

66. Zurich was not involved in the early stages of the litigation against Bryn Alyn. In 2001, when the first trial commenced, RSA was the only insurer involved. In 2006 RSA suggested that it had not insured Bryn Alyn prior to 22 August 1976. A court accepted this and RSA was, therefore, not liable for any abuse prior to 22 August 1976. The claimants' solicitors subsequently brought proceedings against Eagle Star (which by then formed part of Zurich's business) in 2007 as the insurer of Bryn Alyn between 10 August 1972 and 22 August 1976. As the claimants did not produce a policy of insurance and Eagle Star was unable to locate it, Eagle Star denied that PL insurance had been issued to Bryn Alyn.
67. However, shortly before a preliminary trial scheduled for November 2008 to determine whether Eagle Star had issued a policy of insurance to Bryn Alyn, the claimants' solicitors disclosed a letter dated 14 November 1973 in which John Allen referred to the existence of PL coverage under Eagle Star (the "1973 letter") (this letter is in the documents provided by Zurich to the Inquiry on 13 April 2018, document number ZI0000331). Consequently, Eagle Star accepted that a PL policy had been issued to Bryn Alyn and the preliminary trial was vacated. Eagle Star was awarded costs due to the late disclosure of the letter at a costs hearing in December 2008.
68. By January 2009, the outstanding issues in the Third Tranche proceedings were the scope of the policy (namely, whether the deliberate abuse by John Allen would be excluded from indemnification as it was in the proceedings against RSA) and quantum (see below from paragraph 81). There were further case management conferences, including with RSA, to deal with these issues. I understand that a preliminary trial on the scope of the policy was listed for December 2010, but shortly before then the parties agreed damages on a global basis in the sum of £165,000, to be apportioned between the claimants by their lead solicitor.

**Q8(a) & 8(b) – Names of the policyholder(s) and names of the lawyers involved**

69. I refer to paragraphs 43 to 44 above in relation to Q6 and the contents of the Table at Schedule 1.
70. In respect of the group litigation relating to Bryn Alyn, Zurich instructed Barlow Lyde & Gilbert. I understand that Barlow Lyde & Gilbert merged with Clyde & Co on 1 November 2011. I understand that the lead solicitor for the claimants in the group litigation was Uppal Taylor and that Uppal Taylor also coordinated claimants who were represented by other solicitors (for example, one claimant in the Third

should have disclosed the letter earlier but had not done so. Judge Oliver-Jones QC also made the declaration that Eagle Star provided PL cover to Bryn Alyn for the period 10 November 1972 to 22 August 1976 (**Exhibit DN1/7**).

81. While the 1973 letter resolved the position in respect of the existence of PL insurance, there were other outstanding issues. I understand that, from Eagle Star's perspective, the issues following the judgment included:
- (A) What were the terms of the policy issued by Eagle Star to Bryn Alyn and its predecessors in title?
  - (B) Would those terms exclude liability for abuse committed by John Allen (the directing mind and will of the company insured by Eagle Star)?
  - (C) What would be the damages owed by Bryn Alyn to each claimant for the period of time when Eagle Star was on risk (including in relation to the cross-over claims)? Would that include the apportionment between Eagle Star's policy and that issued by RSA?
  - (D) What element of those damages would be indemnified by Eagle Star (which depended on the answers to (B) and (C) above)?
82. Eagle Star proposed to identify the terms of the policy by reference to specimen contemporaneous policies (a similar approach having been taken by Mr Justice Simon in the insurance proceedings against RSA). To that end, in January 2009, Eagle Star disclosed copies of Midland Assurance PL policy wordings which would have been used in or around 1961 and 1975 and served a Notice to Admit on the claimants that the policy issued to Bryn Alyn and its predecessors in title from incorporation to 22 August 1976 contained the following clause:
- "...the Company indemnifies the Insured during the period stated in the said Schedule and during any subsequent period for which the Company shall have accepted the premium required for renewal of this Policy in respect of all sums which the Insured shall become legally liable to pay as compensation in respect of:-*
- (a) Accidental personal injury (fatal or non-fatal) to any person other than a person under a contract of service or apprenticeship with the Insured whose injury arises out of and in the course of employment..."*