

Coverage Team Successfully Protects Insurer from Covering Sexual Abuse Claims Against School Teacher

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The White and Williams Insurance Coverage team succeeded in arguing that its insurance company client owed no coverage to a high school teacher relating to claims of sexual abuse against one of his students. The underlying suit, filed in 2013, alleges that Matthew Stevens, a high school band teacher for the Lakeland Area School District, committed sexual misconduct with one of his minor students.

Old Republic Insurance Company (Old Republic) agreed to provide a defense to Mr. Stevens but later, after he pled guilty to certain acts, retained White and Williams to prosecute a declaratory judgment action seeking permission to withdraw from the defense. Old Republic argued that Mr. Stevens was not an insured under the School District's policy as his acts occurred outside the scope of his employment for the School District. Old Republic also argued that its policy did not cover Mr. Stevens' acts, which, under Pennsylvania's inferred intent rule, are deemed intentional as they involved the alleged sexual abuse of a minor.

A Pennsylvania judge in Lackawanna County agreed with Old Republic and rejected the minor claimant's arguments that the abuse occurred within the scope of Mr. Stevens' duties for the School District, ruling, in part, that the acts of sexual abuse were not within the scope of employment for the School District. The court also rejected the claimant's arguments that the policy's provisions were ambiguous, holding instead that the policy's intentional acts exclusion, bodily injury and emotional distress exclusion, and the assault and battery exclusion all barred coverage to Mr. Stevens. As such, the court agreed that the insurance company is not responsible for covering any of the claims asserted against Mr. Stevens in the underlying suit.

White and Williams lawyers Anthony Miscioscia and Alex Hammershaimb represented Old Republic Insurance Company.

