

5th Circuit Clarifies Service Contract and Insurance Interplay Under Texas Law

The 5th U.S. Circuit Court of Appeals has further addressed the area of contract and insurance interplay with its decision in *Ironshore Specialty Insurance Co. v. Aspen Underwriting Ltd. et al.*, No. 13-51027, (5th Cir. June 10, 2015), reports Liskow & Lewis in an article posted on Lexology.com.

“The appellate court was asked to determine whether, under Texas law, contractual requirements in a master service agreement obligating the contractor to name the oil company as an additional insured and provide \$5 million in additional insured coverage served to limit the amount of insurance provided to \$5 million notwithstanding that the liability limit of the contractor’s insurance program was significantly greater (\$50 million),” the article says.

The Court ultimately concluded that the “Insured Contract” provision discussed in *Deepwater Horizon* was sufficient to incorporate the limitations of the MSA.

Read the article.