


MinterEllison

L A W Y E R S

10 December 2001

WATERFRONT PLACE 1 EAGLE STREET BRISBANE
PO BOX 7844 WATERFRONT PLACE QLD 4001 AUSTRALIA
DX 102 BRISBANE www.minterellison.com
TELEPHONE +61 7 3119 6000 FACSIMILE +61 7 3119 1000

Ms Julie Cameron
Senior Associate
Corrs Chambers Westgarth Lawyers
GPO Box 9925
BRISBANE QLD 4001

Dear Ms Cameron

Our client: American International Group
Your client: Brisbane Grammar School
Claim by BQA & Ors

We have received our client's instructions in relation to your client's claim for indemnity in relation to these claims.

As you will appreciate, significant uncertainty remains as to the precise period that our client may have been on risk with your client and also, the policy wording that may have applied.

Further, the plaintiffs' maintain that various senior members of your client's staff had knowledge of the allegations made against Lynch. We appreciate that these assertions are denied by the relevant individuals but, if they were made out, there may be a non-disclosure issue that arises in the context of your client's claim for indemnity.

Further, on our understanding of the wording that may have applied, it is uncertain whether the claims made against your client fall within the operative provision of the policy.

Finally, it seems probable that there has been a breach of the obligation to notify of claims or circumstances giving rise to claims. This breach may have caused prejudice to our client.

Quite apart from these issues, even if our client was compelled to indemnify your client, on any view of the period that our client was on risk, each claim would involve periods when our client was both on risk and off risk. This would mean that, in the event that indemnity were otherwise in order, the indemnity provided by our client in relation to any particular claim would be incomplete.

In all of the circumstances, our client reserves its rights in relation to any claim for indemnity that may be advanced by your client.

Corrs Chambers Westgarth Lawyers
10 December 2001

2

For the moment, we think the best way of progressing the matter is for you to keep us informed of the progress of the claims and for the issue of indemnity to be reviewed as the claims progress. Please let us know if you have any objection to this course of action or any alternative suggestions as to the management of the claims going forward.

Please advise the present position of the claims.

Yours faithfully

MINTER ELLISON



Contact: Ken Horsley +61 7 3119 6481 ken.horsley@minterellison.com
Our reference: KJH 1436909