



SENIOR LIVING & SOCIAL SERVICES



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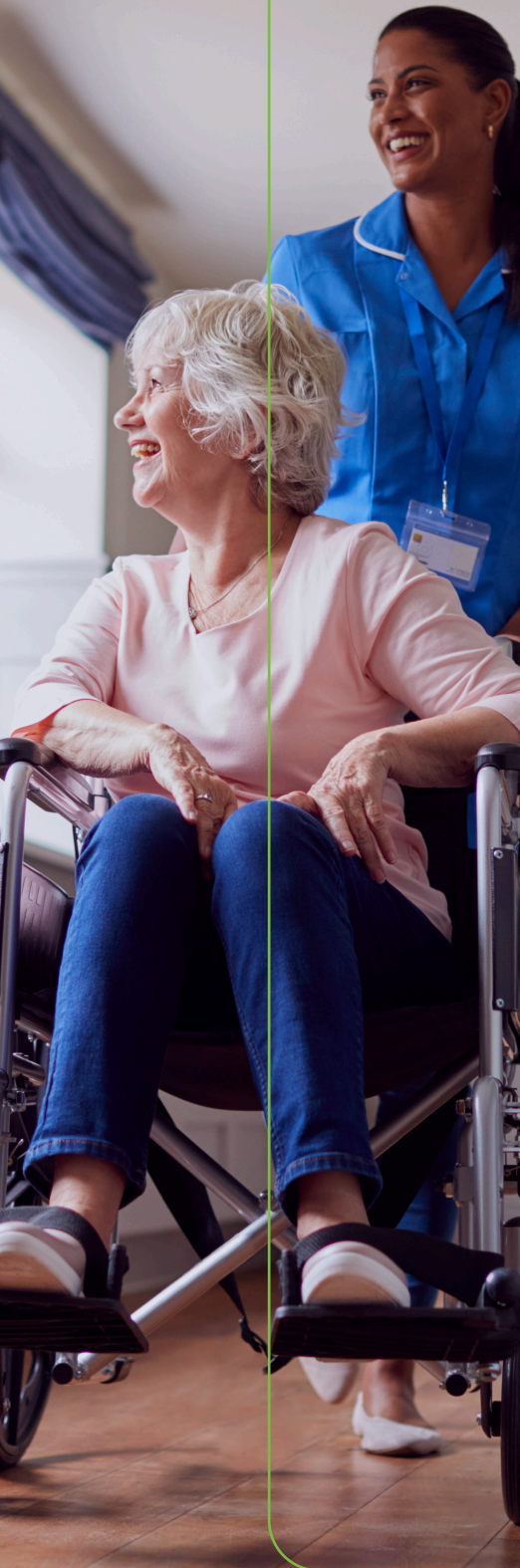
RATE TRENDS

Senior living and social services providers have faced a few tough years of rising premiums, with single digit increases still expected depending on location, ratings, and loss history. While market capacity remains limited, improved performance is bringing some stability. However, social inflation continues to drive up casualty costs, with record-breaking "nuclear" and "thermonuclear" verdicts pushing settlements higher. For long-term care, settlements in assisted living have risen significantly, further straining budgets.

Property insurance remains challenging due to issues like catastrophic losses, underinsured properties, and soaring construction costs. Capacity concerns persist, especially for frame construction buildings, with increased underwriting scrutiny and coverage limitations becoming the norm. Meanwhile, new technologies offer efficiency gains but also introduce risks tied to network security and resident privacy.

TO MANAGE THESE TRENDS, SENIOR LIVING PROVIDERS SHOULD CONSIDER:

- Implementing robust risk management programs
- Investing in staff training and safety measures
- Working closely with insurance brokers to explore all available options, and regularly reviewing and updating insurance coverage
- Opting for higher deductibles or self-insured retentions to potentially lower premiums
- Exploring alternative risk transfer methods, such as shared & layered programs or captive insurance arrangements





EVOLVING + EMERGING RISKS

As we move further into 2025, the heavily regulated environment and shifting political landscape are poised to bring significant changes to the industry. Here's a look at some key trends and challenges:

Workforce pressures remain a challenge, with a persistent shortage of qualified workers and high turnover rates. This issue is compounded by CMS's mandatory minimum nursing staffing requirements, which add further strain to an already lean workforce. These challenges create significant operational pressures and require innovative approaches to workforce management, risk mitigation, and compliance.

With the increased adoption of **advanced technologies** brings the potential for tech-related errors and greater cybersecurity risks, particularly regarding data privacy and compliance with regulations like the HIPAA Security Rule. As data-driven decision-making becomes essential for improving operational efficiencies and care outcomes, organizations must focus on safeguarding sensitive information while leveraging technology to optimize performance and ensure compliance.

With a **new federal administration**, significant policy changes are expected to impact the healthcare industry. The appointment of key leaders in healthcare agencies will play a pivotal role in shaping regulatory priorities and the overall direction of the industry, bringing potential shifts in how healthcare is governed and delivered moving forward. This evolution could influence both the operational landscape and regulatory environment within the sector.

Staying informed, adaptable, and proactive in addressing these challenges will be crucial for success in this evolving landscape.



The appointment of **KEY LEADERS** in healthcare agencies will play a pivotal role in **SHAPING REGULATORY PRIORITIES** and the overall direction of the industry.

HOW M3 CAN HELP

Senior living & social services providers who work with M3 know that they are partnering with a consultant who understands the holistic landscape of this industry. We pride ourselves on working from a standpoint of enterprise risk management and are prepared to assist your organization with risks as they emerge and evolve and to create insurance programs that can react appropriately.

