



Allianz Australia Insurance Limited
ACN 000 122 850 ABN 15 000 122 850

8th January 2015

Mr Christian Mathis
Uniting Church in Australia Property Trust
c/o Chris Nelson
Willis Australia Limited
Sydney NSW 2000

Via email: nelsoncb@willis.com

Dear Sir

Insured:	Uniting Church in Australia re Knox Grammar School
Third Party Claimants:	ATF
Policy no:	960966596 PLP ("the Policy")
Our Reference:	1/960040379 L16

We refer to your request for reconsideration which is undated but received some time after 14 October 2014.

We understand the basis of your request for reconsideration is as follows:

1. The relevant facts which might give rise to a claim must be known to the insured, or facts which the insured was aware.
2. Mr Patterson retired in 1998 and therefore his knowledge cannot be imputed to the school when Allianz came on risk in 1999.
3. When Allianz came on risk in April 1999 Dr Paterson was not a servant or agent of the school let alone UCA.
4. There is no other person identified by Allianz who has the requisite knowledge or awareness who was a servant or agent of the school or UCA as at policy inception.
5. Even if there was some corporate knowledge of UCA, those matters were stale at the time of policy inception in April 1999.
6. Even if the matters were disclosable, Exclusion 7 is likely to be held void pursuant to section 33 of the Insurance Contracts Act, and no prejudice would have been suffered by the failure to report the matters the subject of the Pearson report in 2004 as the 2004/2005 policy would have responded.
7. The matters contained in the Pearson report in 2004 were not disclosable as they were ancient history.

We respond to your submission, adopting your numbering, as follows:

1. The relevant facts were known to the insured via a number of sources other than the Pearson report. For example, Mr Thomas had knowledge about Mr Treloar as at the date of policy inception, as did Mr Cannon. Allianz's position is that the information

gained in preparation of the Pearson report should have been disclosed prior to the initial policy inception, the details of which are outlined in our correspondence of 19 May 2014. The preparation of the Pearson report was only one of the facts which should have been disclosed.

2. Firstly, we disagree with the submission that it is necessary for Allianz to establish that the contents of the Pearson Report were known to a relevant person at the Uniting Church. The term "Insured" is defined in the 2008/2009 policy to include schools, so we say it is the knowledge of Knox College that is relevant, not just the knowledge of the Uniting Church. Secondly, we understand Mr Paterson retired purely because he had reached retirement age, not because of death, ill health or a dispute with the school. Even if Mr Patterson retired in 1998, the insured had a duty to enquire of Mr Patterson whether there was any material that needed disclosure to new insurers, particularly in circumstances where the new Headmaster was not familiar with the school and its history. Finally, Mr Paterson was not the only person at the school with the relevant knowledge in 1999. The school had knowledge of relevant matters through other teachers still employed by the school in 1999.
3. Refer to our response at point 2 above.
4. Refer to our response at point 1 and 2 above.
5. Whilst the Pearson report may not have existed as at the date of policy inception, there was clearly knowledge of its existence and its contents by staff other than Dr Paterson, such as Mr Cannon and others.
6. There were a number of reportable facts which occurred after 1986 including the incident involving Mr Treloar in 1988, the complaint about Mr Vance in 1989, a complaint about Mr Treloar in 1989, and a complaint about Mr Nisbett in 1990. Further, Mr Treloar's misconduct was specifically referred to by Mr Paterson in his record of interview with LKA Risk Services. Any of these events could have given rise to claims, and eventually did.
7. It is not our position that only the Pearson report should have been disclosed to insurers, as there were a number of other incidents that should have been disclosed in 1999. We further refer to our response at point 6 above.

Allianz therefore maintains its position as outlined in correspondence dated 19 May 2014 that there were many facts and circumstances known to senior personnel of Knox College that should have been disclosed before Allianz came on risk in 1999.

Allianz continues to reserve all of its rights under the policy and at law with regard to this claim and reserves its rights with regard to any and all other claims regarding the sexual misconduct of teachers at Knox College.

You are entitled to request copies of information about you that Allianz has relied upon in assessing your claim. If Allianz is unable to release this information, we will provide you a detailed reason for our decision.

If you are still dissatisfied with our decision, we offer a formal complaints handling system under our Internal Dispute Resolution Guidelines which you are entitled to access. Under this system, this matter and our decision to decline indemnity can be reviewed by a different employee who has appropriate experience, knowledge and authority.

If you wish to have this matter reviewed under this system, the first step is to contact the National Technical Manager for Liability Claims, Marcella Germanos, using the following contact details:

Phone: (02) 8258 6212
Fax: (02) 9266 7998
Mail: Marcella Germanos
Allianz Australia Insurance Limited
GPO Box 4049
Sydney NSW 2001
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This information is provided subject to your compliance with the provisions of the Privacy Act 1988 (Cth). Please quote our reference number in all future correspondence on this matter. Please contact me for further information.

Yours faithfully,



Jocelyn Flanagan
National Liability Claims Manager
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