
DIGEST

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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.