

Texas Supreme Court Marries Contractual Limitations to Insurance Policies

In a case that has been closely watched by the oil and gas industry and its insurers, the Supreme Court of Texas issued its opinion in *In re Deepwater Horizon* on Feb. 13, 2015, and settled the debate concerning whether a company's insurance policies stood alone or were married to and dependent upon an insured's limited obligation in a separate contract to insure and indemnify a third party, according to a white paper published by Baker Hostetler.

The article says the court found that Transocean's \$750 million primary and excess insurance policies did not offer unrestricted coverage to BP as an additional insured, but instead incorporated and were bound by the limitations placed on Transocean's liability under the parties' drilling contract.

The major takeaways, according to the firm's report: know your partner, know your risks, and know your insurer.

Read the white paper.