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INSURANCE LAW BLOG

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Middle District of Florida Finds No Coverage for Travel Agency for Abuse and Bullying Claims

BY: Sarah Wilkins

In *Insoft v. Steadfast Ins. Co.*, 2025 U.S. Dist. LEXIS 47571 (M.D. Fla. Mar. 17, 2025), Steadfast Insurance Company ("Steadfast") insured Sonshine Education Tours, Inc. ("Sonshine"), a travel agency, under a Travel Agents and Tour Operators Professional Liability Policy. Sonshine was named in a lawsuit, amongst other defendants, in which it was alleged that a minor child suffered bullying and sexual abuse by other classmates while attending an overnight school trip. Sonshine tendered its defense and indemnity to Steadfast. Steadfast denied coverage based on the sexual abuse exclusion in its policy, which provided as follows:

> **II. EXCLUSIONS**
>
> This policy does not apply to…
>
> FF. Any Claim or Suit based upon or arising, in whole or in part, out of any:
>
> 1. Alleged, actual or threatened Sexual Abuse or Sexual Harassment by anyone of any person;
>
> 2. The negligent employment, investigation, or supervision of any person who causes or commits or is alleged to have caused or committed Sexual Abuse or Sexual Harassment….

Sonshine subsequently entered into a settlement agreement with the minor child's parents, assigning all of its interests in the Steadfast policy to them. The minor child's parents, in turn, filed suit against Steadfast, alleging breach of contract for Steadfast's refusal to extend coverage to Sonshine.

Upon the parties' cross motions for summary judgment on the issue of Steadfast's duty to defend Sonshine, the Court began its analysis noting that the coverage case "begins and ends with whether the sexual abuse exclusion in Steadfast's insurance policy relieved Steadfast of any duty to defend Sonshine" against the claims. Steadfast argued that its exclusion clearly and unequivocally applied based on the exclusion's plain language and the fact that the claim arose from sexual abuse.

Plaintiffs, on the other hand, argued that portions of the underlying lawsuit not only alleged sexual abuse, but also bullying, mental abuse, embarrassment, and physical abuse. In support of their argument, the plaintiffs relied upon Guideone Elite Ins. Co. v. Old Cutler Presbyterian Church, Inc., 420 F.3d 1317 (11th Cir. 2005). In Guideone, a mother and her children were abducted from a church parking lot. The perpetrator committed both sexual crimes against the family, as well as non-sexual crimes. The church's policy contained an exclusion for sexual misconduct. The 11th Circuit Court of Appeals, however, held that the exclusion did not clearly apply to injuries arising from the non-sexual crimes, such as kidnapping and robbery.

The Middle District rejected the plaintiffs' reliance on GuideOne, finding that the sexual abuse exclusion contained in the Steadfast policy was broader in nature:

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> Unlike Guideone's focus on discrete acts and injuries of either a sexual or non-sexual nature, Steadfast's exclusion applies to "[a]ny claim or suit . . . arising, in whole or in part, out of any alleged, actual or threatened sexual abuse[.]" Dkt. 24-2 at 9 (emphasis added). Plaintiffs' lawsuit against Sonshine plainly arose at least in part out of alleged sexual abuse. It is therefore not covered, and the Court may not "rewrite contracts, add meaning that is not present, or otherwise reach results contrary to the intentions of the parties."

(quoting *Swire Pac. Holdings, Inc. v. Zurich Ins. Co.*, 845 So. 2d 161, 165 (Fla. 2003)

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