

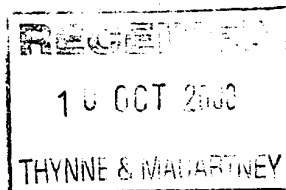
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# Professional Standards Risk Management Service

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4<sup>th</sup> October 2000

**Mr John Moore**  
**Thynne and Macartney**  
**GPO Box 245**  
**Brisbane**  
**QLD 4001**

Dear John,

## Liability Insurance – Archdiocese of Brisbane

I would refer to your several letters, dated 20<sup>th</sup> September 2000, addressed to Catholic Church Insurances Limited (CCI), in which you describe the current state of play regarding a number of claims against the Archdiocese of Brisbane, in respect of which CCI has said indemnity will be provided under a liability insurance policy.

For sake of good record, I agreed during our telephone conversation today, to set out for you the basis upon which the liability cover held by the Archdiocese stands.

Prior to 1960 no liability insurance was in force. From 31<sup>st</sup> March 1960 through to 31<sup>st</sup> March 1970, the Archdiocese held cover with the Queensland Insurance Company Limited, one of the companies which forms part of the present QBE Group. QBE acknowledges that indemnity must be provided to persons holding liability policies issued by the former company, subject of course to the terms and conditions of those policies.

From 31<sup>st</sup> March 1970 to the present day the Archdiocese has held policies of liability insurance issued by Catholic Church Insurances Limited.

Claims for damages arising from sexual abuse by clergy were first notified in significant number in the early 1990's. Virtually all claims related to events which occurred many years previously, at a time when there was either no insurance in force or the limits of liability provided by such insurances as did exist, were minimal.

Accordingly, CCI offered to entities of the Catholic Church, a form of liability insurance, designed to provide indemnity only in respect claims arising out of criminal sexual abuse. The cover was arranged on a "claims made" basis.

Indemnity is provided only in circumstances where there was no insurance in force at the time, or, there being a policy in force indemnity is not available, the sum insured has been exhausted by other claims or the sum insured is found inadequate to provide for the relevant claim.

Entitled "Ethical Standards Liability Insurance" (ETL Policy), the cover issued from 1<sup>st</sup> July 1991 and continued in force until 1st July 1995, with an extended notification period of three months to 30<sup>th</sup> September 1995. The Archdiocese of Brisbane participated in this policy and a number of matters considered likely to give rise to claim were notified to CCI.

In the cases under review, which relate to the former Father Derriman, the events occurred at a time when the policy in force was issued by the Queensland Insurance Company Limited.

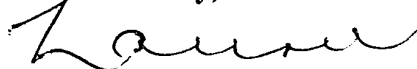
The Vicar General, the Very Rev Dr James Spence had provided, at an appropriate time within the currency of the ETL Policy, notification to CCI of matters relating to Father Derriman.

Notice of the claims presently before us has been given to the successor of the original insurer, QBE. No response has been received from that company.

If it were likely the QBE would provide indemnity, CCI would not be required to respond in terms of the ETL Policy. However, CCI recognises that the Archdiocese has received no response from QBE. Further, from correspondence with that company about other matters related to liability insurances issued in the same wording and at the same time of which we speak here, CCI has learned that QBE does not consider wrongful acts to be covered under the basic liability policies issued by them at that time. It is accepted, then, that indemnity is not otherwise available to the Archdiocese and the ETL Policy will respond.

I have dealt here with the general principles involved. In the response to each claim CCI will advise of other conditions, as may be applicable, relating to deductible excesses and retroactive dates.

Yours sincerely,



Laurie Rolls