

2026 Regular Session

HOUSE BILL NO. 941

BY REPRESENTATIVE HEBERT

INSURANCE: Provides with respect to additional insured coverage

1 AN ACT

2 To amend and reenact R.S. 9:2780(B), (C), (G), (H), and (I) and to enact R.S. 9:2780(J),
3 relative to oilfield indemnification agreements and additional insured coverage; to
4 make technical changes; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 9:2780(B), (C), (G), (H), and (I) are hereby amended and reenacted
7 and R.S. 9:2780(J) is hereby enacted to read as follows:

8 §2780. Certain indemnification agreements ~~invalid~~; additional insured coverage

9 * * *

10 B. Any provision contained in, collateral to, or affecting an agreement
11 pertaining to a well or wells for oil, gas, or water, or drilling for minerals which
12 occur in a solid, liquid, gaseous, or other state, is void and unenforceable to the
13 extent that it purports to or does provide for defense or indemnity, or either, to the
14 indemnitee against loss or liability for damages arising out of or resulting from death
15 or bodily injury to persons, which is caused by or results from the sole or concurrent
16 negligence or fault (strict liability) of the indemnitee, or an agent, employee, or an
17 independent contractor who is directly responsible to the indemnitee.

18 C. The term "agreement," as it pertains to a well or wells for oil, gas, or
19 water, or drilling for minerals which occur in a solid, liquid, gaseous, or other state,
20 as used in this Section, means any agreement or understanding, written or oral,

1 concerning any operations related to the exploration, development, production, or
 2 transportation of oil, gas, or water, or drilling for minerals which occur in a solid,
 3 liquid, gaseous, or other state, including but not limited to drilling, deepening,
 4 reworking, repairing, improving, testing, treating, perforating, acidizing, logging,
 5 conditioning, altering, plugging, or otherwise rendering services in or in connection
 6 with any well drilled for the purpose of producing or excavating, constructing,
 7 improving, or otherwise rendering services in connection with any mine shaft, drift,
 8 or other structure intended for use in the exploration for or production of any
 9 mineral, or an agreement to perform any portion of any such work or services or any
 10 act collateral thereto, including the furnishing or rental of equipment, incidental
 11 transportation, and other goods and services furnished in connection with any such
 12 service or operation.

* * *

14 G. Any provision in any agreement arising out of the operations, services,
 15 or activities listed in Subsection C of this Section ~~of the Louisiana Revised Statutes~~
 16 ~~of 1950~~ which requires waivers of subrogation, additional named insured
 17 endorsements, or any other form of insurance protection which would frustrate or
 18 circumvent the prohibitions of this Section, shall be null and void and of no force and
 19 effect.

20 H. Notwithstanding the prohibitions of Subsection G of this Section,
 21 additional insured coverage if procured as the result of an agreement shall be
 22 enforceable solely as follows:

23 (1) A party can seek additional insured coverage for itself or itself and
 24 members of its group as defined by its agreement with the named insured after the
 25 party seeking additional insured coverage does all of the following:

26 (a) Makes such a request for an additional insured premium quote by
 27 separate written communication to the named insured or the named insured's
 28 insurance agent or broker, or both.

1 (b) Receives a premium quote from the named insured's insurer or its
2 authorized representative.

3 (c) Makes direct payment to the named insured's insurer or its authorized
4 representative for either additional insured coverage for itself only or for itself and
5 members of its group as defined by its agreement with the named insured.

6 (2) Additional insured coverage for the group shall only be valid and
7 enforceable pursuant to this Subsection when the premium is expressly quoted for
8 group coverage, and the payment by the additional insured is for that corresponding
9 group premium amount. Once additional insured coverage is actually purchased, the
10 named insured, its insurer, or authorized representative shall notify the additional
11 insured in writing at least thirty days before the next annual premium is due or within
12 seven days of binding the renewal coverage for the named insured, whichever time
13 period is less. For any policy year where an additional insured either does not make
14 the request pursuant to Subparagraph(1)(a) of this Subsection, or does not make
15 payment in the previous policy year pursuant to Subparagraph(1)(c) of this
16 Subsection, the named insured, its insurer, or authorized representative are not
17 required to notify the additional insured in writing at least thirty days before future
18 renewals and, in such instances, the additional insured shall make a new written
19 request for additional insured coverage pursuant to Subparagraph(1)(a) of this
20 Subsection.

21 (3) When additional insured coverage is obtained pursuant to Paragraph (1)
22 of this Subsection, the additional insured or insureds, and not the named insured, are
23 liable for and responsible for any applicable deductibles or retentions as set forth in
24 the named insured's policy up to a maximum of one hundred thousand dollars, with
25 the named insured responsible to fund the amount of the applicable deductibles or
26 retentions, if any, in excess of one hundred thousand dollars.

27 (4) Any agreement where the named insured is made to fund all or any part
28 of the deductibles or retentions up to the first one hundred thousand dollars is null
29 and unenforceable and the provisions of Subsection H of this Section shall not apply.

1 (5) Nothing in Subsection H of this Section shall in any way be deemed to
 2 negate the prohibition against defense and indemnity as set forth in Subsection B of
 3 this Section, which defense and indemnity provisions remain null and void and
 4 against public policy.

5 I. The provisions of this Act do not deprive a person who has transferred
 6 land, with a reservation of mineral rights, of the right to secure an indemnity from
 7 any lessee, operator, contractor, or other person conducting operations for the
 8 exploration or production of minerals in connection with the reserved mineral rights;
 9 provided such person does not retain a working interest or an overriding royalty
 10 interest convertible to a working interest in any production obtained through
 11 activities described in Subsection C of this Section.

12 I. J. This Act shall apply to certain provisions contained in, collateral to or
 13 affecting agreements in connection with the illustrative activities listed in Subsection
 14 C of this Section which are designed to provide indemnity to the indemnitee for all
 15 work performed between the indemnitor and the indemnitee in the future. This
 16 specifically includes what is commonly referred to in the oil industry as master or
 17 general service agreements or blanket contracts in whatever form and by whatever
 18 name. The provisions of this Act shall not apply to a contract providing indemnity
 19 to the indemnitee when such contract was executed before the effective date of this
 20 Act and which contract governs a specific terminable performance of a specific job
 21 or activity listed in Subsection C of this Section.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 941 Engrossed

2026 Regular Session

Hebert

Abstract: Provides relative to additional insured coverage under certain oil and gas agreements.

Proposed law (R.S. 9:2780(H)) codifies the jurisprudential standard for additional insured coverage under certain oil and gas agreements set forth in *Marcel v. Placid Oil Co.*, 11 F.3d 563 (1994).

Present law (R.S. 9:2780(B) and (C)) provides relative to agreements pertaining to a well for oil, gas, or water, or drilling for minerals.

Proposed law specifies present law and provides that the well for oil, gas, water, or drilling for minerals can be multiple wells.

Present law (R.S. 9:2780(G)) clarifies and reverts to original language to provide that any provision which would frustrate or circumvent the prohibitions of present law is null and void.

Proposed law (R.S. 9:2780(H)) provides that additional insured coverage procured as the result of an agreement is enforceable under limited circumstances.

Proposed law (R.S. 9:2780(H)) provides that a party can seek additional insured coverage for itself or itself and members of its group from the insurer of the named insured only when the party seeking additional insured coverage does all of the following:

- (1) Makes a request for an additional insurance premium quote by separate written communication to the named insured and/or the named insured's insurance agent or broker.
- (2) Receives a premium quote from the named insured's insurer or its authorized representative.
- (3) Makes direct payment to the named insured's insurer or its authorized representative for either additional insured coverage for itself only or for itself and members of its group.

Proposed law (R.S. 9:2780(H)(2)) provides that additional insured coverage for the group will only be valid and enforceable under the provisions of proposed law when the premium is expressly quoted for group coverage and payment by the additional insured is for that corresponding group amount.

Proposed law provides that once additional insured coverage is actually purchased, the named insured, its insurer, or authorized representative shall notify the additional insured in writing at least 30 days before the next renewal premium is due or within 7 days of binding the renewal coverage for the named insured, whichever time period is less.

Proposed law provides that for any policy year where an additional insured either (1) does not make the request pursuant to proposed law or (2) does not make payment in the previous policy year pursuant to proposed law, the named insured, its insurer, or authorized representative are not required to notify the additional insured in writing at least 30 days before future renewals. The additional insured must make a new written request for additional insured coverage.

Proposed law (R.S. 9:2780(H)(3)) provides that when additional insured coverage is obtained pursuant to proposed law, the additional insured(s), and not the named insured, are liable and responsible for any applicable deductible or retention as set forth in the named insured's policy up to a maximum of \$100,000 with the named insured responsible to fund any amount of the deductible or retention in excess of \$100,000.

Proposed law (R.S. 9:2780(H)(4)) provides that any agreement where the named insured is made to fund all or any part of the deductible or retention up to the first \$100,000 is null and unenforceable and proposed law does not apply.

Proposed law (R.S. 9:2780(H)(5)) provides that nothing in proposed law shall be deemed to negate the prohibition against defense and indemnity as set forth in present law.

Present law (R.S. 9:2780(I)) applies to certain provisions contained in, collateral to, or affecting agreements in connection with the activities listed in present law (R.S. 9:2780(C)).

Proposed law (R.S. 9:2780(J)) specifies that the listed activities in present law (R.S. 9:2780(C)) are illustrative.

(Amends R.S. 9:2780(B), (C), (G), (H) and (I); Adds R.S. 9:2780(J))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Adds that once additional insured coverage is actually purchased, the named insured, its insurer, or authorized representative shall notify the additional insured in writing at least 30 days before the next annual premium is due or within seven days of binding the renewal coverage for the named insured, whichever time period is less.
2. Make technical changes.