



QUADRANT INSURANCE MANAGERS

COMPASS REPORT

October 2014

Topic: Sexual Misconduct Liability--SML

Sexual abuse & molestation is a growing problem and affects a wide range of businesses beyond religious institutions. Employers look to their General Liability policies for Sexual Abuse & Molestation (SML) coverage, however coverage is often sub-limited or excluded entirely.

The headlines are appalling, the cases are heart wrenching and the potential risk is real.

\$1.4M verdict awarded against the Boys and Girls Club of Huntington Valley after a male student was sexually assaulted by another male student.

\$250k settlement for rape of mentally disabled girl at a SC rehabilitation and treatment center.

\$4.5M settlement for student molestation. A SC elementary school music teacher was found guilty of molesting at least nine students.

\$250k settlement from a CT military academy for rape of a 14 year old boy. According to the suit, the school was negligent in placing the perpetrator in a position of power.

\$2.5M settlement paid for rape of a disabled patient by a WA state employed nurse. It was argued that the state agency knew about previous sexual misconduct involving the nurse.

Targeted Classes

- Religious Organizations
Archdioceses, Churches, Parishes & Sunday Schools
- Educational Institutions
Colleges, Universities, Schools, Day Care Facilities
- Counseling Services
- Transportation
School Buses, Non-Emergency Medical Transports
- Healthcare Organizations
Assisted Living Facilities, Clinics, Hospitals, Group Homes
- Recreation Centers
Spas, Health Clubs, Museums, Day Camps, & Outdoor Activity Companies
- Non-Profits
Social Services, Charities, Foster Care, Mentoring Programs

One option for your clients to consider is a Stand-alone Sexual Misconduct Policy.

Your clients may not be aware that they have this coverage option.

An increasing number of sexual abuse claims have been made against colleges, universities, and other institutions. In 2011, the Penn State scandal involving their former football coach who was accused of abusing minors, rocked the nation.

Any institution that has contact with minors or with persons who are physically or emotionally impaired is exposed to potential liability for sexual misconduct. An employer may be held legally liable in cases of SML.

Typical claims might be based upon breach of fiduciary duty, negligent hire, negligent supervision, vicarious liability, and hostile work environment and failure to warn or report the abuse.

Contact Quadrant with questions or submissions for our stand-alone SML product.

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