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California again resurrects stale sexual assault claims

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California's new AB 250 reopens the door for time-barred sexual assault claims, giving plaintiffs a two-year window starting Jan. 1, 2026, to revive old cases -- exposing private employers (but not public entities) to renewed liability for alleged "cover ups" through past confidentiality or nondisclosure agreements.

California employers, brace yourselves. With Governor Gavin Newsom's signature on Assembly Bill 250 (AB 250), the clock has been reset on sexual assault claims that were long since barred by statutes of limitation. Beginning Jan. 1, 2026, a two-year window has been opened, permitting the filing of lawsuits under section 340.16 of the California Code of Civil Procedure ("Section 340.16") -- a statute that allows plaintiffs to "revive" time-barred sexual assault claims from years ago. The statute also revives any "related claims," including claims for wrongful termination and sexual harassment. Section 340.16(e)(6).

AB 250 revives not only old claims but also old risks. While public entities have been spared this time, private employers face a fresh wave of potential liability unless they act now to shore up their confidentiality practices, review past agreements and strengthen compliance measures.

In its short life, Section 340.16 already has lived many lives, having been amended no fewer than four times in less than seven years. The latest such revision is AB 250, which Gov. Newsom signed into law on Oct. 13, 2025. AB 250's most important change to existing law is that it creates a new revival window for otherwise time-barred claims if filed between Jan. 1, 2026, and Dec. 31, 2027. California attorneys working in this space will vividly remember the flood of filings a couple of years ago from plaintiffs rushing to file before the previous Dec. 31, 2023. Employers should prepare for a similar rush of claims once the clock strikes midnight this coming New Year's.

Notably, AB 250 also adds language to the statute, clarifying that it does *not* revive claims against public entities. This language is no doubt a response to the highly publicized, crushing financial burden that similar "revivals" under Section 340.1 of the Code of Civil Procedure -- a companion statute to Section 340.16 regarding childhood sexual assaults -- have placed on public entities such as school districts and foster-care facilities.

Los Angeles County recently agreed to pay a whopping $828 million to settle claims of decades-old alleged childhood sexual abuse in county-run facilities. This agreement was on the heels of a previous $4 billion settlement that the County agreed to pay for similar claims. This settlement has come under increased scrutiny by recent allegations of fraudulent sex-abuse claims solicited by "recruiters" approaching prospective claimants.

While not a change to existing law, AB 250 further reaffirms Section 340.16's requirement that a plaintiff seeking to revive claims under this statute must allege that the defendant or its agents "engaged in a cover up or attempted a cover up" of previous sexual assault -- even if the previous alleged assault involved completely different individuals than those implicated by the allegations in the revived lawsuit.

While Section 340.16 generally leaves open to interpretation what constitutes a "cover up" of past incidents of sexual assault, it does expressly identify some common and (until now) rather non-nefarious practices, including: "the use of nondisclosure agreements or confidentiality agreements," concerning past allegations of sexual misconduct. It doesn't seem to matter that such agreements were perfectly legal at the time they were executed.

As 2026 hurtles toward us, what should private employers do to protect themselves against lawsuits revived under AB 250? While there is no panacea, some commonsense steps include:

1. **Revise form confidentiality and non-disclosure provisions**. Whether in settlement agreements, clickwrap contracts or standard onboarding paperwork, inserting confidentiality and non-disclosure provisions to protect an employer's intellectual property and reputation is common across industries. However, if these provisions do not include carve outs for a signatory's ability to report sexual harassment or assault, they may come back to haunt you as evidence of a purported "cover up."

2. **Audit previous settlement agreements**. If feasible, a review of past sexual harassment/assault release agreements that contain strict confidentiality or broad non-disparagement provisions may be beneficial to identify and prepare for possible revived lawsuits concerning other claims against the same individual(s) or from the same time period.

3. **Review third-party relationships**. Plaintiffs' lawyers like nothing better than to sue a virtual string-cite of defendant entities bearing only a faint connection with the plaintiff's actual employer, including contractors and third-party vendors. For any vendor or other business partner whose employees spend any material amount of time interacting with your own people, consider asking them to review their own confidentiality and NDA provisions to ensure compliance -- and to make sure that another organization's practices don't land you in hot water along with them.

4. **Implement and enforce a document-retention policy**. While this is generally good practice for all litigation matters, how long an organization holds on to documents and communications (whether digital or hard copy) becomes of particular importance when dealing with suddenly "revived" claims that may concern alleged events from decades ago. If any company does not already have a policy that clearly states the circumstances under which documents are and are not preserved, now is the time to draft one. After all, there's no guarantee that the California legislature and the governor won't revive even more claims the next time the mood strikes them.

5. **Strengthen training and policies**. Even though Section 340.16 has been the law for several years now, its "cover up" requirement is not broadly known or understood. Companies should update manager-level trainings to include a brief discussion of what kind of "cover up" behavior could trigger Section 340.16 and what those consequences could be. Where appropriate, corresponding revisions to anti-harassment and -retaliation policies may also be beneficial.

6. **Promptly investigate any complaints**. If it's not already a regular practice, companies must get into the habit of promptly and thoroughly investigating complaints of sexual harassment and assault to avoid any appearance of concealment or ratification. Engaging a third-party investigator to handle such investigations may further demonstrate independence and a commitment to prevent further incidents.

The bottom line is that AB 250 materially extends the liability time horizon for private employers in California in cases of alleged sexual assault, particularly where past practices that were perfectly legal and relatively innocuous at the time can now be reframed as concealment or a "cover up." Organizations that act now -- tightening investigations, revising confidentiality practices and reinforcing governance -- will be better positioned both to prevent harm and to defend against what may be another onslaught of revived claims at some point in the future.

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