



**NEW PRODUCT:**

**Not-for-Profit/Charity**

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## **NOT-FOR-PROFIT & CHARITY COVERAGE**

### **-Extensive Protection-**

#### **South Western Group Supports Not-for-Profit /Charities: Exciting, Innovative Product Offering:**

The Canadian charity and not-for-profit sectors are a vital part of the Canadian economic fabric, and make a significant impact on the lives of Canadians. Canada is one of the largest, and most active supporters of not-for-profit, charity and volunteer sectors in the world.

- Approximately 2 million Canadians are employed by the not-for-profit and charitable sectors;
- The not-for-profit and charitable sector accounts for 8.1% of Canada's gross domestic product (GDP);
- This sector accounts for \$6.5 billion for Ontario's GDP;
- There are approximately 86,892 registered charities in Canada, and 45,360 in the province of Ontario;
- Combined, there are greater than 170,000 charitable and not-for-profit organizations in Canada;
- Over 13 million people volunteer for charities and not-for-profit organizations: 2.1 billion volunteer hours, translating to 1.1 million full-time jobs.

#### **Federal Budget 2022 – Highlights on Not-for-Profit & Charities**

Budget 2022 builds on recent steps that the federal government has taken to ensure opportunities for all Canadians to thrive, to protect our communities, and to support the recovery of our arts and culture sector. These include:

- \$601.3 million over five years to advance a new National Action Plan to End Gender-Based Violence;
- Banning assault-style firearms and investing more than \$920 million to protect Canadians from gun violence;
- \$200 million to establish the Black-led Philanthropic Endowment Fund, which will create a sustainable source of funding to support Black communities;

- Creating the Black Entrepreneurship Program—a partnership between the government, Black-led business organizations, and financial institutions—with an investment of up to \$265 million over four years;
- \$141.1 million to make federal disability programs, child care centres, communities, and workplaces more accessible;
- \$500 million for the recovery of the arts, culture, heritage, and sports sectors and to support community-level festivals and other in-person cultural events;
- \$15 million over three years to establish the new LGBTQ2 Projects Fund;
- \$172 million over five years to enhance our ability to collect disaggregated data, especially on diverse populations, to bring more equity, fairness, and inclusion into federal government decision making; and [www.CanadianCharityLaw.ca](http://www.CanadianCharityLaw.ca) 29
- \$408.3 million to promote official languages and support the modernization of the Official Languages Act, as introduced on March 1, 2022 by the Government of Canada in order to achieve the substantive equality of Canada’s official languages including improvements designed to meet the challenges facing official language minority communities.

## **Sector Statistics**

### **Highlights of the Canadian Charity Sector 2018 include:**

- 83,892 registered charities filed their T3010 in Canada out of approximately 85,800 charities
- \$321 billion in total revenue for Canadian charities and total expenditures of \$283 billion.
- Government revenue totaled \$199.2 billion including from the federal government (\$10 billion), provincial governments (\$177.8 billion) and municipal/regional governments (\$11.5 billion). In total government is approximately 62% of revenue of the whole charity sector.
- 78,141 identified themselves as active and 3,998 as inactive
- 30,791 made gifts to other charities or qualified donees during their 2019 fiscal year
- Canadian charities spent over \$3.81 billion outside of Canada
- 136 Canadian charities received funds from Global Affairs Canada for foreign activities)
- 3,016 identified having contractual relationships with foreign intermediaries, 1,402 charities identified that employees conducted activities outside of Canada and 2,701 had volunteers conducting foreign activities
- \$2.6 billion was received by Canadian charities from outside of Canada
- 791 identified carrying on political activities
- 44,575 identified having employment expenses while 38,814 did not have any employment expenses
- \$162 billion was spent by Canadian charities on salaries and other compensation expenditures
- \$19.6 billion in official donation receipts were issued by Canadian registered charities

## **Responding to Urgent Calls to Action!**

The not-for-profit/charity sectors are facing a diverse range of issues across the province, the country, the world. Pandemic-related challenges; declining governmental crisis support; fundraising losses; and, a reported 61% of not-for-profits steadily losing volunteers since the beginning of the pandemic.

Launched in the fall of 2021, the Canadian Philanthropy Commitment on Climate Change, is a call for philanthropic organizations to act on climate change regardless of their respective missions. The commitment recommends action on everything from where endowments are invested and shifting to climate-friendly investments, to applying a climate-change and Indigenous-sovereignty lens to granting criteria

Trust-based philanthropy is gaining stronger interest – the focus on building relationships, and entrusting the donees to maximum their efforts and invest the resources wisely.

As the global pandemic unfurled over the past 24 months, not-for-profits rallied to respond to crisis after crisis, often presented with material issues, unanticipated complications, and making every conceivable effort to meet unprecedented necessities. Government relief programs assisted where they could; however, the scope of need could not possibly compensate for the shortfalls that obstructed most organizations. Government also failed to manage risks, placing unfair burdens primarily on the most marginalized. As the pandemic continues to morph and thrive, many not-for-profits and charities, themselves, are now struggling to survive.

## **New Expectations; Aged Infrastructure**

Not-for-profit and charitable organizations must regroup and focus on rehabilitating and strengthening their core; learn from challenges, risks, and confront future unknowns with resilience and preparedness.

South Western Insurance Group has a clear understanding of the needs and susceptibilities of charitable and not-for-profit organizations; they are complex and distinct to each organization. Many not-for-profit and charitable organizations are also acknowledging there is mounting pressure for greater accountability, and transparency to alleviate distrust, and an already declining volunteer support contingent.

## **Broker Opportunities: Assets & Protection & Coverage**

In partnership with a leading Canadian specialist insurer, SWG offers the most specialized coverage in the industry to serve the needs of the not-for-profit and charitable organization. SWG's product allows for flexible, customized coverage in an industry known for its ability to provide protection to the highly-specialized industry needs and risks.

Many not-for-profit and charitable organization are owners or tenants within aged, historical faith-based structures such as mosques, cathedrals, temples and synagogues. Other organizations have accumulated expensive and valuable works of art, property and/or architecture. Often the premises extends daycare facilities, summer cap., and educational programs. Common to all organization sis the need to protect their staff and volunteers as well as those under their care.

Due to the extensive reach of most not-for-profits and charities, they are vulnerable to loss and damage on several levels. Primarily, these risks include the following coverage highlights:

<b>Broker Opportunities: Assets &amp; Protection &amp; Coverage</b>	
Property – All Risks	Business Interruption
Crime	Comprehension Equipment Breakdown
Cyber	General Liability
Umbrella Liability	
Directors and Officers Liability	Professional Liability Errors and Omissions

**Exclusive Features: Charity/Not-for-Profit:**

- Coverage for Heritage Buildings
- Coverage for Personal Property of Volunteers
- Coverage for Environmental Upgrades
- Addition of Volunteers as Employees