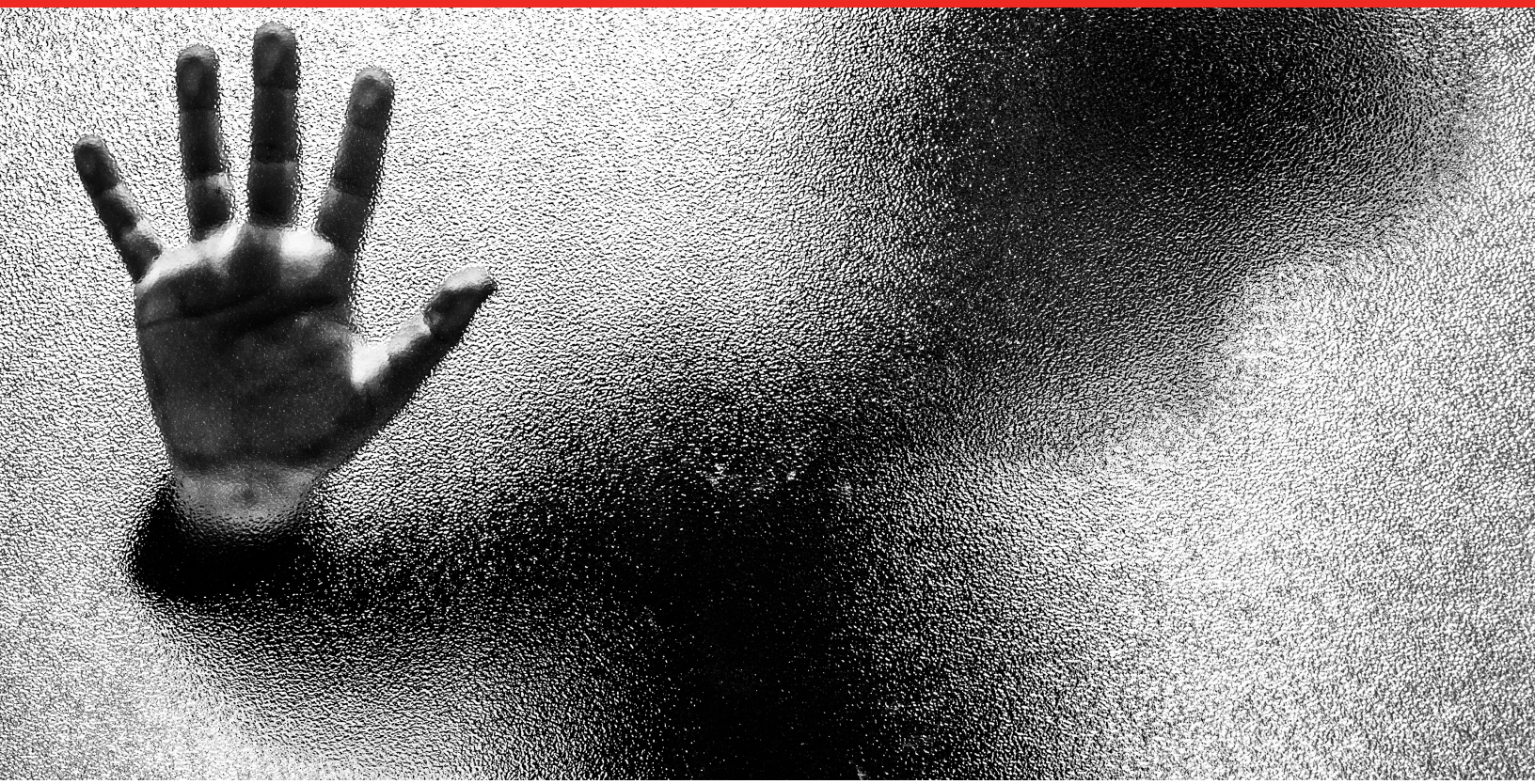
Sexual Abuse and Misconduct Liability



679,000 CHILDREN WERE VICTIMS OF ABUSE IN 2013*

If your clients work with the most vulnerable in schools, care facilities, camps, etc., they need to be aware of their potential liability and how to mitigate the risks.

Entities could be held liable for abuse or misconduct occurring as a result of their business operations, hiring and oversight of staff, as well as the policies and procedures they set and enforce.

Hiscox offers flexible, stand-alone protection, as well as guidance on best practices and protocols for sexual abuse and misconduct risk management.

WHO WE COVER

- Camps.
- Educational institutions.
- Education contractors.
- Social services.
- Transportation.
- Any service-based business with exposure to allegations of abuse or misconduct against their clients.

Religious organizations are not currently considered.

* U.S. Department of Health and Human Services: Administration for Children & Families. Child Maltreatment 2013. www.acf.hhs.gov/programs/cb/resource/child-maltreatment-2013

HISCOX PRO™

CLAIMS SCENARIOS

NANNY REFERRAL SERVICE

A nanny is provided to a family with young children. The referral service assures they background check and vet all candidates. The family suspects sexual misconduct by the nanny and sues both the nanny and the service for negligent screening.



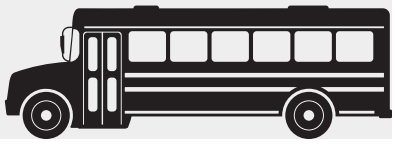
YOUTH SUMMER CAMP

A children's day camp employs counselors to manage the daily activities of the campers. One of the counselors was found engaged in inappropriate contact with a camper, and the camp director and parents were notified. The parents decided to hold the camp liable for mental and physical injuries to their child.



SCHOOL BUS COMPANY

A bus company contracts with a school to transport students, including special needs children. The company is accused of negligent hiring and failure to monitor their drivers after a driver is accused of sexual misconduct with a vulnerable student.



COMMUNITY OUTREACH PROGRAM

A community outreach program provides day programs and counseling to developmentally disabled adults. After a physical exam, one of the clients reveals signs of likely abuse. The outreach program is contacted by an attorney to release all records of who has been in contact with the client.



COVERAGE HIGHLIGHTS

- Coverage afforded on a claims-made and reported basis.
- Duty to defend.
- Typical limits offered – $1m per claim and $1m aggregate with higher limits considered.
- Minimum premium $10k.
- Defense and indemnity costs.
- Broad definition of insured (includes employees, volunteers, independent contractors).
- Physical abuse included in definition of sexual abuse and misconduct.
- Final adjudication language with respect to individual insureds.
- Incident trigger of claims.
- Deductible and limit apply per claim (rather than per claimant) for related claims.
- No exclusion for claims that arise from client versus client abuse in base form.
- Purchased as stand-alone or with general liability.

HELP YOUR CLIENT MITIGATE RISK

CONTRACT REQUIREMENTS

Did you know that many large counties automatically include contract provisions requiring abuse coverage? If a contractor is in any way exposed to minors or vulnerable parties, ensure he or she understands what coverage is necessary. Below are examples of county-specific contract requirements.

LOS ANGELES COUNTY CALIFORNIA	MARICOPA COUNTY ARIZONA	SAN DIEGO CALIFORNIA	KING WASHINGTON
Abuse coverage requirement:			
Insurance covering actual or alleged claims for sexual misconduct and/ or molestation. Limits of no less than $2m per claim and $2m aggregate for claims of negligent employment, investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of abuse, molestation, harassment, mistreatment, or maltreatment of a sexual nature.	$1m minimum limit per occurrence.	Not required by code, however most contracts required if provider engages directly with minors, limits are not specified, but requirement falls within PL ($1m/$2m limit) requirement.	Not required by code, however many Washington cities issued RFPs that required abuse coverage.
Requirement applies to:			
Contract work involving care or supervision of children, seniors and other vulnerable persons. This may include: —— childcare —— foster care —— group homes —— emergency shelters —— medical and/or mental healthcare service delivery —— residential treatment —— mentoring —— schools camp operations —— school bus transport —— school bus transport —— security services.	Contractors whose services include working with and/or caring for children, elderly, and disabled persons (policies should be specifically endorsed).	—— Forensic lab —— Senior mentoring —— Ambulance —— Community support services —— All health and human services (hhsa) contractors.	—— Architect remodeling community center —— Audit and tax preparation if any contact with minors or vulnerable adults —— Private security services —— Concessions vendor.

Any entity that has contact with vulnerable parties is at risk of abuse claims even with the best risk management policies and procedures in place.

ALLEGATIONS IN THE NEWS

Entities can be held financially liable for abuse alleged against their staff, whether contracted or employed. While not all civil abuse cases go to trial, these are cases where either a jury decided that a significant financial penalty was warranted, due to failure in management on the part of the entity, or a settlement was reached.

ALLEGATION	DEFENDANT	COUNTY	VALUE
Student versus student abuse in the course of mentoring program.	Boys and Girls Clubs of Huntington Valley	Orange County, California	$1.4m jury verdict
Sexual abuse of a student by a school bus driver.	Lodi Unified School District	San Joaquin, California	$4.75m settlement
Maintenance person assaults disabled resident of apartment complex.	River Ridge of Canton LP	Fulton, Georgia	$2.5m jury verdict
Student versus student assault on a school bus.	Palm Beach County school board	Palm Beach, Florida	$1.7m jury verdict

RISK MANAGEMENT

Best practices and protocols for abuse risk management include:

- background checks performed on all employees, contractors, and volunteers
- sex abuse registry checks of all staff is ideal
- written policy/procedures specific to abuse prevention
- regular abuse prevention training for staff
- zero-tolerance policy for abuse/misconduct related incidents
- policies in place governing protocol or allowance of one-on-one encounters.



WHY HISCOX?

- Exceptional customer service with the ability to provide same-day turnaround on most quotes and binds.
- Competitive pricing with reasonable deductibles.
- Specialist underwriters backed by a responsive claims management team and support staff.

CONTACT YOUR LOCAL UNDERWRITER

Northeast	Northwest	Southeast	Southwest	Midwest
646 452 2353	415 814 1455	404 410 2800	213 412 1210	312 380 5555

www.hiscoxbroker.com/contact-us

HISCOX | encourage courage®

This broker communication is for preliminary informational purposes only. The exact coverage afforded by the products described herein is subject to and governed by the terms and conditions of each policy issued. This information may not be used to modify any policy that might be issued. Coverage is made available through Hiscox Inc. d/b/a Hiscox Insurance Agency in CA, which is licensed in all states. The products described are underwritten by Hiscox syndicates at Lloyd's of London, and are available only on a surplus lines basis through licensed surplus lines brokers. The publication and delivery of this information is not intended to be a solicitation by Lloyd's for the purchase of insurance on any US risk. 15177 11/15