

**CORRS
CHAMBERS
WESTGARTH**

L A W Y E R S



A0011

1 September 2003

Partner

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Ms Libby Swift
Claims Solicitor
QBE Management Services
GPO Box 4886
SYDNEY NSW 2001

Our reference

JPC/BRIS2923-7545873

Your reference

Q2517

Dear Madam

BRISBANE GRAMMAR SCHOOL SEXUAL ABUSE CLAIMS

Thank you for your letter of 12 August 2003.

In order to expedite the processing of the 6 claims by Brisbane Grammar School in relation to the alleged sexual abuse of past students, we **enclose** the following:

1. Correspondence and documents relating to our client's previous claim for indemnity under professional indemnity insurance with HIH;
2. Records relating to the policy and payment of the FAI policy in force for the periods 1/9/88 – 31/12/88 and 1/1/88 – 31/12/89.

Because the years of cover do not match calendar (and therefore school) years, there are claims where insurers' obligations cover part only of claims. The Statements of Claim state the years of alleged abuse for each plaintiff. The approach we have adopted is to assume the abuse occurred over the period of the school year rather than trying to isolate events to particular dates.

Lynch resigned from the School at the end of 1988, however, he offered to continue seeing students until a replacement counsellor was found. Two plaintiffs, BQS [redacted] and BQS [redacted] alleged abuse occurred in 1989. There is evidence to suggest BQS [redacted] consulted Lynch during school holidays and without contrary evidence it was accepted during mediation that BQS [redacted] was also abused during 1989.

Therefore HIH ought to contribute as follows:

Claims involving 1998 school year: 33%



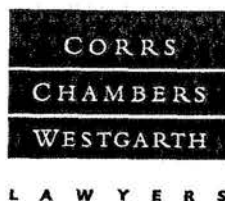
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SYDNEY MELBOURNE BRISBANE PERTH CANBERRA GOLD COAST

OUR LIABILITY IS LIMITED BY THE SOLICITORS SCHEME, APPROVED UNDER THE PROFESSIONAL STANDARDS ACT 1994 (NSW).
THIS LIMITATION OF LIABILITY APPLIES TO CLAIMS THE PROPER LAW OF WHICH IS THE LAW OF NEW SOUTH WALES.

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Claims involving 1989 school year: 100%

The sexual abuse claims in which HIH has an interest, have now settled. We **enclose** for your records the Settlement Agreement and Notice of Discontinuance for the matters.

We **enclose** spreadsheets indicating that the settlement amount includes:

1. Damages as agreed between the parties;
2. Plaintiff's costs which have been agreed in the amount of \$12,00.00 per plaintiff;
3. HIH's contribution calculated accordingly to the extent of liability across each year of alleged abuse.

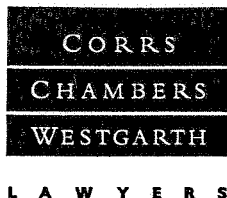
The total amount for each claim is therefore as follows:

Name	Settlement Amount	HIH Contribution
BQS [REDACTED]	\$72,000.00	\$32,000.00
BQS [REDACTED]	\$99,500.00	\$33,166.67
BQS [REDACTED]	\$27,000.00	\$1,800.00
BQS [REDACTED]	\$62,000.00	\$27,555.56
BQS [REDACTED]	\$52,000.00	\$17,333.33
BQS [REDACTED]	\$72,000.00	\$4,800.00
Total	\$384,500.00	\$116,655.56

Defence Costs

The total amount paid for damages and plaintiffs' costs for all Lynch matters was \$3,221,000.00 of which HIH's contribution of \$116,655.56 represents 3.62%. The cost of defending the matters has been agreed with other insurers at \$968,180.43 and paid in their respective percentage proportions of the total. We therefore we request HIH contribute \$35,048.13 being 3.62% of the defence costs.





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The plaintiffs have already received settlement monies and therefore we request, as a matter of urgency, that payment of HIH's contribution be finalised. Please forward a cheque in the sum of \$ 151,703.69 to Corrs Chambers Westgarth trust account at your earliest convenience.

If you have any queries, please contact me.

Yours faithfully

CORRS CHAMBERS WESTGARTH



Julie Cameron
Partner

