

Sexual Abuse and Molestation Coverage

Securing sexual abuse and molestation coverage has gotten more challenging. Rates are increasing, and coverage is becoming more restrictive. At the same time, recent cases and legislative changes make it clear that this is a coverage many organizations cannot afford to go without.

Recent Scandals and Settlements

Recent child abuse lawsuits have resulted in massive settlements, bringing this issue to the attention of both the public and to insurance companies.

According to [Reuters](#), more than 82,000 abuse claims have been filed against The Boy Scouts of America, and a \$2.7 billion settlement is being considered, making this the largest sexual abuse settlement in history.

It may be the biggest, but it's not the only huge scandal of its kind. According to the [New York Times](#), hundreds of female gymnasts were abused by Lawrence G. Nassar, the former national gymnastics team doctor. A \$380 million settlement has been reached.

New Statute of Limitations

The Crimes against Children Research Center at the [University of New Hampshire](#) found that the number of child sexual abuse cases reported to the authorities increased by 6% between 2017 and 2018. This is the first time the number of cases had increased in 15 years.

Abuse victims often stay silent. However, recent social movements have encouraged victims to speak out. Perhaps even more importantly, recent legislative changes have given childhood abuse victims the opportunity to file lawsuits years later as adults.

According to [Child USA](#), data from the Department of Justice indicates that 86% of child sexual abuse cases are not reported. When cases are reported, it is usually years later, when the victim is an adult. The average age of reporting is 52. By this time, the statute of limitations has usually expired.

However, this is changing. A report by the [Office of Legislative Research](#) in Connecticut found that at least 28 states have passed laws modifying the civil statute of limitations for child sexual abuse claims. Some of these laws eliminate the statute of limitations entirely, while others extend or revive the period in which victims can file a claim.

[U.S. News](#) says that the Boy Scouts were inundated with sexual abuse lawsuits after several states passed new laws allowing victims to sue over incidents that happened decades prior.

What Types of Businesses Need Coverage?

Sexual abuse insurance coverage is important for a wide range of businesses and nonprofit organizations where abuse could occur. These include:

- **Any organization in the transportation industry.** School buses are especially susceptible to claims, but other buses and vehicles may also benefit from coverage. Drivers can be subject to abuse claims because it is hard to monitor what happens on a bus. Abuse may also come from other passengers while the driver is focused on the road and does not notice.
- **Any organization working with children.** This includes various educational organizations as well as youth organizations and programs.
- **Any organization that provides social services.** These services typically cater to vulnerable individuals, and abuse is unfortunately a possibility.

Helping Organizations Find Suitable Coverage

Some organizations might be tempted to forgo sexual abuse and molestation coverage. However, for organizations with these exposures, coverage can be critical. Although the premiums can be high, the cost of a lawsuit can be much, much higher. Many organizations will go bankrupt if they are hit with a claim and lack coverage.

Furthermore, recent accusations against well-known and respected organizations have made it clear that abuse can and does happen. Coverage provides critical protection, and organizations (and their brokers) should focus on this rather than on the price tag.

Claims can be complicated and sensitive, so it's helpful to work with carriers that specialize in this area. They are skilled in crisis management, claim mitigation and defense, and having a specialist on your side can make all the difference. Sexual abuse and molestation coverage is often offered as an add on to primary coverage. If this coverage is not included as part of a package, you will generally have to go to the E&S market for coverage. There are only half a dozen or so carriers offering this product, but a specialized partner can help guide you.

Underwriting can be strict, and many underwriters are running away from this risk. Additionally, rates are going up. To secure favorable terms, it is important to show that the account is a good risk. This can be done by implementing strong risk management practices and by creating a narrative for the business.

Socius can help you. We know what carriers are looking for, and we can help accounts know which policies and procedures need to be in place. If you need assistance navigating this market, contact Socius for help.



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