



HORIZON

2026 Property & Casualty Report

SENIOR LIVING + SOCIAL SERVICES

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Organizations have always operated under scrutiny, but today those pressures are stacking more tightly. Regulatory and policy shifts, staffing challenges, and funding uncertainty are colliding with rising expectations around care, preparedness, and accountability, leaving less room for error. Emergency preparedness, cyber risk, and service continuity are now part of everyday planning, while funding uncertainty is forcing organizations to rethink programs, partnerships, and growth strategies. In this environment, even small breakdowns in staffing, documentation, supervision, or facility operations can quickly snowball into larger claims, longer investigations, and tougher underwriting conversations.



ON THE HORIZON.

Key shifts influencing risk, highlighting where pressures are building and expectations are changing.

Claims severity continues to rise

Incidents may not be more frequent, but their consequences are greater. Claims now involve higher medical costs for injured employees, residents, or third parties, longer recovery periods, and increased legal and regulatory scrutiny. At the same time, broader legal and societal factors are contributing to larger settlements and jury awards. What was once a contained event is more likely to escalate into a prolonged investigation or dispute, pushing severity higher across general liability, professional liability, auto, and workers' compensation.





WHERE SEVERITY IS ESCALATING

Senior Living

- Resident falls and mobility incidents
- Medication administration errors
- Aging facilities and deferred maintenance
- Transportation tied to medical appointments and outings
- Survey findings that compound claim defensibility

Social Services

- Client supervision in community settings
- Third-party premises (client homes, shelters, public spaces)
- Transportation incidents involving staff and clients
- Allegations tied to supervision, boundaries, or response timing
- Claims expanding due to documentation gaps in case management

Workforce pressure and its impact on claims

Senior Living

Workforce challenges in senior living show up most clearly at the point of care. Staffing shortages, turnover, and reliance on agency staff can make it harder to keep training, supervision, and documentation consistent across shifts and buildings. When teams are stretched thin, routine tasks like assisting with mobility, administering medication, or responding to minor incidents are more likely to escalate and draw scrutiny during claims or surveys.

Social Services

Workforce pressure in social and human services often stems from high caseloads, funding-driven turnover, burnout, and secondary trauma. These demands can make it difficult to maintain consistent supervision, documentation, and escalation across decentralized programs and field-based environments. When incidents occur, outcomes often hinge on whether processes were practical to follow, supervision was available when needed, and case notes clearly reflect real-time decision-making.



When teams are stretched thin, delays in response and recovery can allow issues to build and increase the overall impact of a claim.

How oversight shapes claim outcomes

Senior Living

Facilities remain the primary driver of risk in senior living. Aging buildings, deferred maintenance, and everyday environmental conditions continue to contribute to slips and falls, mobility-related injuries, and workers' compensation claims involving staff.

Carriers and regulators are paying close attention to how facilities are maintained and how incidents are identified, documented, and followed up on. Maintenance tracking systems, incident reporting tools, and access controls are increasingly viewed as indicators of consistency and oversight, particularly when tied to survey readiness, injury trends, and claims defensibility.

Social Services

Operational oversight in social and human services is often less centralized and more complex. Many exposures exist outside owned facilities, including client homes, shelters, community spaces, and partner locations. Transportation risk frequently involves field staff and clients, rather than scheduled or facility-based programs.

Carriers are paying closer attention to how organizations manage supervision, documentation, and incident reporting across these environments. Technology such as mobile reporting tools, GPS tracking, and digital case management systems can support oversight — but only when use is consistent across programs and staff.

The issue isn't a lack of systems, it's misalignment. When technology, policies, or procedures exist but aren't used consistently across locations, programs, or shifts, gaps tend to surface quickly during claims, inspections, or renewal discussions.



WHERE OVERSIGHT BREAKS DOWN

Senior Living

- Oversight varies by building or shift
- Reporting gaps
- Transportation
- Inconsistent tech use

Social Services

- Oversight varies by program or team
- Documentation gaps
- Field and community settings
- Inconsistent tech adoption



COVERAGE TO WATCH

Abuse & Molestation Liability

For organizations serving vulnerable populations, abuse and molestation liability continues to be one of the most scrutinized and consequential coverages. Allegations involving staff, volunteers, clients, or third parties can result in significant financial and reputational impact, even when claims are unsubstantiated.

Underwriters are closely evaluating supervision models, background checks, reporting protocols, training practices, and documentation consistency when determining terms, limits, and pricing. In some cases, these controls influence not only cost — but coverage availability itself.

OVERLOOKED RISKS.

Where those shifts are already affecting outcomes, creating friction across claims, recovery, and financial impact.

Consistency

Documentation is often as important as the incident itself. Care notes, incident reports, supervision logs, and maintenance records increasingly shape how claims are evaluated and defended.

Senior Living

The challenge is consistency across shifts and buildings. When documentation practices vary between teams, gaps can emerge that weaken defensibility and prolong claims. Organizations seeing stronger outcomes focus on clear

documentation expectations, standardized reporting, and routine review — particularly around incidents involving resident care, facilities, and transportation.

Social Services

Claims frequently hinge on whether documentation clearly reflects supervision, boundaries, and timing — especially when services occur in community settings or third-party locations. Inconsistent case management records or delayed reporting can allow issues to escalate and complicate defense.

External pressures

Regulatory and funding pressure is shaping daily decisions across senior living and social service organizations. Shifting oversight, reimbursement uncertainty, and tight budgets often leave teams operating with little flexibility, even for organizations with established service models.

In response, many organizations are reassessing programs, exploring partnerships, or pursuing affiliations and acquisitions to stabilize operations and diversify revenue. While these strategies can support mission sustainability, they also introduce new risk considerations around staffing, facilities, coverage alignment, and inherited exposures.

When strategic decisions move faster than risk review, misalignment often surfaces later — through claims, audits, or renewal challenges rather than during planning.

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Most documentation gaps we see aren't about effort. They happen when expectations aren't clear or consistent across teams. When organizations simplify and align how documentation is handled, defensibility improves quickly.

— *Talia Pletcher, Risk Manager*

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Senior Living

Regulatory and reimbursement pressure is closely tied to care delivery and facilities. Survey readiness, licensure requirements, staffing mandates, and funding linked to census or acuity influence everything from staffing models to maintenance planning.

Supply-chain disruption adds another layer. Rising costs and delays affecting food, medical supplies, building materials, and transportation often require substitutions or workarounds. When those changes aren't evaluated alongside care standards and compliance expectations, risk can quietly increase.

Social Services

Funding volatility and policy shifts tend to drive pressure. Grant cycles, contract requirements, and political funding decisions can lead to rapid changes in programs, staffing, or service scope.

Regulatory scrutiny remains high as well. Documentation, reporting, and enforcement are closely tied to public accountability, and gaps between policy and practice are more likely to surface through audits, contract reviews, or claims — often long after operational decisions were made.

Emergency preparedness shapes claim outcomes

Emergency preparedness is no longer a box to check. Severe weather, utility outages, public health events, and other disruptions are becoming more frequent stress tests of operations, communication, and decision-making.

From a claims perspective, how an organization prepares and responds often shapes the outcome. Clear roles, timely decisions, and plans that work in practice can influence severity, regulatory scrutiny, and defensibility long after the event. Organizations that treat preparedness as an ongoing process — tested, updated, and understood across teams — are better positioned to maintain continuity of care when disruptions occur.



Supply-chain issues don't just affect budgets — they affect care delivery. Delays or substitutions in food, medical supplies, or maintenance materials can have downstream impacts if they aren't evaluated alongside care standards, safety protocols, and regulatory expectations.

— *Talia Pletcher, Risk Manager*



FREQUENT CLAIMS WE'RE SEEING:

Fires

Water damage

Pipe bursts



Senior living and social service organizations are frequent cyber targets because they manage sensitive resident and client data alongside systems that support daily care and services.

When a cyber incident occurs, the impact often goes beyond data loss. System outages can disrupt medication administration, delay client services, interrupt admissions or intakes, and trigger regulatory reporting requirements. Recovery can be especially challenging for organizations already navigating staffing and funding pressure.

“Cyber events quickly become operational events. Organizations that plan for cyber the same way they plan for other emergencies are far better positioned to recover.”

— **Matt Thomson**, Director of Cyber Liability, M3 Insurance

M3 LENS: CLOSING THE GAP BETWEEN RISK AND REALITY.

As operational and regulatory pressures continue to stack, M3 helps organizations bring clarity to how risk is identified, managed, and defended. Our senior living & social services practice group works closely with leadership teams to spot where everyday decisions around staffing, facilities, transportation, documentation, and vendors may be quietly increasing risk, and to align coverage and risk controls in ways that strengthen defensibility without losing sight of the mission.

Many of our advisors come from these care and human services environments and understand the operational, regulatory, and funding complexities organizations face. That perspective helps M3 anticipate how shifts in policy, funding, and service delivery may affect risk — often before they surface as claims or renewal surprises — and support insurance programs designed to adapt as needs evolve.

Now is the time to step back and assess how your operations and risk strategy align. Your M3 client executive can help identify where small adjustments today may prevent larger disruption tomorrow.



M&A RISK SOLUTIONS

Mergers and affiliations rarely involve clean handoffs. Transactions often include campuses, service lines, management transitions, or program transfers — each bringing different care models, staffing structures, transportation exposures, and regulatory requirements. Without early risk review, organizations may inherit aging facilities, inconsistent documentation practices, staffing gaps, transportation risk, or unresolved claims tied to prior operations. These issues often surface later through claims, surveys, audits, or renewal discussions that surface well after a transaction closes.

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