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Industry Insights

The first hour: The value of expertise in the moments following an incident of abuse

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Allegations of sexual abuse are some of the most serious accusations an organization can face. According to the latest available data, 57,963 cases of child sexual abuse were reported to the Department of Health and Human Services in 2020[1] – the equivalent of one case of abuse every 9 minutes[2]. While many entities believe they are immune from this risk, the reality is that it is more prevalent than realized.

We can decrease the prevalence of child abuse by understanding and addressing the factors that put people at risk. There are too many survivors living with the trauma of abuse who were let down by the organizations who had a duty to protect them. An organization's failure to act upon red flags and downplaying reports of concerning behavior can have a catastrophic impact.

Additionally, how leadership responds, or fails to respond, in the first hours following an allegation of abuse will have an impact on an organization, and most importantly the victim. Inaction or a mishandled response can cause serious long-term harm to your mission, finances, brand and reputation, while compounding the victim's trauma.

If an allegation of abuse is made, do you know how your organization would respond in those crucial first hours, days and weeks? Do you have the experience and resources at hand to respond to and coordinate a thorough and well-coordinated response?

Being Prepared

First and foremost, organizations should focus on preventing instances of sexual abuse within their organization by building a culture which focusses on child safety. However, many may fall short in empowering employees and volunteers to take action when they notice a breach of child protection protocols, or are informed about an allegation of abuse.

Some may not see it as their responsibility to report breaches of protocols, or may be concerned about voicing concerns about behavior in case they are wrong. Everyone plays a role in helping prevent abuse, this extends to escalating breaches of child protection policies as well as allegations of abuse. As many acts occur away from the workplace the culture of child safety must extend to creating an atmosphere where all individuals, including children and their families, can raise concerns and they have the confidence they will be investigated.

Supporting the Victim

Upon learning of an incident or allegation of abuse, an organization's highest priority, after fulfilling mandatory reporting requirements, should be communicating with the victim's family and ensuring they are provided with any support they may need. This includes offering counselling and support to minimize the disruption to the victim's social and educational development. The opportunity to support the victim may be short lived as once a lawyer is retained by the victim's family, it is unlikely they will be open to communication with your organization.

Stakeholder Communication

There will be a pressing need for organizations to address the concerns of its many stakeholders. This includes employees, the community, and families of other children in your care who will be wondering if their child is also a victim. A stakeholder communication plan will ensure the right messages are delivered to the right stakeholder groups, at the right time. Insensitive communications, incorrect communications, or a breach of confidentiality can easily compound the abuse in the eyes of victims, their families, the public, and potentially the courts.

Investigation and Legal Representation

While the police will investigate any criminal behavior to determine whether a crime will be prosecuted, an organization's interests and theirs are not aligned. There will be questions which an organization will need to answer which may form the basis of civil litigation, such as:

- Were there any prior red flags which were not reported or acted upon?
- When was the suspected abuse first reported and to whom?
- What action was taken to protect the victim?
- Were there breaches of child safety protocols or a failure to enforce them?
- Were there any failings by leadership in recruitment or in the supervision of employees/volunteers?

Providing answers to these questions should be coordinated through legal counsel to invoke attorney-client privilege and ensure that evidence is preserved for any civil litigation which is likely to follow.

Moreover, what is learned during the investigation will inform decision making and communications in the hours, days and weeks that follow. It will also inform changes to policies and procedures to reduce the risk that something like this could ever happen again.

If lawsuits are filed, some organizations may be surprised to find that

their insurance policy does not provide coverage for acts of molestation or abuse. Due to a deteriorating claims environment, many commercial general liability insurers are now excluding coverage or impose a sublimit, which may be insufficient to cover the defense costs and damages should claims be made.

Importance of Expertise

Having access to expertise in the first minutes and hours following a report of abuse is crucial in assisting with the coordination of the response. An organization that waits until they are faced with reports of abuse, before determining who they will engage to help, will be at an obvious disadvantage.

Having access to an experienced crisis responder helps preserve valuable time and will reduce costs incurred by an organization. Incidents of abuse, and the allegations that surround them, are complex and highly sensitive. Senior leadership will benefit from support in making key decisions from experienced crisis responders at a time when their emotional response can lead to sub-optimal outcomes.

The human, reputational and financial impacts of an allegation or act of sexual abuse can be mitigated within the first hours and days, but only if the response handled correctly. Insurance with advanced risk management – specifically those policies which are designed to help clients respond effectively when such an event occurs – can prove invaluable in the hours following an accusation of abuse.

About the authors:

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Olivia is a Claims Manager on the Cyber and Executive Risk team at Beazley and leads the Sexual Misconduct Liability claims team. She is based out of the San Francisco office and has been with Beazley for over five years. Prior to joining Beazley, Olivia practiced law with a national law firm for eight years where she specialized in commercial litigation, as well as insurance coverage and litigation. Olivia obtained her J.D. from Washington University in St. Louis and her bachelor’s degree in International Studies from Middlebury College.

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Nisar is a Production Underwriter - DWP & Safeguard, in the US. He joined Beazley in 2022 and has over 7 years experience in the North American (re)insurance market, specializing in the Casualty line of business. Prior to joining Beazley he worked for Intact Insurance, Chubb, Gen Re, and Donyati. Nisar has a BBA from Wilfrid Laurier University in Waterloo, Ontario and an MBA from Quinlan School of Business at Loyola University Chicago.

1 Child Maltreatment 2020, US Department of Health and Human Services (2022)

2 525,600 minutes in a year divided by 57,963 recorded cases of abuse in a year equals 9.07

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