The Problem of Affordable Auto Insurance for All Nonprofits

Increasing insurance costs are an ongoing concern for most every nonprofit.

NYCON needs your input to help us address an increasingly challenging nonprofit experience: obtaining affordable automobile insurance.

NYCON is supportive of amending New York’s Vehicle & Traffic Law to include more options for nonprofits to insure vehicles they own and offer options that are priced fairly and tailored to their needs.

Most insurance companies consider nonprofits to be a high risk for auto insurance as they frequently rely on volunteers to drive vehicles, do not have a large enough fleet of vehicles, or are looking for extra coverage in order to obtain auto liability on a stand-alone basis. Insurance companies who do insure nonprofits will make them buy additional and unrelated insurance in order to allow them to obtain the insurance required on a vehicle owned by the nonprofit. Those few companies who may offer stand-alone coverage will not insure nonprofits due to a variety of reasons; volunteer drivers, the nature of operations, and refusal to insure only one vehicle or hired and non-owned auto liability in addition to owned vehicle liability.

New York is one of only 13 states that require PIP (Personal Injury Protection), or no-fault insurance in order to register a vehicle, therefore, premiums in New York are therefore higher and insurance companies are averse to providing insurance to what they perceive as being risky programs.

Below are some examples we have seen and are interested to hear of any other concerns or stories our members have with respect to commercial auto coverage in New York.

How Is This Affecting Nonprofits?

Human Service Organizations
- A nonprofit in Albany had its auto insurance non-renewed because the carrier decided it would no longer offer auto insurance to a nonprofit that did not buy any additional policies from that insurer or insure more vehicles at a higher premium. Another carrier would offer auto insurance, at nearly double the price, but would not insure any liability from employees or volunteers driving their own vehicles on behalf of the nonprofit.

Community Based Organizations
- A nonprofit in Queens had their insurance canceled, with no affordable option, and had to return donated vehicles because the work that they did and the location of the neighborhood they were assisting. The group is less effective at accomplishing their mission as a result of this.

Carshares
- A western NY Carshare was dropped by a prominent insurer, the single insurer that would provide insurance to carsharing organizations in New York State. They were unable to secure replacement insurance and eventually were forced to sell their assets to Zipcar, a large corporate organization with headquarters outside of New York state.
- A capital region Carshare was able to access the assigned risk pool, however, the insurance premiums went from $1,900 per month to $8,900 per month, for lesser coverage.

Nonprofit Associations
- A statewide association is forced to stay with a carrier they are not satisfied with and must deal with poor response times and weather annual price increases without obtaining alternative options.

In order to educate the legislature regarding the need to assist nonprofits in securing affordable auto insurance coverage, we need your help. If you have experienced any difficulties in obtaining or affording your commercial auto coverage, we want to hear from you. Please share your story with us, including your agency’s mission, what your autos are used for, any
difficulties you’ve had with securing or affording auto insurance, and the impact those high costs or the inability to obtain auto insurance has had on your agency’s ability to provide services.

Thank you for your assistance.