

## Resource: Legal and Insurance Considerations

Starting a business will require you to think about legal and insurance issues to make sure you are covered in case of an accident or injury. Your local [Child Care Resource and Referral \(CCR&R\)](#) agency or your local or [state child care licensing office](#) will be able to help you think through some of these considerations.

These questions will help you think about some of the important legal and insurance questions before you open your child care business. You may also want to consult a lawyer and a tax professional before you start your child care business.

### Legal Considerations

	Yes	No	Comments
Have you consulted a lawyer to help set up the legal structure of your business?			
Have you decided whether to operate as a non-profit or a for-profit?			
Have you decided on a business structure? Sole proprietor (self-employed) Partnership Limited Liability Company (LLC) Corporation			
Have you created a business name?			
Have you registered the business name with your state/county/city?			
Do you need to obtain a business license number, if required?			
Have you consulted with a tax professional to help you with payroll taxes and business income taxes?			

Legal and Insurance Considerations *continued*

### Insurance Considerations

	Yes	No	Comments
Have you talked to your state licensing agency or your local Child Care Resource and Referral agency to understand what insurance coverage you might need?			
Have you obtained at least two quotes from insurance agents that represent different insurance companies for comparison?			
Have you purchased business liability insurance, which should include general liability and property insurance?			
Have you purchased professional liability insurance and does this insurance cover you if one of your employees or others with access to the children in your program abused a child in your care?			
If you are providing transportation, have you purchased commercial automobile coverage?			
Have you purchased worker's compensation insurance?			