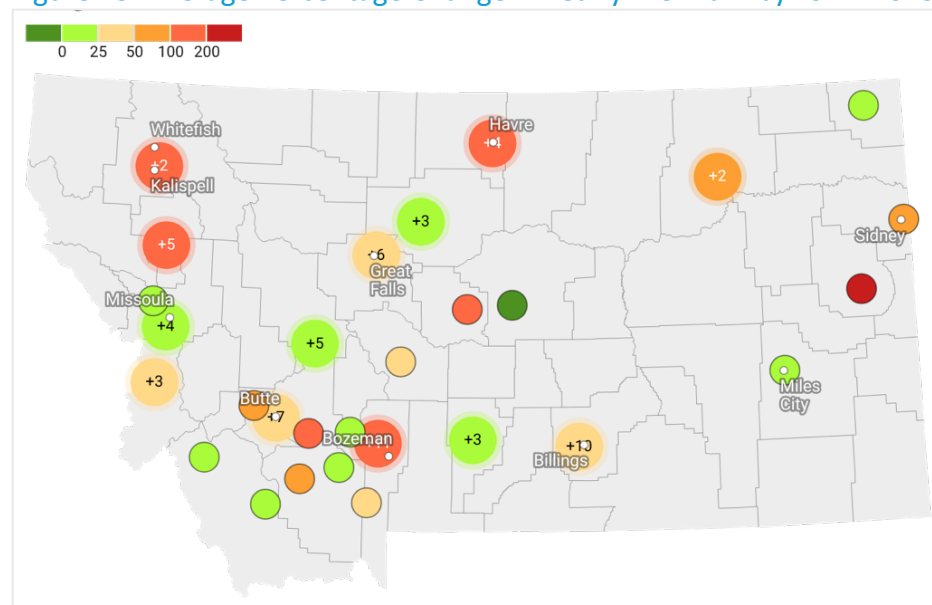


Figure 15: Average Percentage Change in Yearly Premium by Town 2023 and 2026 (N=82)



For locations with multiple survey responses (Ex: Billings), the mean is shown. Yearly liability insurance premiums have increased between 2023 and 2026 throughout the state, without a direct correlation to region or location.