

Insurer Loses Appeal Over Pedophile-Priest Settlements

JOSH RUSSELL September 19, 2018



MANHATTAN (CN) – The Second Circuit [affirmed](#) Wednesday that an insurer should have indemnified the Hartford Roman Catholic Diocese for its settlements with four victims of pedophile priests from the 1970s and 1980s.

Three priests and four victims are described in the 19-page decision. With regard to two of the priests, Father Robert Ladamus and Father Stephen Crowley, the court notes that it is uncontested that the archdiocese had no notice that the priests posed a risk to children before the assaults in question.

As for the third priest, Father Ivan Ferguson, however, two church pastors at St. Bernard's heard reports in 1978 and 1979 from three different mothers who said that Ferguson had molested their sons.

Ferguson himself put the archdiocese on notice meanwhile when he called the secretary of the archbishop in 1979 to say that he had molested two boys and had an alcohol problem.

Though the archbishop tried to send Ferguson to a rehabilitation center for sexual dysfunction, the ruling notes that the House of Affirmation could not accommodate Ferguson, and that the priest was sent instead to a treatment center for alcoholism.

At this facility, the St. Luke Institute, a priest who served as medical director concluded that alcoholism had triggered Ferguson's pedophilia.



This priest and doctor, Michael Peterson, was a psychiatrist and an assistant professor at Georgetown University Medical School. Stating that Ferguson's treatment for alcoholism had been successful, Peterson recommended to the archbishop that Ferguson return to a teaching assignment.

In July 1979, following inpatient treatment, Ferguson was sent to the Laurelton Hall school for girls, while residing in the rectory of St. Mary's Parish where he served full time as assistant pastor.

The ruling notes that no one at the archdiocese disclosed Ferguson's molestation record, however, when they shared details of his treatment for alcohol abuse.

From the summer of 1981 to the fall of 1982, Ferguson sexually abused a boy identified only as Matthew Doe.

It would be another 26 years before the archdiocese informed its insurer, Interstate Fire & Casualty, that it faced lawsuits from Doe and three other victims, one of whom had been abused by Ferguson at St. Bernard's.

The archdiocese sought reimbursement from Interstate after it reached settlements with the victims, and it filed suit in Connecticut when that request went unanswered.

After a federal judge found that Interstate breached its contract to indemnify, the Second Circuit affirmed Wednesday.

The ruling specifies that only the claim by Matthew Doe has bearing on the indemnity issue "because he is the only claimant as to whom the archdiocese had prior notice of the assailant priest's proclivities before the abuse occurred."

Still indemnity is required, the three-judge appellate panel concluded, because the archdiocese lacked notice that Ferguson would abuse another child.

"We do not question the conclusion ... that the archdiocese was reckless in allowing Fr. Ferguson to reenter a school for boys," U.S. Circuit Dennis Jacobs wrote for the court. "Nevertheless, a subjective standard applies to the Matthew Doe claim. ... Under that

standard, the archdiocese did not intend or expect the injury, given that Archbishop Whealon relied on Fr. Dr. Peterson a psychiatrist who ran a treatment center who opined that treatment of Fr. Ferguson’s alcoholism would allow him to work safely in a school for boys. The archbishop monitored the situation, receiving regular reports on Fr. Ferguson’s status from Fr. Dr. Peterson (and from Fr. Ferguson himself). Thus Archbishop Whealon, and the archdiocese, did not subjectively know that Fr. Ferguson would abuse more children.”

Interstate was represented by Richard Neumeier from Boston firm Morrison Mahoney. The Hartford Roman Catholic Diocesan Corporation was represented by David Friedman of Murtha Cullina in Stamford, Connecticut.

Neither attorney responded to request for comment.

Wednesday’s ruling follows the announcement on Tuesday that the Diocese of Brooklyn reached a historic \$27.5 million settlement for a religion teacher’s sexual abuse of four boys.

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