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## Hartford Diocese Sues Insurer Over Abuse Cases

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When it comes to cases related to priest sexual abuse, Roman Catholic dioceses are usually the defendant. But here's an exception.

Lawyers for the Hartford Roman Catholic Archdiocese have filed suit against Chicago-based Interstate Fire & Casualty Co., alleging that the insurer is failing to honor the terms of seven insurance policies, affecting settlement of four priest abuse cases.

In previous years, when plaintiffs had alleged mental and physical abuse as a result of clergy sex abuse against minors, the archdiocese has settled the matters, paying the first \$200,000 itself. For additional amounts, "Interstate made payments on claims that fell within its policies," according to the lawsuit. However, in the last two years, Interstate has failed to do so, the diocese claims.

The specific cases at issue were brought by plaintiffs "RM" and "Matthew Doe" against priest Ivan Ferguson for conduct in the late 1970s and early 1980s, when the two plaintiffs were boys. A third case, brought by "KS" against priest Stephen Crowley, involved sexual misconduct in 1981 and 1982. Also, the archdiocese was accused of failing to protect the minor "JA" from the sexual misconduct of priest Robert Ladamus in 1985.

The insurance complaint, alleging a lack of good faith and fair dealing by Interstate, was brought by Elizabeth J. Stewart of the New Haven offices of Murtha Cullina, assisted by attorneys Marilyn B. Fagelson and Melissa A. Federico.

"All the plaintiffs have been fully compensated by the Archdiocese," said Stewart. The amount the church is attempting to recoup from Interstate is in excess of \$1 million, she said. "We don't know why they have changed their behavior" in the last two years, Stewart added.

A spokeswoman for Interstate, Suzanne S. Meraz, told the Hartford Courant that Interstate has not yet selected defense counsel for the suit, which was filed Nov. 16. She added that the insurer does not comment on pending litigation.

According to the complaint, as a condition for even considering a claim, Interstate demanded information from the archdiocese's personnel files, in violation of a state privacy law that requires employee permission before personal information can be disclosed. The insurer also wanted the archdiocese to waive its attorney-client privilege, and it asked for new "categories of information" and documents not previously required or called for in the insurance policy, the archdiocese alleges. The seven policies involved were in place between 1978 and 1985.

Connecticut church officials also claim delaying tactics have been used by Interstate against other Catholic dioceses in similar cases, the complaint alleges, offering up the Archdiocese of Seattle, Wash., and the Diocese of Springfield, Mass. as examples. Interstate's failure to respond to claims, and its demands for unnecessary documentation, constitute a violation of Connecticut's Unfair Insurance Practices Act and a deceptive practice under the Connecticut Unfair Trade Practices Act, the complaint alleges.

New London plaintiff's attorney, Robert I. Reardon, who settled four priest child sex abuse cases with the Hartford Archdiocese for \$2.7 million, and currently has another pending, is not involved in the federal case against Interstate. He is, however, familiar with the underlying issues.

"Insurance companies in general are reluctant to pay – we know that," he noted.

When insurers become unreasonably obstructionist, it creates difficulties for more than just the plaintiff. "It becomes difficult on the defense lawyer," said Reardon, "and it also becomes difficult on mediators and judges in trying to settle cases, because of the multiple parties involved in contributing to the settlement."

Reardon said the consequences of delay can be costly for insurers. "Ultimately, this will result in a bad faith lawsuit, which is essentially where they're headed right now. A successful bad faith claim means punitive damages, and a violation of CUTPA. It can be risky business for the insurance company if they want to draw the line in the sand, and refuse to pay by imposing unreasonable prerequisites on the insured." •

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