



Why Campground Owners Must Reevaluate Insurance Policies Before It's Too Late

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RV park owners and campground operators seeking lower insurance premiums may be in for an unfortunate surprise if they discover that their discount policy does not provide important specific coverages in the event of a claim.

Peter Lovering, Business Development Specialist at [Signature Risk Partners](#), refers to this growing issue as “Shrinksurance”—a trend he says is quietly putting businesses at risk.

“We are currently in a “soft” insurance market which means that many insurance renewal premiums are coming down and new entrants are offering coverage for risks that they may not have any experience insuring,” Lovering said. “Now more than ever the old saying “You only get what you pay for” has never been more true.”

“‘Shrinksurance’ is a term coined to describe a growing trend where insurance companies reduced policy limits, and remove coverage(s) in an effort to offer a lower premium. Similar to a cookie company reducing the number of cookies inside the box but charging the same price,” Lovering explained.

The effect on campgrounds, he said, is particularly acute. Generic commercial insurance policies often don’t account for the unique exposures these businesses face, such as damage to signage and outdoor structures, utility hookups, or business interruption coverage that will respond during natural disasters like wildfires.

According to Lovering, most insurance policies available in the general market are not purpose-built for outdoor hospitality.

Coverage Gaps

Instead, they are retrofitted from other sectors and often leave out essential protections. “They’re square pegs in a round hole,” he said, pointing out that these one-size-fits-all policies can complicate operations and potentially derail property sales if there is an uninsured loss.

Among the most critical areas where many offerings appear to be ‘shrinking’ coverage are business interruption, debris removal and clean up, and host liquor liability—three pillars of protection that are increasingly limited or excluded altogether.

Lovering emphasized that operators may only discover these gaps when it’s too late, such as after a fire, injury, or legal claim.

Business interruption insurance, in particular, has become more restrictive. This coverage is essential for RV parks and campgrounds that may be forced to shut down due to wildfire evacuations, flooding, or other natural events.

Without it, operators can lose substantial revenue with no financial recourse, jeopardizing their financial stability.

Lovering noted that many campground owners remain unaware of these policy changes. “Many owners and operators seem to be focused solely on price and are too busy running their businesses to pay closer attention to the coverage they are buying,” he said.

As a result, some don’t realize how exposed they are until a loss occurs and their policy fails to respond as expected.

He went on to highlight the important role that insurance brokers play in closing this knowledge gap.

“Independent Insurance brokers are true advocates and educators,” he said, emphasizing the importance of annual risk assessments, clear communication about exclusions, and guiding clients away from the trap of underinsurance or being too focused on the lowest price.

To safeguard their businesses, owners and operators should prioritize four key coverage areas: enhanced property protection for outdoor infrastructure, business interruption for unexpected shutdowns, general liability for injuries or damages, and host liquor liability if alcohol is sold or consumed on their property.

While it may be tempting to renew insurance at the lowest rate, Lovering warned against focusing on cost alone. “Focusing primarily on reducing premiums rather than ensuring adequate coverage exposes owners to significant risks,” he said.

These risks include partial claims payouts, denied coverage, or costly litigation that could have been avoided with more comprehensive protection. There are numerous Go Fund Me examples out there that prove this point

To ensure full understanding of their policies, owners should come prepared with detailed questions at renewal.

Lovering recommended asking about recent changes, exclusions, deductible amounts, asset valuation, and whether business interruption coverage is included.

Operators should also ask if their policy includes coverage for all amenities, and whether an independent adjuster will be used in the event of a claim.

Industry-focused insurance providers such as Signature Risk Partners approach these concerns differently by offering insurance products built exclusively for the outdoor hospitality sector.

“Our policy options were specifically written from the ground up for this industry,” Lovering said. This eliminates the need for brokers to add complicated endorsements after the fact.

The company’s products include coverage for items that are typically excluded—fences, debris removal, signage, and utility hookups—as well as tailored business interruption protection.

Signature also offers multiple coverage levels so clients can select the most appropriate package for their operation size and risk tolerance.

Beyond core coverage, Signature provides added value through resources such as an online waiver platform available to all Signature Park clients. The company also recognizes the impact of insurance on property resale, ensuring policies support ownership transitions without coverage lapses.

For campground or RV park owners, Lovering advised starting insurance conversations at least 60 days before renewal so that there is adequate time to set limits and make sure important coverages are included. He also advised that owners and operators move their insurance renewal date to a quiet time of the year when they can give this important decision the time it requires.

Ultimately, Lovering's message to owners is clear: understanding and tailoring insurance coverage is critical to long-term success.

"By closely reviewing policies, partnering with experienced brokers, and prioritizing adequate coverage, RV park and campground owners can protect their investments and ensure long-term operational security," Lovering said.

For more information about Signature Park and Signature Risk Partners Inc., visit their website [here](#).

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