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Article

Supporting the education sector in addressing sexual misconduct risk

From hiring practices, the use of third parties, and the impact of social media and AI, the education sector is increasingly vulnerable to the risk of sexual misconduct. Felt most keenly amongst education providers, such as daycares, public and private schools, colleges and universities, it is essential that leaders in this sector provide themselves, staff, student bodies and other stakeholders with a full understanding of exposures and responsibilities. They must further seek out the most current and effective risk management and risk transfer tools to safeguard those under their care.

Understanding the risks

Education providers often face allegations of negligent hiring or supervision, with claims of inadequate background checks, ignored "red flags," or failure to follow proper procedures.

And the risk and responsibilities extends beyond those hired for the classrooms, to ancillary staff such as security guards, sports coaches, transportation workers and contractors. Such roles are crucial in the functioning of educational institutions, but they often take place away from core areas such as busy classrooms, heightening the risk and opportunity of isolation and abuse.

And we have seen such incidences. In January 2025, a Nevadan school district settled claims of sexual abuse of two special educational needs students by a school bus driver for just less than $10M, having previously settled similar claims for a further $18M.

The issue of negligent hiring was raised before the Minnesota Supreme Court in March 2025, which determined that a charter school could be found liable for hiring a teacher with a previous dismissal for sexual abuse, where references had not been obtained and contacted prior to being offered employment.

In recent years, we have also seen a growing concern amongst education bodies about risks associated with third parties. For instance, contractors coming on site to deal with building or maintenance, or outside parties using facilities for leisure activities. This concern has been reflected by many school districts, municipalities, states and universities introducing mandatory insurance requirements to address this exposure, with third parties obliged to purchase cover (often on a standalone basis and with specified limits) and we see an increasing demand for cover from such contractors.

The online world is also adding new dimensions to an already highly complex risk environment. After the Covid pandemic, there has been a shift to, and a greater acceptance of, education being provided remotely, with online tutoring growing significantly. We anticipate that this trend will only increase, with one estimate that the sector in the US will grow by $50BN between 2025-291.

However, bringing education online introduces new risks, creating challenges regarding the identification of abuse and misconduct. For example, in March 2025, a middle school gym teacher in Delaware was arrested for sending explicit messages and images to an 8th grader2.

We have also seen the use of AI in the perpetration of abuse, with the tool being used to create ‘deepfake’ images, further adding complexity to the risk the education sector faces.

The evolving insurance market

The consequences of abuse can be devastating. Yet as the risk rises, the insurance solutions have narrowed and we have seen a reduction in limits or sublimits offered by the professional liability and general liability market and sometimes complete elimination of limits.

This is in part due to the large and often record settlements for Sexual Misconduct Liability (SML). For example, last year, there was a record public school settlement of $3.5M for a single plaintiff claim in Oregon, involving allegations of sexual abuse perpetrated by a high school teacher and coach3. In 2022, a daycare provider in Washington State settled sexual abuse claims for $25M, described as one of the largest in that state’s history4.

There are also concerns about the cumulative impact of lawsuits and consequent awards/settlements. In January 2025, a state agency supporting Californian schools estimated that they collectively face between $2BN-$3BN in potential liabilities for sexual abuse5. In the same month, a small school district on Long Island announced that it was taking out an $11.5M commercial loan to help fund a sexual abuse settlement, since it felt it had no alternative funding options6.

One driver of heightened concern and awareness is the ongoing impact of so-called reviver statutes, under which limitation periods for bringing civil claims for sexual abuse are lengthened significantly, or, indeed, done away with altogether, as well as the rolling back of so-called sovereign immunity laws, which can protect public entities against civil liability.

This leaves the education sector increasingly vulnerable and exposed. Considering the changing and heightening risk environment, education

providers and their brokers should explore standalone SML coverage, with prevention and response resources alongside expertise and sufficient limits.

Total immunity from risk is impossible, but effective risk mitigation can lead to safer environments for all. And should the worst happen, the nature and speed of the response is everything. Building a culture of safety requires time and effort, but standalone SML insurance can support educators in fulfilling their duty of care.

Beazley Safeguard, Beazley's 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.

1-https://www.prnewswire.com/news-releases/online-tutoring-services-market-in-the-us-to-grow-by-usd-50-29-billion-from-2025-2029--boosted-by-flexibility-with-ai-impact-on-market-trends---technavio-302371176.html

2-https://www.nbcphiladelphia.com/news/local/police-del-middle-school-gym-teacher-arrested-sent-8th-grader-sexual-texts/4141890

3 https://www.opb.org/article/2024/03/15/st-helens-oregon-sexual-abuse-oregon-public-school-coach-kyle-wroblewski-lawsuit-settlement

4 https://www.pcva.law/news/25m-settlement-reached-in-olympia-early-learning-center-sex-abuse-lawsuit

5- https://www.fcmat.org/PublicationsReports/child-sexual-assault-fiscal-implications-report.pdf

6-https://tbrnewsmedia.com/port-jeff-boe-unveils-plan-to-tackle-child-sexual-abuse-settlement

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