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RESEARCH BRIEF · OCTOBER 2026

Personal Guarantees in Canadian Business Lending: What Founders, Lenders and Advisors Told Us

Primary research by PGicover and the Venture for Canada Intrapreneurship Program, summer 2026. 103 survey responses across the three groups that touch a personal guarantee: the founders who sign them, the lenders who require them, and the advisors who see them across many client files.

103
survey responses analyzed

74%
of founders had signed a personal guarantee

60%
of founders did not clearly understand the clause

82%
of lenders require a guarantee always or often

89%
of founders want ways to reduce personal risk

88%
of advisors would explore insurance for clients

> **The short version.** Personal guarantees are a routine part of Canadian business lending. Most founders sign one without a clear picture of what enforcement would mean for their household. Lenders see the gap and say borrower education would help. Advisors see it across their client base and are open to an insurance option once they know one exists.

About the research

Objective. Find out whether Canadian business owners understand personal guarantee risk before they sign, and compare that with how lenders and advisors experience the same risk from their side of the table.

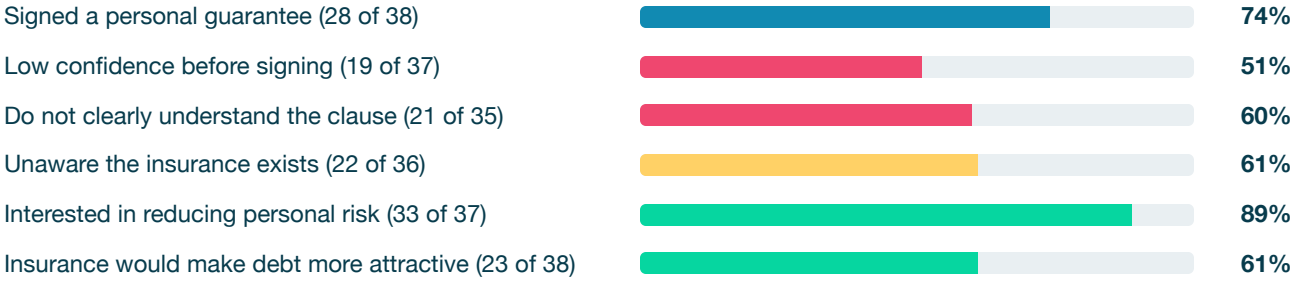
Method. Three separate survey paths, one per audience, designed by the student team, tested with a small pilot group of four participants, revised, then distributed through cold outreach and the team's networks. The team also ran cold-outreach interviews to sharpen the questions and add context. The

survey closed above its target of about 100 responses, and the data was cleaned, charted and analyzed. Findings were presented to PGicover on August 26, 2026.

AUDIENCE	RESPONSES	WHO THEY WERE
Founders	**38**	Canadian business owners and founders
Lenders	**22**	12 banks, 4 equipment finance lenders, 3 alternative or private lenders, 2 credit unions, 1 commercial finance broker
Advisors	**43**	15 accountants, 8 financial advisors, 6 lawyers, 5 business brokers, 5 M&A advisors, 3 other business or finance professionals
Total	**103**	Responses analyzed

What founders told us

38 responses. Founders show substantial exposure to personal guarantees, but understanding and awareness of ways to manage that risk are uneven.



> **Awareness and interest gap.** 61 percent had not heard of personal guarantee insurance, yet 89 percent wanted ways to reduce their personal financial risk.

What is behind the numbers

What founders reported

- 9 of 36 (25%) said no one explained the guarantee before they signed.
- 10 of 37 (27%) trust a lawyer most on this topic. 9 of 37 (24%) trust an accountant most.
- 21 of 35 (60%) did not give a clear yes when asked if they fully understand the clause.

Most common words in open-text answers
assets (5), savings, liability, losing (4 each), home, understanding, financial, bank (3 each)

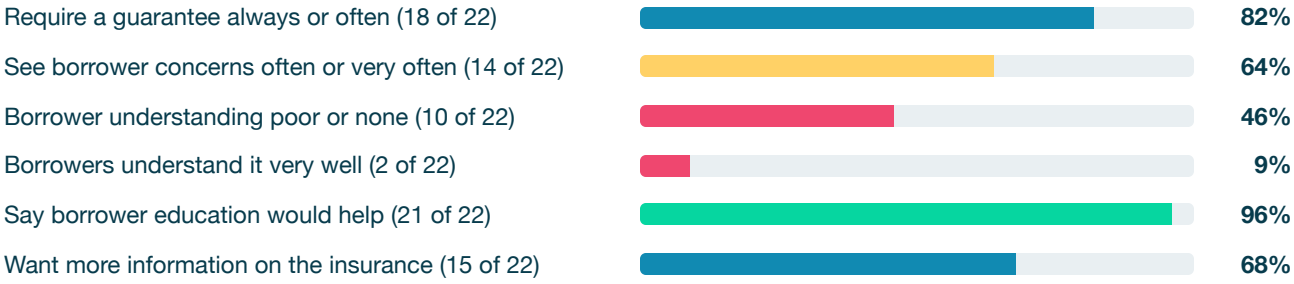
Representative concerns

- Losing personal savings or the family home.
- Unlimited or unclear personal liability.
- When a bank can enforce the guarantee.
- Whether the guarantee can be capped, negotiated or released.
- Exposure lasting after the loan, or affecting a future sale.

Founder concern is not only about losing assets. The answers repeatedly combine asset exposure with uncertainty about scope, enforcement, negotiation and exit.

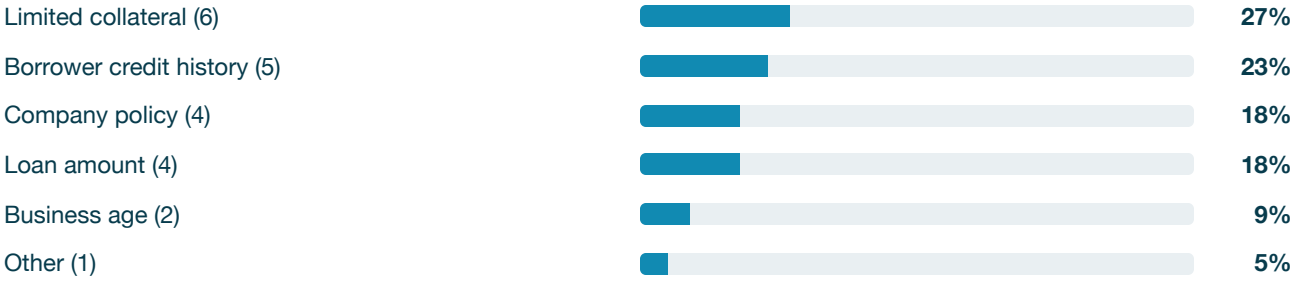
What lenders told us

22 responses. Personal guarantees are a normal part of lending, and lenders see an education gap on the other side of the table.



Every lender said a guarantee is required at least sometimes. 13 of 22 (59%) said always. On borrower understanding, 10 said somewhat well, 7 poorly, 3 not at all, and only 2 very well.

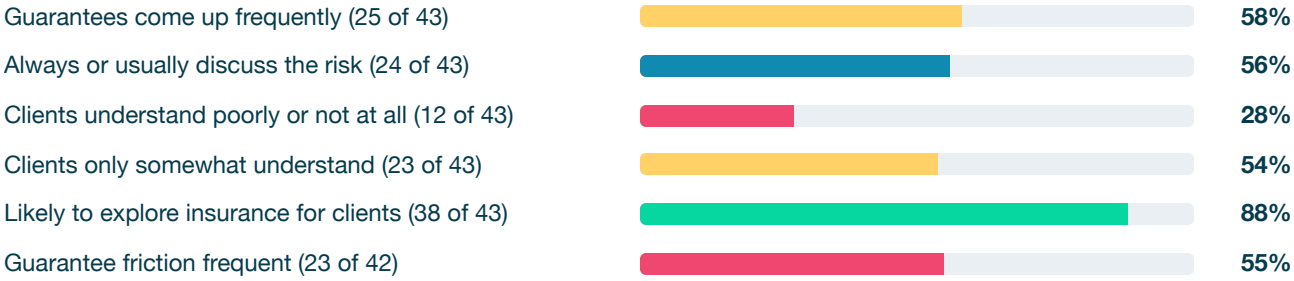
Why lenders require a guarantee



There is no single reason. Lenders weigh collateral, credit history, loan size and their own policies. The opportunity is not to change why lenders require guarantees. It is to help business owners understand and manage the personal risk that comes with signing one.

What advisors told us

43 responses. Advisors meet personal guarantees often, see gaps in client understanding, and are open to an insurance option.



Most advisors had not known personal guarantee insurance exists. Once the idea was introduced, interest in exploring it for clients was very strong.

What the findings suggest

These are inferences from the survey results, not direct answers to survey questions.

1. **Lead with education.** Plain-language content on what a personal guarantee means, which assets may be exposed, and what happens if it is enforced.
2. **Work through trusted advisors.** Founders trust lawyers and accountants most, and advisors are highly willing to explore insurance for clients.
3. **Equip lenders.** Neutral borrower education that lenders can share without weakening the guarantee or turning the conversation into a sales pitch.
4. **Focus where guarantees are most common.** Financing tied to limited collateral, a thinner credit profile, larger loans and younger businesses.

Why this matters

Personal guarantees are a normal part of Canadian business lending, and lenders have sound reasons for asking for them. What the research points to is an education gap between the moment a guarantee is signed and the moment an owner understands what enforcement could mean for their household.

Personal Guarantee Insurance is one tool for the personal side of that risk. The insurer pays the director a share of the final amount the lender demands if a guarantee is enforced after an insolvency process concludes, subject to policy terms, limits and a deductible. The director then pays the lender. It is claims-made, it does not pay the lender, and it does not prevent default or business failure.

Who did this research

The study was run as a project in Venture for Canada's **Intrapreneurship Program**, July 2026 cohort, titled **Insuring the Fine Print: A Personal Guarantee Market Study**. The cohort began on July 6, 2026 and ran for seven weeks. Four student researchers, selected and supported by Venture for Canada, worked with PGicover as their host company.

RESEARCHER	LEAD ROLE
Faizan Muhammad	Survey design and analysis: built the three survey paths, cleaned the data and produced the charts and written analysis.
Chandra Siddharth Pamidimukkala	Survey distribution and persona validation: got the survey in front of founders, lenders and advisors and checked buyer profiles against the data.
Zhong Jia Ji-Robotham	Interview guide and outreach: built the interview method and outreach messages the team used, and coded the interview themes.
Sajjad Karbalai	Market sizing: built the source-backed model of how many Canadian businesses sign personal guarantees and which segments are most exposed.

All four researchers ran cold outreach and interviews. PGicover provided mentorship, product context and review. The work moved from survey design, to pilot, to outreach and interviews, to scaled distribution, to a cleaned dataset and a final presentation.

About Venture for Canada

Venture for Canada is a national charitable organization that gives Canadian students and recent graduates entrepreneurship training and real-world work experience. Its Intrapreneurship Program places student teams with Canadian companies to solve live business problems. Learn more at ventureforcanada.ca.

About PGicover

PGicover offers Personal Guarantee Insurance to Canadian business owners and is the first provider of the product in Canada. Policies are underwritten by a regulated insurer and administered by a specialist personal guarantee insurance team. Cover is available outside Quebec. PGicover is a brand of PGI Canada Ltd. Visit pgicover.com.

Read more and talk to us

Full write-up: pgicover.com/blog/posts/pgicover-venture-for-canada-survey-aug-26
Book a call: calendly.com/pgicover/20min-product-discovery-phone
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Notes on the data. Source: PGicover and Venture for Canada Intrapreneurship Program, Personal Guarantee Insurance Research, 2026. Percentages are of respondents who answered each question, so the number answering varies slightly by question. Respondents were reached through outreach and networks, not a random sample, so results describe this group and are not a statistical estimate for all Canadian businesses. This brief is shared for information.