

Article – Springfield Diocese settles with its insurance carriers, offers arbitration

The Catholic Observer (Springfield, MA)

July 11, 2008

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SPRINGFIELD – The Diocese of Springfield announced at a July 2 press conference that it will receive a settlement of up to \$8,497,000 from five insurance carriers for coverage of clergy sexual abuse claims.

The diocese and the carriers have agreed to dismiss a lawsuit filed by the diocese in 2005 seeking reimbursement for sexual abuse settlements. The case had been scheduled for a month-long trial this fall in Hampden Superior Court.

The agreement "which has been achieved with the insurance companies after four long years, allows now for some material recompense to survivors of clergy sexual abuse who have been patient and understanding throughout that time," Springfield Bishop Timothy A. McDonnell said in a prepared statement.

Negotiations that led to last week's announcement of a settlement had been ongoing in recent weeks.

Once the deal was ready to be announced, the bishop had already committed to being interviewed by Catholic Television Network in Watertown, Mass. He was represented at the press briefing by Patricia McNamany, diocesan director of counseling services; John J. Eagan, the diocese's principal attorney; and diocesan spokesman Mark E. Dupont.

In his statement, Bishop McDonnell again apologized "to (abuse) victims for what they have suffered. I have kept each one in my prayers daily and will continue to do so."

Under the agreement, \$3.5 million from this settlement with insurance carriers will enable the diocese to recoup some of the \$7.7 million it spent in August 2004 to settle claims brought by 46 individuals claiming abuse by priests and other diocesan personnel.

The companies wrote insurance policies for the diocese from 1969 until 1986, when insurance for sexual misconduct became unavailable. Since some of the alleged abuse occurred before 1969, the insurers have, in effect, agreed to cover most of the settlement costs for alleged abuse which occurred during the periods when they were insuring the diocese.

Up to an additional \$5 million has been set aside by the insurers to settle an additional 61 claims not covered in the 2004 settlement. The diocese and its insurers are now offering "an independent, voluntary arbitration procedure to any sexual abuse claimant who has made a pending, credible claim" by June 2 of this year, according to diocesan officials.

As part of this agreement the settling insurance carriers were not named by the diocese. However a 2007 article in *The Catholic Observer* identified the insurance carriers being sued by the diocese as Travelers Insurance Company, Lloyds of London, Interstate Fire and Casualty, Centennial Insurance and North Star Re-Insurance.

During the lengthy pretrial procedures over the last three years, the insurers had at one stage suggested that claimants would be required to give depositions about their abuse so

that the companies could determine if the church had negligently known beforehand that their employees posed a threat to minors.

The insurers also subpoenaed numerous diocesan officials, the state police and two district attorneys in an effort to find evidence to support their position that the diocese had acted recklessly, and was therefore uninsurable.

But the insurers have now agreed to a less intrusive, independent settlement process that will be conducted by Paul Finn and Brian Mone of Commonwealth Mediation Service in Brockton, Mass.

Commonwealth Mediation is experienced in sexual abuse cases, having mediated several abuse settlements, including the then record-setting 2003 settlement in the Archdiocese of Boston, and the 2004 settlement in Springfield.

The process will begin with a simple screening questionnaire which each possible claimant will be required to fill out. The statement will detail where, when and by whom the alleged abuse occurred. The questionnaire, which many claimants have already completed, is designed to eliminate claims which are inherently non-credible, Egan explained.

“The standard here is very low. It’s designed to eliminate, for instance, a case where someone claims a priest abused him, and the priest was working abroad as a missionary at the time.”

Earlier settlement arrangements in Springfield and Boston did not have a screening process. In an effort to reach global settlements, both dioceses presumed that all claims filed against them were minimally credible, and proceeded to determine compensation amounts based upon information presented during later mediation conferences.

Commonwealth Mediation will award claimants anywhere from a minimum of \$5,000 to a maximum of \$200,000 in settlement funds. Egan said the monetary settlement parameters were set after consultation with Commonwealth Mediation.

The diocese will waive all legal defenses including statute of limitations or charitable immunity, which limits the amount a claimant may receive from a non-profit entity, in settling with anyone participating in the mediation process.

Claimants, who have until July 31 to decide if they want to participate in the mediation program, will attend a hearing conducted by mediators. They will not be subject to questioning by attorneys for the insurers or the diocese.

The mediators will conduct the hearings between August 11 and October 10. Awards will be determined by October 20, and checks will be mailed to claimants by November 20.

McManamy said she was relieved that the victims have the opportunity to have their claims resolved, “without the necessity of the victims' and survivors' having to go through the pain of a trial.”

“I hope that the survivors of clergy abuse will avail themselves of this arbitration process,” McManamy said in prepared remarks. She said victims “very much want to resolve these painful chapters in their lives.”

McManamy told the press gathered, “Some victims have shared their feelings of hope that this will bring about the degree of closure that they want, saying that this shows that the diocese accepts responsibility for the pain that was caused.

“I hope that we will be able to help them work through this and continue to provide services.”

John Stobierski, a Greenfield attorney representing many of the 61 claimants, told WGGB-TV that news of the settlement between the diocese and the insurers was an encouraging development, but he wanted “to see the details to determine if this is an adequate settlement” for his clients.

Egan said that claimants still have the option of going to trial, noting that each case is different. In the event of a trial or trials, the diocese will retain all its legal rights, he noted.

Dupont said that the settlements do not mean that the diocese will no longer assist victims. “This doesn’t mean we will stop walking with these people who have suffered so much in their lives,” he said. “As a church we’re committed, as pastors, as people of Christ, to walk with them and we will continue to do that.”

The settlement announced last week will not cover any sexual abuse claim for acts allegedly occurring after October 1986, when the diocese was either uninsured or self-insured.

Egan said that there have been only four such abuse allegations, only one of which has been submitted to the diocesan review board.
