LAW360 Insurance Authority

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World Cup Spotlights Human Trafficking Coverage Disputes

By **Eli Flesch**

Law360 (June 11, 2026, 5:21 PM EDT) -- Warnings that criminals use the World Cup and other major international events as an opportunity for human trafficking are putting a spotlight on high-stakes disputes over whether businesses are owed commercial general liability coverage if they're accused of benefiting from trafficking.

Julián Quinones of Mexico (right), lunges for the ball during a FIFA World Cup match against South Africa on Thursday in Mexico City. Large international events such as the World Cup can provide opportunities for human trafficking. (Photo by Tom Weller/picture-alliance/dpa/AP Images)

Policyholders have tended to fare better than insurance companies in recent legal decisions, with some federal courts concluding that the inclusion of negligence claims in underlying suits can qualify them for coverage under general liability policies.

Insurance experts say those decisions suggest that insurers could adjust their policies to limit their exposure to trafficking claims.

A U.S. government warning last month urging financial institutions to be vigilant of human trafficking during the World Cup could also have coverage implications in potential disputes connected to the tournament.

"We're seeing more courts that are finding that standard CGL policies and standard exclusions that are often raised in CGL policies don't preclude coverage for trafficking claims, or at least a duty to defend," said Joseph K. Cole, a Shumaker Loop & Kendrick LLP policyholder attorney who has advised on trafficking claim coverage matters.

Two federal decisions last year — in Peerless Indemnity Insurance Co. v. Tilma Inc. and Liberty Mutual Fire Insurance Co. v. Red Roof Inns Inc. — have better positioned businesses with standard policies to receive trafficking claim coverage.

On Thursday, the Eleventh Circuit refused to allow Northfield Insurance Co. to intervene in a suit against a Georgia motel ordered to pay $40 million for its role in allowing sex trafficking on its premises. The appeals court said the insurer waited too long to make an attempt to intervene, and could still "litigate its position concerning the coverage disputes in the separate, and ongoing" suit over coverage and policy limits.

Policyholder attorneys are also hopeful that a suit in the Supreme Court of Pennsylvania could help establish that trafficking claims made under the Trafficking Victims Protection Reauthorization Act are insurable.

That law allows trafficking victims to seek civil restitution from entities like hotels and banks alleged to have benefited from trafficking, provided the victims can show the benefit and that a defendant knew or should have known about the trafficking.

The Pennsylvania dispute, Samsung et al. v. RI Settlement Trust et al. , stems from insurers Samsung Fire & Marine Insurance Co. Ltd. and Harleysville Preferred Insurance Co. and their bid for a declaration that they should not have to cover the owners of the Roosevelt Inn.

That effort came after four victims of sex trafficking sued the owners of the Philadelphia motel, alleging the business ignored signs they were being exploited.

A federal district judge concluded the insurers didn't have a duty to defend the claim, saying in March 2023 that it goes against Pennsylvania public policy to provide coverage for losses attributable to particularly harmful criminal conduct.

On appeal, the Third Circuit in 2024 sent the case to the state's top court to decide if Pennsylvania laws against profiting from sex trafficking met the public policy criteria.

The Supreme Court of Pennsylvania is still considering the TVPRA matter. At a 2025 hearing, one justice seemed wary of creating a "slippery slope" by expanding instances when insurers don't need to cover conduct that goes against public policy.

Claims made under the TVPRA have surged in the 20 years since federal lawmakers passed the law, according to a 2024 report by the Human Trafficking Legal Center, a Washington, D.C., advocacy group focused on trafficking and forced labor.

Tae Andrews, a policyholder attorney with Calfee Halter & Griswold LLP, said the cause of action permitted by the TVPRA represents a significant source of legal risk for businesses that operate in the construction, technology and hospitality sectors.

"That's why it's so important and good that the case law has developed to the point where most of the underlying TVPRA claims are in fact covered, which is definitely a boon for policyholders," Andrews told Law360 Insurance Authority.

Andrew Agati, a policyholder attorney with Taft Stettinius & Hollister LLP, said that pro-policyholder case law might already be less relevant because insurance companies are changing their policy language to account for trafficking-related risks.

Among the modifications available to Insurers are changing exclusions for abuse and molestation risks to preclude coverage for human trafficking claims. Trafficking cases tied to the World Cup could also incentivize policy changes, he said.

While an exclusion limiting coverage for human trafficking claims has been drafted by the Insurance Services Office — a company that helps standardize policy language — experts say limits for claims specifically made under the TVPRA could be forthcoming as insurers respond to court losses.

Speaking on the Samsung matter, Agati told Law360 that the law around coverage for trafficking claims is still developing, and that courts could come to different conclusions on the relevance of public policy to coverage.

"It may be that every state ultimately ends up saying public policy doesn't preclude coverage in this instance since the people that are seeking coverage are not the perpetrators — they're sort of once, twice removed, if you will," Agati said.

Insurers have argued that the CGL coverage they've provided to businesses was never meant to cover allegations that businesses benefited from a criminal enterprise.

Liberty Mutual, in the Red Roof Inns matter, said the hotel chain was responsible for allowing sex trafficking at a Philadelphia motel. Liberty took the position that the chain unjustly profited from the money Liberty Mutual put toward defending the underlying cases.

In an interview with Law360, Michael A. Hamilton, a carrier-side attorney with Goldberg Segalla LLP, noted that the U.S. Department of the Treasury's Financial Crimes Enforcement Network specifically addressed the threat of human trafficking during the World Cup.

"While human trafficking is an ever-present threat in the United States, major events such as the 2026 FIFA World Cup can create a concentrated demand for licit and illicit services, including commercial sex acts and involuntary servitude, resulting in increased vulnerability for human trafficking," the network said in a May 11 notice.

The notice, which contained 10 specific red flags that the government says banks should be on the lookout for, could put extra pressure on businesses to ensure that they are employing anti-trafficking practices.

Hamilton said such a notice could come into play during coverage disputes down the road, especially with respect to exclusions over violations a policyholder should know about.

He expects to see more insurance coverage decisions on trafficking issues as underlying sex and human trafficking litigation proliferates in the U.S.

Other experts have said that the notice could also create compliance challenges beyond banks as litigants cite the notice as a reason businesses should have been aware of the trafficking risk.

"Some of the allegations really go towards knowing intentional conduct by an insured, so that could implicate whether there is an occurrence under the insuring agreement of the policy," Hamilton said.

"In addition to that, there are exclusions that inevitably come to light, with respect to these claims, such as a criminal acts exclusion or an expected or intended exclusion."

--Additional reporting by Chris Villani, Jennifer Mandato and Matthew Santoni. Editing by Bruce Goldman.