

# Liability Insurance Market for Senior Care Remains Fragmented

Senior care facility operators must navigate an increasingly complex liability environment marked by rising claim severity, heightened underwriting scrutiny and inconsistent carrier appetite. This sector, which ranges from nursing homes and assisted living facilities to hospice care providers and home health agencies, can present a significant challenge for retail brokers.

The market for senior care remains fragmented, experienced carriers are pulling back or holding firm on rates, while newer, less experienced entrants are undercutting price to gain market share. And, when you combine this increase in capacity with the number of facilities receiving flat renewals, carriers are having to lower prices to retain accounts.

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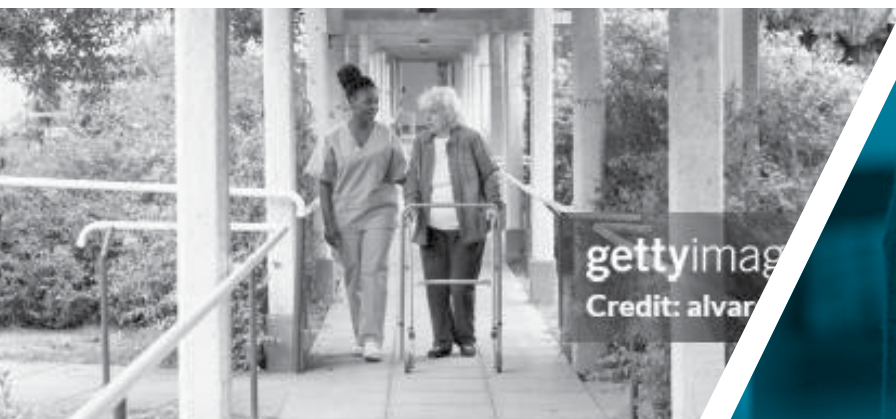
## CONTACT

To learn more about how Amwins can help you place coverage for your clients, reach out to your local Amwins broker.

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## Rising claims

Across the board, carriers are recalibrating their underwriting posture to manage growing losses in the senior care space. These adjustments include reduced limits, higher retentions, narrower coverage terms and stricter underwriting criteria.

One of the primary drivers behind this shift is the sharp increase in the frequency and severity of claims. For example, slip and fall cases that used to settle for \$150,000 are now landing in the \$350,000 range. This trend is particularly evident in high-risk jurisdictions like Cook County, Sacramento and parts of Kentucky, where large verdicts have become more frequent – further complicating the underwriting process.

Although there was a temporary decline in claim frequency during 2020 and 2021, the number of claims has rebounded and even surpassed pre-pandemic levels. However, recent loss runs still cover the pandemic when courts were closed and appear artificially clean. These misleading datasets have led some underwriters and investors to underestimate current exposure and risk.



### Memory care and dementia-focused operations

While all senior care facilities face increased exposure, memory care and dementia-focused operations present especially difficult challenges. These facilities are typically less regulated than skilled nursing homes, yet they care for highly vulnerable residents and incidents can be catastrophic when they do occur.

Traditionally, risks such as resident elopement, aggression and behavioral incidents are common. However, when staffing levels are inadequate, oversight suffers and can raise underwriters' concerns. Detailed information about locked door policies, monitoring technologies and staff-to-resident ratios have become a key part of underwriting evaluation.

Capacity remains available for memory care and dementia-focused operations, but often comes with higher deductibles, tighter terms and a broader array of exclusions – especially in states like California and Florida. Common trends include sub-limits on abuse coverage, exclusions for class action suits or punitive damages and greater scrutiny around excess liability. In some cases, reduced coverage or creative layering is required to help adequately address risk.



## Increasing capacity

New market entrants have emerged to help fill capacity gaps left by traditional insurers, bringing fresh approaches to risk assessment, including the use of predictive analytics or alternative rating methodologies. However, this is a long-tail business, and the true effectiveness of these new models may not be evident for years. Many well-established carriers have already exited the market as a result of sustained losses and can serve as a cautionary tale for new players. Experience, data integrity and consistent performance are critical indicators of whether a carrier will be able to withstand the challenges of senior care underwriting over time.

## Positioning clients for success

Given these market complexities, retail brokers must approach senior care placements with a strategic and detailed mindset. A complete and compelling submission tells the full story – highlighting what sets the facility apart and why it is positioned to outperform peers – and can result in better coverage terms and pricing.

Submissions should include not only financial metrics but also a full operational picture. This includes census data, inspection or survey outcomes, information on safety technology such as fall detection systems and electronic medical records (EMRs), and a thorough explanation of the facility's risk management protocols.

Ownership transparency is another critical factor. With increasing investment from private equity and real estate investment trusts (REITs), it's essential to clearly identify decision makers and their experience in senior care. Underwriters are more likely to respond favorably when the facility is demonstrably focused on resident care and not asset management.

## Telling the full story

Despite the high stakes, many submissions still contain gaps that hinder underwriter confidence. Among the most common are incomplete information regarding ownership and organizational structure as well as outdated documentation.

Poor documentation weakens the defensibility of claims. Clarity on who is making care decisions, as well as demonstrating the ability to maintain thorough and timely resident records significantly, strengthens a facility's underwriting position.

Access to complete historical loss data is also critical yet often overlooked – particularly in cases where facilities have changed hands multiple times. Even when ownership has fluctuated, underwriters require the full loss history of a property to properly assess risk. When this data is unavailable, assumptions can be made to the detriment of the insured.

High-quality real-time documentation platforms like MDS systems and EMRs can also help show validity. And while new technologies may look promising, underwriters remain most focused on these well-implemented and established systems.

## Looking ahead

Although the senior care liability market continues to evolve and challenge stakeholders, favorable outcomes remain achievable through proactive strategies, clear communication, detailed submissions and collaboration. As a leading wholesale broker and program administrator, Amwins is uniquely positioned to offer support, resources and expert guidance. We have both the data and the resources necessary to highlight areas of concern and offer insights to brokers. That can include help with budgeting, pro formas and setting realistic expectations, especially for brokers who don't work in senior care often.

You can learn more about Amwins' healthcare insurance solutions and long-term care facilities program [here](#).

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