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 caping stacks
• Cyber Risk
Questions?