The WSRMP Story

• 4 years ago...

• 48 million in equity
• 98% confidence level

...and then....
Sex Abuse Claim Count

53% increase

Sex Abuse Claim Count

Total Cost of Closed Sex Abuse Claims per year

191 claims

293 claims

172K  234K  894K  868K  3M  3.4M  8.2M  8.1M

Year Closed

Sex Abuse Claim Cost

Total Cost of Closed Sex Abuse Claims for each 4 year period

- 952% increase
- 2010 - 14: 2.17M
- 2014 - 18: 22.82M

2015-2018

- 53% increase in claim count
- 952% in claim costs
- Drop from $48M in equity to $16M in equity
- Drop in confidence level from 98% to 85%
- Still met state solvency thresholds
- WSRMP Executive Board instituted a 40% premium increase in 2018
How is WSRMP Doing Now?

- Improvement to equity all four quarters of 2018 and Q1 in 2019
- Equity has increased to $22.5M
- Now standing at 90% Confidence Level – meeting Board Target
- Assets are at $98.9M
- Actuarial results

Multi-Pronged Approach

- Coverage
- Data Driven
- Underwriting
- Claims Handling
- Risk Prevention
- SAPAC
- Care Team Model
- National/State Wide Collaboration
Coverage

- Deemer clause
- Anti-stacking language
- One occurrence regardless of the number of events
- Employee/youth vs. youth/youth language
- Proposing counseling coverage

Underwriting

- Raised limits from $20M to $40M
- Maintain long-term relations with reinsurers
- Created “Casualty Consortium”
Underwriting

2017-18 contribution: 40% increase

Future Pricing:
- Monitor member loss ratios
- Review incentives/consequences
- Consider long-term recommendations for rates/program structure
- Stability concerns for member budgeting

Data-Driven

- Strong data-driven approach
- Analyze data at pool/member level
- Confirmed problem was SAM claims
- Shared claim trends
Sex Abuse Claim Type

$7M TOTAL INCURRED
30 SAM Claims

Elementary School
20 claimants SpEd
$1.2 M TOTAL INCURRED
9 SAM Claims

Jr. High / Middle School
2 claimants SpEd

$3M TOTAL INCURRED
17 SAM Claims

High School
1 claimant SpEd
Claims Handling

Reserves

• Intense training by national law firm
• All open SAM files re-reviewed/profiled
• Reserve check list created
• Tiers
• Data base
• Statistical reserve created

Reserve Checklist: Part I

• Age at time of the abuse/at time of the claim
• Claimant’s attorney, if any
• Section 504 student/what accommodations
• Was student in special education
• Type of abuse (i.e. fondling)
• Frequency of abuse
Reserve Checklist: Part II

• Relationship to the claimant (i.e. teacher/fellow student)
• Location of abuse (if off campus, was the event school sanctioned)
• Social self-isolation
• Difficulty in relationships
• Grades/attendance
• Sexual acting out

Reserve Checklist: Part III

• Sexual orientation issues
• Drug/alcohol use
• Mental health issues such as depression, anxiety, PTSD, OCD, suicidal ideations
• Issues with authority/criminal activity
• Claimant’s support or early therapeutic intervention
Reserve Checklist: Part IV

- Other abuse/injuries or life stressors
- Supervision issues by the district
- Notice/mandatory reporting failures
- Gender/age differentials
- Credibility of version of events
- Other-not cookie cutter

Claims Handling

Specialized support

- Investigation panel
- Monitoring attorney panel
- Mediators
- Experts
- Adjusters- Round tabling claims
Claims Handling

Claims Prevention Measures

• Immediate reporting
• Specialized attorney
• Early empathic contact by District leader
• Offer of counseling
• Safety plans-door to door
• Planned follow up
• District audit of safety plans

Claims Handling

Claim Mitigation – Pre-Litigation

• Exchange of key discovery
• Informal interview of student/family
• Early mediation
• Fair settlements/low legal costs
Risk Prevention

• 3 members = 47% of SAM claims
• 14 members had SAM claims in excess of 1 million total incurred
• 53 members had elevated SAM claim loss ratios
• Developed customized action plans (MBR) for these members

Risk Prevention

• Developing micro-learning series for staff, students and families
• Regional trainings
• Newsletter articles
• Guest speakers
• Books provided to membership
• Anonymous reporting tools
SAPAC

Sex Abuse Prevention Advisory Committee

• WSRMP staff
• High volume SAM claim members
• SAM attorneys
• SAM investigators
• SAM psychologist

SAPAC

Goals:

• Create the Care Team Model
• Identify strategies to disrupt/prevent sexual abuse
• Interview vendors, products and tools
• Identify members to pilot strategies and report back on progress
• Meet with State representatives
Care Team Model Objectives

- Offer apology
- Express concern/offer assistance
- Careful language choices
- Student/family counseling sessions (6)
- Optimistic recidivism statistics
- Create Safety Plan with student/family input
- Establish follow up schedule

National/State-wide Collaboration

- AGRIP
- WSSDA state policies
- OPP misconduct investigations/“pass the trash” laws
- State-wide pools approach to keep kids safe
- Tell our story with legislators utilizing the Liability Reform Coalition
Tool Kit

- WSRMP Annual Report
- Care Team Model
- SAPAC Charter
- Coverage: Deemer language
- Coverage: Anti-stacking language
- Coverage: One occurrence language

Tool Kit

- Claims: Reserves Checklist
- Claims: SAM Attorney Panel List
- Loss Prevention: Member Benefit Review sample
- Loss Prevention: RAS Resource List
- Loss Prevention: SAM Trainings
- Other: WSRMP Newsletter Articles on SAM
Tool Kit

Outside Resources

Please be mindful of copyrights:

• WSSDA SAM Policies 5253 and 5253P
• *Understanding Children’s Sexual Behaviors*, by Toni Cavanagh Johnson
• *Assessing Student Threats: Implementing Salem-Keizer System*, by John Van Dreal
• *8 Ways to Create Their Fate: Protecting the Sexual Innocence of Children in Youth-Serving Organizations*, by Diane Cranely

The WSRMP story...This is why...
QUESTIONS?

THANK YOU