

Article

Beazley Safeguard: What you need to know

The protection of children and vulnerable adults is the responsibility of those entrusted with their care - particularly in organisations whose employees or volunteers interact frequently with them. An allegation of abuse, whether founded or unfounded, can have potentially disastrous consequences for the affected organisation and its staff and customers. Perceptions of unsafe environments, insensitivity, delayed response or mishandling can easily compound the error in the eyes of alleged survivors, their families, the public and, potentially, the courts.

However, abuse can be preventable if we understand and address the factors that put people at risk. It's important for organisations who face such risks to implement appropriate risk management and proactive crisis response services, as well as effective insurance in case of an incident - that's where Beazley Safeguard comes into play.

Creating safer environments with cover and prevention

Beazley Safeguard is a service-led solution designed to help clients minimise the risk of abuse within their organisation, and to respond effectively if an event occurs. Total immunity from risk is impossible, but effective risk management can reduce it substantially, while reinforcing an organisation's commitment to the highest standards of safety and supervision.

We've been working with organisations for 20 years and have learned that a prompt and appropriate response is critical to resolving an emotionally charged situation effectively.

Beazley Safeguard protects businesses through both prevention and response services.

Prevention Services

This includes access to a dedicated risk management website by Praesidium. This is a risk management firm with over

Response Services

Our offering means that our experts are consultative partners to help insureds work through all situations - not just the crisis situations.

two decades of experience helping organisations reduce the risk of sexual abuse through the likes of helplines, model policies, background screening, selection toolkits, online abuse prevention training, a dedicated phone advice service and foundational webinars.

However, the crisis response includes deploying experts to support an insured through the initial crisis period with legal services, counselling, financial help, investigatory services and dedicated reputational damage control.

Why is this cover important?

Increasing settlements

Australia is climbing the ranks of the most litigious countries in the world, and settlements for sexual abuse cases are increasing significantly in frequency and value. Organisations can find themselves exposed without appropriate cover, leading to potentially disastrous reputational and financial outcomes.

There were several major settlements in recent years, including a \$2.4M [settlement in early 2024](#) in relation to abuse at a Tasmanian Anglican Church, a [\\$5.9M settlement](#) paid by a football club, and a \$3.3M [settlement in late 2023](#) paid by a Catholic Church.

Changing legal and regulatory landscape

In the middle of the last decade, a Royal Commission investigated historic abuse allegations, resulting in the Commonwealth redress scheme, whose features include a minimum compensation of AUD\$10k, and maximum of AUD\$150k, as well as providing victims with monetary payment, psychological support, and counselling. To support this, Australian Federal Government, National Office for Child Safety, announced the National Strategy for preventing and responding to child sexual abuse 2021 - 2030. This seeks to reduce the risk, extent and impact of child sexual abuse in Australia.

Victoria has introduced legislation requiring all non-governmental organisations, that are funded by the Victorian Government who supervise, or have authority over a child to be adequately insured against child sexual abuse. We expect this to be mirrored into other states.¹

Policy exclusions mean specialist cover is important

In addition to the regulatory changes, since the 1980s, most insurers in Australia have excluded Sexual Abuse cover from their policies, or reduced limits, leading to dedicated cover becoming increasingly important. Even if the broader policy were to cover it, a large settlement could lead to significant erosion or exhaustion of the coverage that a business may have.

Many businesses believe that their commercial general liability, employment practices liability, professional liability or directors and officers insurance will cover sexual molestation instances. However, many insurers may deny coverage on the basis that the alleged acts of abuse fall outside of the specifications of the policy.

These types of cover typically respond only on presentation of a claim for damages and will not typically include prevention or crisis response services. All Safeguard policyholders have access to a suite of risk management services to help prevent and detect abuse as well as to highly experienced firms to assist with response services.

With the reduction of sexual molestation liability coverage by general liability carriers, standalone sexual molestation liability cover is becoming more desirable to ensure that a business's balance sheets are protected, and to avoid erosion of any broader coverage.

Insurance market retraction

The influx of claims since the royal commission into child sexual abuse has led to a major insurance market retraction, leaving some organisations without cover for abuse claims. Several providers have pulled out of certain sectors when it comes to sexual molestation liability, mainly due to the high-risk nature of those certain sectors resulting in unviable pricing. In some states, the government has even had to broker temporary deals to offer indemnity for child abuse claims.

It's important to consider these factors when choosing a provider. Choosing a carrier with strong global experience in this space is key to ensuring a long term and more secure relationship.

The bottom line

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 is 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 or instance of abuse.

Beazley Safeguard is designed to help clients reduce the risk of abuse within their organisation, but also to respond effectively if an incident does occur. Alongside advanced insurance coverage, it provides critical prevention and crisis response services as standard, reducing the risk of such incidents occurring in the first place and responding quickly and appropriately when they do.

1- Commonwealth redress scheme

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