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Article

The Growing Risk of Sexual Misconduct Liability in Healthcare

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In recent years, the risk of Sexual Misconduct Liability ("SML") has become a growing concern for healthcare providers. As the frequency and severity of SML claims increases, providers (most notably for hospitals and health systems) need to consider whether their existing insurance coverage (including limits) is sufficient to protect them against these risks. At the same time, Professional Liability and General Liability insurers are increasingly debating whether they can, or should, maintain coverage for this sector. Healthcare insureds should therefore explore the availability and security of standalone SML insurance coverage.

The Healthcare Risk

Many of the largest recent SML settlements and awards have related to the provision of healthcare.

- During 2024, a behavioral health provider had almost $900M awarded against it[1]
- In November, an Illinois hospital system announced it had settled sexual abuse claims involving an OB/GYN doctor for $453M[2].
- In May, in another OB-GYN case involving several hospital defendants, an additional $750M settlement was agreed, bringing the settlement total to just short of $1BN[3].
- In September and October, separate lawsuits seeking a combined $250M were filed alleging sexual abuse of multiple patients by a nurse at a Detroit hospital[4] .

To illustrate the inflation in settlement values in recent years, the case of a Delaware pediatrician convicted in relation to the abuse of around 900 minor patients settled in 2012 for $123M[5].

Healthcare involves a high level of proximity, vulnerability, and physical interaction, which can be exploited to perpetrate abuse. This can be compounded by the higher level of trust and confidence that is often placed in healthcare professionals. Medical staff have committed sexual abuse in circumstances where they have persuaded patients, or their caregivers, that a particular approach or procedure is necessary, or they have used a patient's incapacity as an opportunity. Given the volume of patients an individual healthcare provider can interact with, and the fact that many staff are credentialled for several facilities, the potential scale of abuse and the number of victims can be very high. It is essential that healthcare facilities have robust and effective policies and procedures in place to mitigate against the risk of sexual abuse occurring, such as chaperone policies for vulnerable patient categories, and staff that are trained to spot and report any signs or concerns of abuse. While hospitals are often the focus of discussions around SML for healthcare, sexual abuse can occur in any setting, including long term care, clinics and transportation providers.

Intensifying debate

At the end of last year, for the first time, we started to see public questioning by medical professional liability (re)insurers (including captives) and brokers of whether this exposure should continue to be underwritten by them. One Press commentary piece asked the question "Is it even possible to underwrite [SML] exposure? Are we approaching the point at which [SML] will be completely excluded from medical professional liability programs?".[6] There have been other developments reflecting this trend e.g. in 2024, the Utah Supreme Court ruled that sexual assault by a doctor was not healthcare and should therefore not constitute medical malpractice.[7]

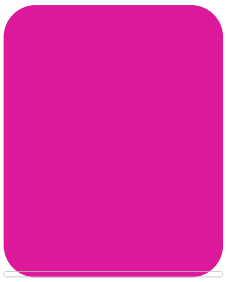
While sexual abuse is a more prominent issue across different categories of healthcare provision, hospitals and healthcare systems are arguably seeing the greatest impact. This is often ascribable to the volume of patients that individual practitioners treat [often across multiple facilities] and the consequently higher number of potential victims. Hospitals also present a unique set of risk management challenges, given the complexity of their organisation, personnel and practice structures. While many sexual abuse cases involving hospitals have concerned OB-GYN practitioners, this should not lead to complacency that the risk is somehow less or negligible for other specialisms. Within the last few years, in New York City alone, there have been high profile cases involving urology and gastroenterology doctors. There is also a risk of sexual abuse being perpetrated by nursing and ancillary staff members, as well as other patients and members of the public visiting a facility.

We expect this debate to intensify and for medical liability insurers to reduce their coverage for SML incidents, or, indeed, remove it altogether. Healthcare providers (and their brokers) should therefore explore the options available for standalone SML coverage with sufficient limits. It is also worth adding that we are seeing a similar dynamic with General Liability insurers, where they are also looking to diminish or eliminate their SML exposure.

Looking forward

Considering this changing environment, Healthcare providers (and their brokers) should explore the options available for standalone SML coverage with sufficient limits. It is key to partner with insurers who have longstanding experience of this class of business, both from an underwriting and claims perspective, as well as providing access to state of the art prevention and response resources and expertise.

Safeguard, our market-leading standalone SML policy, was designed with this need in mind. The policy offers risk management tools, pre-claim coverage for circumstances, and liability insurance. With the Beazley Safeguard policy, we strive to help organizations create safe environments within their organization. Find out more: **Sexual Misconduct Liability (Safeguard)**



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1 - https://www.healthcaredive.com/news/uhs-damages-child-sexual-abuse-pavilion/728559

2 - https://www.aol.com/endeavor-health-spending-453-million-001600439.html

3 - https://www.theguardian.com/us-news/2025/may/10/robert-hadden-sexual-assault-columbia-university-gynecologist

4 - https://www.cbsnews.com/detroit/news/150-million-lawsuit-filed-against-former-sinai-grace-nurse

5 - https://www.twincities.com/2012/11/19/123m-settlement-approved-in-del-child-abuse-case/

6 - https://www.captiveinternational.com/sexual-abuse-and-molestation-are-we-at-a-crossroads-with-respect-to-coverage

7 - https://utahnewsdispatch.com/briefs/supreme-court-ruling-utah-ob-gyn-sexual-assault-allegations

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