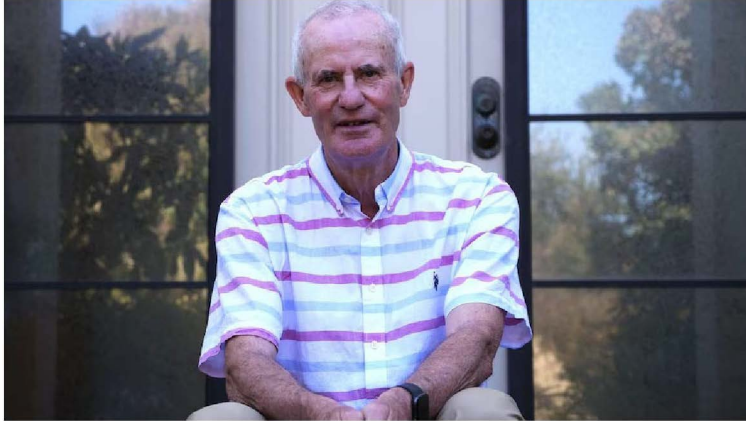




Catholic Church-owned insurer says 'high volume' of abuse claims is putting it out of business

By [Loretta Lohberger](#)

Posted Sun 29 Oct 2023 at 10:29am



Paul O'Halloran says decades of child sexual abuse at a Tasmanian Catholic school has done "unimaginable" damage to the local community. (ABC News: Meg Powell)

Quick read

- The Catholic Church-owned insurance company that insures Catholic organisations is struggling to keep up with demand for payouts relating to historical child sexual abuse.
- The company, established in 1911, stopped issuing new policies in May but says it's still having financial difficulties.
- **What's next?** Catholic organisations need to find insurance elsewhere, but there are concerns they'll struggle to get cover for abuse claims and smaller organisations won't have the money to fund future claims.

Paul O'Halloran went to Marist College in north-west Tasmania the 1960s.

In recent times, he's seen six former staff members from the Burnie Catholic school jailed for historical child sexual abuse.

Allegations have been made against another five, who have since died.

"It's unimaginable, I think, the damage that's been done to this community through the abuse on the scale that it was," said Mr O'Halloran, a former Tasmanian Greens state MP.

Mr O'Halloran and his brother both allege they were abused by priests at Marist.

Since [sharing his story publicly](#), Mr O'Halloran said he had become a "go-to person" for others who alleged they had been abused at the school in the 1960s, '70s and '80s.

He said he had supported several victim-survivors who have sought justice through the civil courts.

"I think they've found some solace going through that process."

Mr O'Halloran said the process gave an important acknowledgement of the abuse.

"In all my dealings with [the] Marist [religious order] around abuse claims, they've acted in good faith."



Marist College in the 1970s. (Supplied: Facebook)



ul O'Halloran is worried about the impact of Catholic Church Insurance ending its operations, and says the church should be ensuring it has the funds it needs to continue erating. (ABC News: Meg Powell)

Insurer challenged by 'high volumes' of abuse claims

There are concerns it will become harder for people with claims of abuse against Catholic institutions to receive payments decided by civil courts.

Catholic Church Insurance (CCI), an insurance company owned by the church that insures Catholic entities, went in to run-off in May, meaning it was not issuing new insurance policies.

The insurer has about 7,000 policies in force. Before entering run-off, it had more than 16,000. Most will end by June next year.

In a letter to policy holders, CCI director Joan Fitzpatrick said:

"The past few years in CCI's history have been continuously challenged by unprecedented demands on capital reserves, in large part due to high volumes of professional standards [abuse] claims."

CCI estimated it had \$381.3 million in liabilities relating to abuse claims.

The national Royal Commission into Institutional Responses to Child Sexual Abuse, which handed down its final report in 2017, found that within the Catholic Church, 1,880 alleged perpetrators of child sexual abuse had been identified.

Ms Fitzpatrick said while CCI was operating in run-off, it "continues to experience financial vulnerability especially as professional standards claims persist".

The board has proposed a legally binding "scheme of agreement".

Under the scheme, if its financial situation worsens further, CCI won't pay abuse claims in full. How much of each claim would be paid would be determined by the scheme's manager, the [embattled consulting giant PwC](#).

The scheme of agreement will be voted on by policyholders on Tuesday. It also needs Federal Court approval.

Calls for church to prop up insurer

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CCI's financial problems have been building since the royal commission. In 2021, 18 CCI shareholders — Catholic dioceses and religious organisations — contributed to the insurance company's funds.

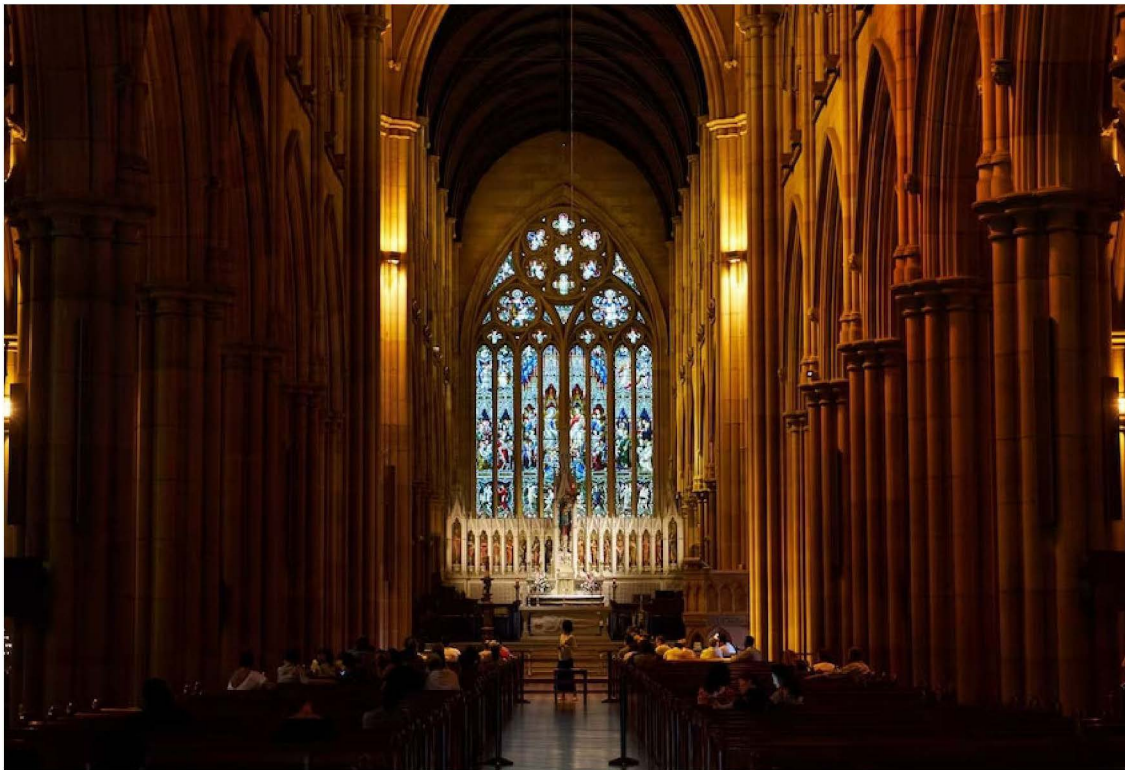
At the time, the Australian Catholic Bishops Conference said the contribution would shore up the church's ability to support victim-survivors.

Sexual assault support services:

- [Sexual Assault Support Service \(Tasmania\)](#): 1800 697 877
- [1800 Respect national helpline](#): 1800 737 732
- [Sexual Assault Counselling Australia](#): 1800 211 028
- [Bravehearts \(support for child sexual abuse survivors\)](#): 1800 272 831

Other helplines:

- [Lifeline \(24-hour crisis line\)](#): 131 114
- [Beyond Blue](#): 1300 224 636
- [Tasmania's Victims of Crime Service](#): 1300 300 238
- [CLAN Care Leavers Australia Network](#) 1800 008 774



Catholic Church Insurance says it sought a capital injection from shareholders, but they had been "unable to contribute". (Getty/Iseo Yang)

A spokesperson for CCI said further capital injections had been sought, "however shareholders have been unable to contribute further capital".

Mr O'Halloran said the church should continue to ensure CCI had enough funds to continue operating and to continue insuring Catholic entities for abuse claims.

"They are an [enormously wealthy organisation the Catholic Church](#) ... so for the Catholic Church to say that they can't afford to meet their liabilities through the Catholic Church Insurance, in my view, is immoral"



Lawyer Angela Sdrinis says it's getting harder for religious institutions to get insurance cover for abuse claims. (ABC News: Maren Preuss)

Lawyer Angela Sdrinis, who specialises in abuse claims, said religious institutions generally were struggling to find insurance that would cover abuse claims.

Ms Sdrinis said the way the Catholic Church had organised itself meant victim-survivors had to sue particular entities — such as religious orders or dioceses — not the church directly.

Without insurance cover for abuse claims, Ms Sdrinis said some of those entities may not have the funds or assets to pay.

"If there's no insurance to indemnify particularly some of the smaller orders or dioceses, I think we'll very quickly see that various sections of the Catholic Church are crying poor and that there won't be enough money to appropriately compensate victims," she said.

"Whether or not it will become possible for legislation to be passed whereby the Catholic Church as one legal entity can be sued, that would potentially solve the problem, because I can't see the Catholic Church is ever going to run out of money."



ist Catholic Church Insurance policies will end by June next year. (ABC News: Billy Draper)

Mr O'Halloran said if victim-survivors did find it harder to sue for abuse in Catholic institutions, politicians should step in.

"Repeal those laws that protect the assets of the Catholic Church — that's one thing they can do — make them more financially accountable in terms of reporting to the regulator, reduce their tax-exempt status, reduce the amounts of taxpayer money that is going to Catholic organisations, and reduce the amount of state capture that the Catholic church has over many politicians."

In a joint statement issued when CCI entered run-off, the Australian Catholic Bishops Conference said church leaders "will continue to work towards justice and healing for the crimes and sins that took place, where that is possible, including through the payment of compensation".

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