

SHELTER TRENDS: INSURANCE CHALLENGES

Charities and nonprofit organizations across Canada have been reporting more challenges regarding insurance. The insurance industry is currently in a "hard market." A hard market results in higher premiums and rates, coverage with more restrictions, and insurance that can be more difficult to access.¹² Among those organizations that have been hardest hit by the insurance crisis are those that assume some of the greatest risks, including working with vulnerable individuals or operating residential spaces.³ With the potential for increasing insurance claims due to climate disasters, of which Canada has seen many in recent months, insurance could become even more inaccessible to nonprofits.

To understand this issue among VAW shelters/THs, we asked the question: **In the last year, has your organization found it more difficult to fulfill your insurance needs? For example, have prices increased substantially, are insurers more hesitant to insure your organization, or is coverage more restrictive?**



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SHELTER TRENDS

As we expected, the VAW shelter/TH sector is not unique from the rest of the Canadian nonprofit sector. Among survey respondents, 71% indicated that accessing insurance has become more challenging in the last year.

VAW shelters/THs are unable to operate without insurance, so the increasing difficulty in accessing and affording insurance puts this vital work at risk. Shelters are already struggling with insufficient funding and rising inflation rates. The additional costs of insurance can make maintaining programming even more precarious.

What can shelters/THs do to help mitigate increases during this hard insurance market?

- Review your policy carefully, including knowing whether you are covered for climate disasters (e.g. flood, fire, storms).
- Talk to similar organizations in your network to find out where they are going for coverage and whether they are getting better rates.
- Find an insurer that understands your organization and can respond to your needs. There are many insurers that do not understand the unique needs of charities and nonprofits, particularly those of VAW shelters/THs.

Shelter Trends is a way for Women's Shelters Canada to monitor trends across the VAW shelter/transition house (TH) sector. These simple surveys are emailed to shelters/THs approximately six times a year.

Photo from [Canva](#).

1 Barr, C. & Jensen, E. (2023) What Trends will Impact Charities and Nonprofits in the Second Quarter of 2023? <https://www.imaginecanada.ca/en/360/what-trends-will-impact-charities-and-nonprofits-second-quarter-2023#:~:text=Many%20nonprofits%20are%20already%20indirectly,and%20more%20difficult%20to%20find.>

2 Charity First Insurance Services (2021) Helping your Nonprofit Clients Weather a Hard Insurance Market. <https://www.charityfirst.com/blog/helping-your-nonprofit-clients-weather-a-hard-insurance-market>

3 Nonprofit Insurance Alliance. (2020) FAQ's: Understanding the Nonprofit Insurance Crisis. <https://fano.org/wp-content/uploads/2020/09/Nonprofit-Insurance-Crisis-FAQs.pdf>

4 The survey was sent to 489 shelters/THs, with a response rate of 39%.