

A photograph of two young children, likely of Hispanic or Latino descent, holding their hands up in front of their faces. The child on the left is smiling and looking down at their hands, while the child on the right is also smiling and looking down. Their hands are positioned so that their fingers are spread out, creating a frame around their faces. The background is a soft, out-of-focus outdoor setting with greenery and a bright sky. The image is used as a background for the slide, with a dark teal header and footer.

Arizona Head Start Association Board Meeting

Who We Are

Among the 100 largest independent brokerages in the U.S.

Established in 1915

Employee-owned

200 employees

Offices in nine states

Property & Casualty > Employee Benefits > Risk Management



Why Do Business With Us

- A trusted advisor.
- We help ensure your coverage meets complicated and ever-changing state, federal and grant-giving entity requirements.
- We'll provide customized, mandated trainings for you and your staff.
- We've helped protect hundreds of millions of dollars in assets at some of the largest human service providers, charitable organizations and community foundations where we operate.
- Ours is a service timetable that puts accountability above all else.





Human Services Practice

- Collectively insure over 150 Human Service organizations in Arizona.
- Insure more IDD employees than any agency in the state.
- Members of AAPPD and the Arizona Council of Human Service Providers.
- Members of Assurex Global Non-Profit Group.

Who We Serve

Human services providers

Foster-care providers

Group homes

Food banks

Head start Providers

Family, child and youth service agencies

Behavioral health service providers

Intellectual disability service providers



Abuse in America: Child Abuse

- A report of [child abuse](#) is made every 10 seconds; (American Society for the Positive Care of Children)
- 1 in 3 girls and 1 in 7 boys will be sexually assaulted by the time they reach 18; (Department of Justice)
- More than 4 children die each day because of child abuse; (U.S. Department of Health and Human Services)
- More than 90 percent of child sexual abuse victims know their attacker; (“Sexual Assault of Young Children as Reported to Law Enforcement” by Howard Snyder)
- Approximately 70 percent of children that die from abuse are under the age of 4; (U.S. Department of Health and Human Services)
- **About 30 percent of abused and neglected children will later abuse their own children, continuing the cycle of violence; (U.S. Department of Health and Human Services)**

Insurance Payouts

USC & USA Gymnastics

\$1 billion payout for the USA Gymnastics case.

University of Michigan

Larry Nassar case & \$600M payout.

How did this happen? Dr. Nasser was the expert in his space and not questioned.

Penn State University

Jerry Sandusky, \$500M

How did this happen? “It couldn’t happen here!”

Hacienda Healthcare

\$15 Million dollar settlement against the doctor overseeing care in this case, Hacienda is still negotiating.

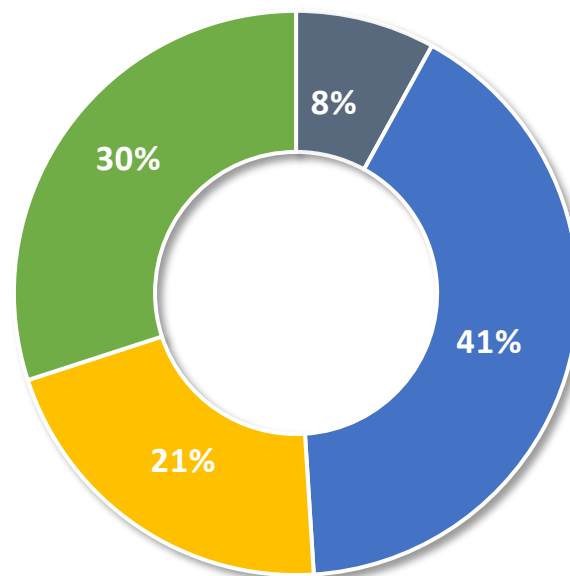
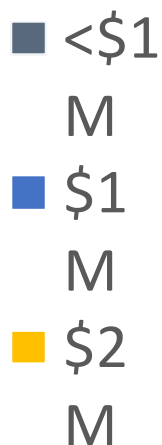
Church

Jury awards \$2.28 billion to victim of abuse involving the Church.

Abuse and Molestation

Data sets were collected from 153 organizations.

Abuse and Molestation Limits



153 non-profit organizations in our survey, or over 60 percent of respondents, reported purchasing abuse and molestation coverage. 41 percent of those purchasing the coverage bought a \$1 million limit. 8 percent purchased less than \$1 million (most likely a standard sublimit within their professional liability policy), 21 percent purchased \$2 million, and 30 percent purchased \$3 million or more of coverage.

When compared to the limits of professional liability insurance purchased, it appears that the non-profit organizations purchase somewhat lower limits for a abuse and molestation than for overall professional liability insurance.

What can be done?

Awareness

- **Background checks & Fingerprint Cards**
- Don't be afraid to ask the question; situational awareness
- Interview questions
- Situational awareness

Training

- Mandatory Incident Reporting
- Abuse and neglect training
- Now mandated by the state of Arizona for DD providers
- Engage third party trainer
- Use Resources
 - Insurance Company
 - Insurance advisor
 - State

Accountability

- Who is responsible for having the hard conversations? What are your protocols?
- Handbook with abuse prevention language.
- Is leadership involved
- What is our culture around abuse

Our approach

Prevention Training

- Our safety professionals are approved by the state of Arizona to provide abuse and neglect training.
- Last year, we trained 622 employees for 14 organizations.
- Helped return \$155,500 back to those organizations.

Risk Analysis

- We create policies and procedures for your organization to make sure your training matches your policies.
- We also can provide certificates of abuse and neglect completion to satisfy your regulatory agency.

Insurance

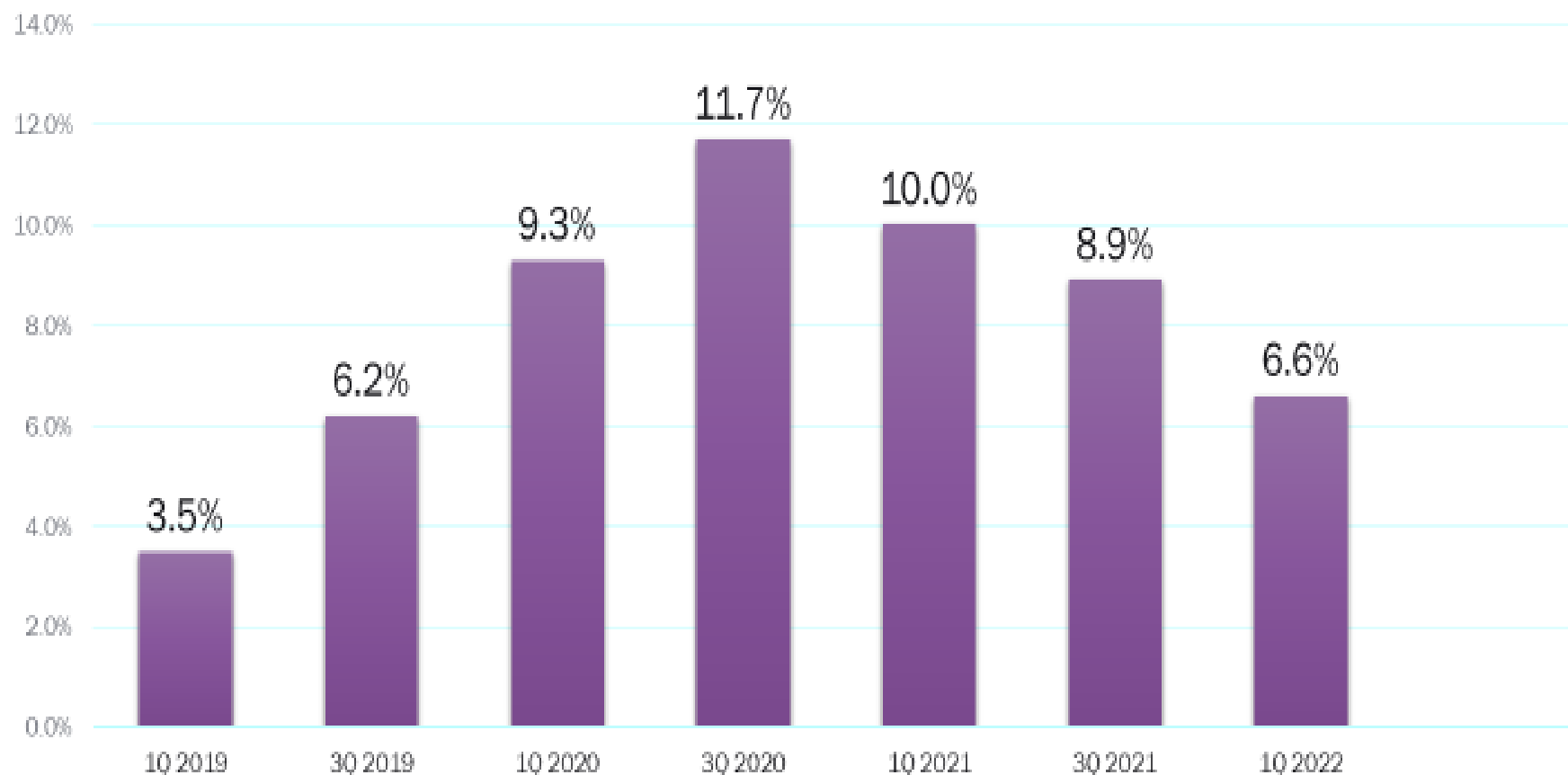
- Relationships and data are what provide the best results when trying to secure abuse coverage.
- More markets are sublimating abuse or not offering it at all.
- We share with underwriting the measure you take to prevent abuse which results in better outcomes for you and the carriers.

Insurance Market Analysis: What's Driving Rate Increases?

- Catastrophic Losses
- Extreme Weather
- Social Inflation
- Auto accidents
- Mixed Investment Returns
- Inflation
- Cost of Reinsurance

In one of the longest soft markets in recent years, businesses enjoyed stable premiums and expanded terms of coverage for a period of about 13 years from 2005-2018. That ended in early 2019.

Average Rate Increases, 2019-2021



■ Source: Council of Insurance Agents and Brokers

5 Key Components of a Successful Risk Management Strategy

- Pinpoint your exposures and cost drivers
- Identify the best loss control solutions to address your risks
- Create a solid business continuity plan to account for disasters and other unpredictable risks
- Build a culture focused on safety
- Manage claims efficiently to keep costs down

