

# IADC CONTRACTS COMMITTEE MEETING POST-MACONDO INSURANCE REVIEW

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## Additional Insured Status

- Prior to Macondo
  - As required by written contract prior to loss
  - Non-owned watercraft exclusions
  - No ties to the contractual indemnity
  - Waivers of Subrogation
- Post Macondo
  - But only to the extent of the liabilities and indemnities specifically assumed by the Named Insured under a signed written contract
  - Primary and without contribution
  - Bermuda policies – but only to the extent of the indemnities assumed by contract
  - Cleaned up grants of status as to operation of a vessel

# Governing Laws

- Texas
- New York
- England or Wales
- Bermuda Arbitration with Policyholders – NY Law

# Indemnities

- Knock for Knock
  - Stayed in place and enforceable
- Contractual Integrity
- Subsurface/Underground Resources
- Pollution
  - Coverage remains under Liability policies
  - Push towards Environmental
  - Damages defined
  - Fines and Penalties
    - London sublimits not followed
  - Punitive Damages Insurable
  - Gross Negligence and Willful Misconduct

## Future Contracts in Downturn

- More or less on contractors
- Caps on Indemnity

## Views of Underwriters:

- Record profits in past three years
- More entrants and capacity
- No storms in Gulf of Mexico
- Less uncertainty with settlements
- Technology and capping stacks
- Cyber Risk

Questions?

