Insurance for Museums
A Simple Guide to Initial Steps

Risk Assessment

Before engaging in conversations with brokers, consider the museum property, environment, collections and operations. Using the following list, select which elements are risks for the museum. Consider unique objects that may require specialized or additional coverage.

Property Risks

- Historic buildings
- Off-site storage
- Vandalism and theft
- Extreme weather conditions
- Proximity to trees
- Hazardous materials
- Outstanding maintenance needs
- Outdated infrastructure (eg. electrical, plumbing, etc.)
- Proximity to water/flood plain
- Trails and landscape
- Limited security system/monitoring
- Limited pest control

Liability Risks

- Accessibility
- Slip and fall injuries
- Accidents/incidents involving school groups, public programming and special events
- Allegations of mismanagement or breach of fiduciary duty
- Wrongful termination, constructive dismissal, discrimination, or harassment
- Personal financial exposure

Collections

- Improper storage conditions
- Limited environmental controls
- Limited collections knowledge
- Objects on loan
- High-value objects
- Lacking/missing documentation
- Database backlog

Operational Risks

- Limited/outdated policies and procedures (ie. emergency plan, employee contracts, etc.)
- Training gaps

Cyber Risks

- Limited cybersecurity (ie. anti-virus, firewalls, etc.)
- Outdated computers/programs
- Security breaches involving online ticketing/payment systems

Financial Risks

- Dependence on grants
- Limited reserve funds
- Lost income during closures
- Theft or fraud
- Financial mismanagement

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Risk Mitigation

Once you have assessed your museum's risks, gather additional relevant information and ensure that risk mitigation tasks are incorporated into work plans.

Risk	Task/ Mitigation Activity	**Schedule**	**Assigned To**
Property	Document renovations or improvements to the building(s), including routine maintenance/inspections.		
	Install/review fire protection systems such as sprinklers and alarms, security systems such as cameras, and climate control systems and monitoring practices.		
	Routinely tested systems to ensure working order.		
Operational	Initiate/review orientation practices and materials.		
	Ensure that waivers, child abuse registry and vulnerable sector checks are up-to-date.		
	Identify training opportunities for board members, staff, and volunteers.		
	Ensure that emergency plans and key policies/procedures are up-to-date.		
Collections	Adopt/continue a rolling inventory and condition assessment practice, having high-value objects appraised.		
	Ensure that available appraisal documentation accompanies incoming donations.		
	Continuously work on improving collections documentation, including addressing any backlogs (accessioning, data entry, digitization).		

Risk Mitigation

Risk	Task/ Mitigation Activity	**Schedule**	**Assigned To**
Collections	Identify the frequency of temporary exhibits that include loaned objects.		
	Ensure that loan agreements include information about insurance coverage and responsibilities/expectations of both parties.		
Liability	Identify the frequency and nature of special events and programs, noting if vulnerable persons are present, if food is served, and what kinds of activities take place.		
	Maintain up-to-date procedures and incident documentation.		
	Conduct annual performance reviews that align with strategic and work plans.		
	Maintain strong governance and documented decision-making.		
Cyber	Maintain strong cybersecurity practices, including backups, software updates, and access controls.		
Financial	Maintain accurate records, documentation, and approval processes.		
	Conduct regular financial reviews and audits		

Common Coverage Types for Museums

With risks identified and mitigations in action, the following introduction to common coverages will prepare you for a discussion with your broker.

Coverage Type	What's Included?	**Considerations**
Building	Covers physical structure against fire, theft, vandalism and water damage.	• Replacement cost is superior to actual cash value. • All perils coverage is superior to named perils. • Heritage buildings may have higher premiums.
Contents	Covers physical assets inside the building such as equipment and furniture.	• Replacement cost is superior to actual cash value. • All perils coverage is superior to named perils. • Ensure specialized museum equipment is covered. • Confirm coverage for equipment used off-site. • Verify coverage for historic and custom-built furnishings.
Fine Art/Collection	Covers objects in transit or on loan. Covers higher-value or fragile items.	• Insuring the entire collection will be cost-prohibitive. • Ensure transit and packing risks are covered. • Understand insurer requirements for security and environmental controls.
Events	Covers bodily injury or property damage. Covers gatherings with alcohol or 50+ attendees. Covers fundraisers and programs. Covers weather, vendor issues, and financial losses.	• Ensure vendors and contractors have their own insurance. Special events may require additional coverage. • Review weather and event cancellation coverage. • Understand security and crowd management requirements.
Equipment Breakdown	Covers sudden, accidental failures of mechanical, electrical or pressure equipment.	• Typically covers equipment failure and business interruption—not collection damage. • Regular inspection and maintenance may be required. • Older systems may require hard-to-source parts, increasing repair time and costs.

Coverage Type	What's Included?	**Considerations**
Business Interruption	Covers lost income during closures if due to fire, flood, vandalism or other insured perils.	• Understand which causes of closure are covered. • Ensure operating expenses are included. • Consider seasonal revenue fluctuations.
Crime	Covers theft, fraud, or embezzlement by employees or third parties.	• Confirm coverage for employees and volunteers. • Ensure cash, donations, and gift shop revenue are covered. • Consider electronic payment and funds transfer fraud.
Directors and Officers Liability	Protects board members from legal claims.	• Volunteer Protection Act offers limited protections. • Understand covered claims and policy exclusions. • Review defence cost and employment practices coverage. • Review coverage limits as the organization grows.
Pollution Liability	Covers damages and cleanup costs relating to pollution or environmental hazards.	• Confirm coverage for cleanup and third-party claims. • Review mould, asbestos, and hazardous material coverage. • Understand exclusions for pre-existing or gradual contamination.
Errors and Omissions Liability	Covers claims arising from mistakes, negligence, or failure to provide professional services.	• Confirm coverage for professional errors, negligence, or omissions. • Review risks related to research, interpretation, and public communications. • Confirm coverage for volunteers and contractors.
Commercial General Liability	Covers third-party bodily injury and property damage. Covers events and volunteers.	• Ensure coverage includes volunteers, programs, and events. • Review coverage for off-site activities and facility rentals. • Confirm contractor and vendor requirements.
Cyber Liability	Covers financial losses from data breaches, ransomware, cyberattacks.	• Confirm coverage for breaches, ransomware, and cyberattacks. • Review third-party and cloud service risks. • Understand cybersecurity requirements and response procedures.

Working With Your Broker

Shop Around

Insurance policies can vary significantly in both coverage and cost. Obtain quotes from at least three insurers or brokers and compare more than just the premium.

When selecting a broker, ask:

- Do you have experience working with museums or other heritage organizations?
- Are you familiar with museum collections and their unique risks?

Compare Coverage, Not Just Cost

The least expensive policy is not always the best value. Review each quote carefully with your broker, paying attention to:

- Coverage limits
- Deductibles
- Policy exclusions
- Collections and transit coverage
- Business interruption coverage

If there are exclusions that concern you—such as flood, sewer backup, or cyber incidents—ask whether additional coverage is available.

Consider Your Deductible

Increasing your deductible can reduce your annual premium because you assume more of the financial risk yourself. Before increasing it, consider whether the premium savings justify the additional out-of-pocket expense if you need to make a claim.

Ask About Premium Discounts

Your broker may be able to negotiate pricing or identify available discounts. Factors that may help reduce premiums include:

- A claims-free history
- Recent building improvements (roof, electrical, plumbing, etc.)
- Security, fire protection, and environmental monitoring systems
- Staff and volunteer training
- Strong risk management practices
- Bundling multiple insurance policies with the same insurer

Other Questions to Ask

- What risks are covered under this policy?
- What exclusions should we be aware of?
- How are collections valued if there is a loss?
- Are collections covered while in transit or on loan?
- Are volunteers covered?
- Is business interruption included?
- Are flood and sewer backup limits adequate?
- Are our coverage limits appropriate for our museum?
- What factors are affecting our premium?
- What is the claims process and typical response time?
- Are there any museum-specific or group insurance programs available?

Reviewing & Renewing

Review coverage and operations annually. Check whether there are any new objects or collections, if values have changed, if there are new events being hosted, if the building or storage has changed. Let your insurance company know about any of these changes for the policy renewal. If you have any major changes throughout the year, such as construction or changes to building(s), additions to your collections, new events, and so on, let your insurance company know so they can make a midterm change.

Insurance should evolve as your museum changes. Review your coverage annually and notify your insurer whenever significant changes occur—not just at renewal.
Examples include:

- Acquiring or disposing of collections
- Changes in collection values
- New exhibits, programs, or special events
- Changes to storage locations
- Building renovations, maintenance, or upgrades

It is also worthwhile to compare insurance providers every two to three years to ensure your museum continues to receive appropriate coverage at a competitive price.

Conclusion

Insurance is one part of a museum's overall risk management strategy. By understanding your risks, implementing appropriate mitigation measures, maintaining accurate collections records, and reviewing your coverage regularly with an experienced broker, your museum will be better prepared to recover from unexpected events while protecting its collections, facilities, people, and financial sustainability.

Appendix - Some Providers

Aligned Insurance offers tailored insurance packages for museums, working with various insurance companies to offer competitive pricing.

AXA XL has specialized coverage for museums, protecting owned and loaned objects. Coverage can include fine art, paintings, sculptures, antiquities, antiques, and gemstones.

Berkeley Canada has customized coverage for museums, offering coverage for exhibitions, collections and other cultural assets.

Canadian Museums Association has an insurance program for museums that includes business insurance, health insurance, home and auto insurance, with potential group pricing.

Ecclesiastical Insurance has specialized insurance coverage for unique risks associated with museums.

Front Row Insurance Brokers partner with BC Alliance for Arts and Culture, and offer tailored insurance coverage for the arts and cultural sector, including museums and galleries.

Gallagher Canada has collaborated with the Canadian Museums Association to provide an insurance program for members. This includes extended health care benefits, prescription drug plans, paramedical practitioner services, vision care, emergency travel insurance and trip cancellation coverage, dental care, short term and long term disability insurance, life insurance, accidental death and dismemberment, dependent life insurance, and optional life insurance.

Marsh Canada is the broker for the Canadian Museums Association. They have a program that provides specialty insurance for museums and art galleries.