

# Lillehammer International Energy Claims Handling Protocol

## **Objective of this document**

This Claims Protocol has been established to assist in the efficient handling of claims or potential claims which arise under insurance policies issued by Insurers underwriting the class of business often referred to as offshore energy risks. It has been formulated after consultation with Insureds and Insurers of such risks and is intended to be for their mutual benefit. The parties to such policies may choose to adopt this Claims Protocol but in no case shall the provisions of this document form part of any policy. This Claims Protocol does not apply to stand alone liability/casualty insurance policies.

While this document includes certain target times it is recognised by the parties that as claims are various in type and complexity these timings represent reasonable expectations applicable to a majority of cases. While actions may be undertaken within lesser or greater periods than the stated target times, the parties will always endeavour to work efficiently and in the spirit of cooperation that underlies this Claims Protocol. Further it is recognised that in certain national, federal or local jurisdictions specific requirements concerning response times or other action times may be imposed on Insurers and, where applicable, Insurers will comply with any such legal obligations, irrespective of any of the provisions of this Claims Protocol.

This Claims Protocol shall not relieve any party of any legal obligations existing in the absence of this document and nothing contained in this Claims Protocol shall take precedence over any provisions of any policy issued by a party who has chosen to adopt this Claims Protocol.

In no case shall this Claims Protocol operate to increase the liability of Insurers beyond that provided for in the policy.

## **1 Notification of losses**

1.1 If the Insured becomes aware of an incident or circumstances that may give rise to a claim under a policy, notification will be provided to the appropriate party under the policy (target time being within 5 working days). This time should not be extended if an agent is involved.

1.2 Such notification should include the following information:

1.2.1 an outline of the incident or circumstances including date/s

1.2.2 the name and communication details of the party or parties who Insurers or any appointed representatives may contact to obtain further information and arrange an inspection of loss, damage, injury and investigation of the facts,

and if available:

1.2.3 an estimate of the potential loss/es (expressed in the currency of the policy).

- 1.2.4 the actions being taken to prevent, minimise or reinstate the potential losses.
- 1.3 On receipt of the initial notification Insurers will determine and inform the Insured or their agent whether they wish to appoint a Surveyor or Loss Adjuster or other party (hereinafter the Appointee) to act on their behalf for specified purposes (target time being within 5 working days). In the event an agent is involved, that party should ensure that the Insured is advised promptly of Insurers' actions.
- 1.4 If, in accordance with specific policy provisions, the Insured or their agent gives notification of an incident to a Loss Adjuster or other party, the Insured will inform Insurers of this action (target time being within 2 additional working days) advising the name and contact details of the Appointee. Such method of appointment shall not otherwise modify the procedures set out above.
- 1.5 In the event that Insurers appoint such a party, the Insurers will inform the Appointee and the Insured or their agent of the required scope of work in writing (target time being within 5 working days). The Lillehammer Terms of Engagement provide a template for the appointment of Loss Adjusters.
- 1.6 At the time of the appointment or as soon as possible thereafter the Appointee will be provided with full details by the agent or broker of all Insurers subscribing to the policy and the identification of those Insurers empowered to agree claims on behalf of all Insurers subscribing to the policy.
- 1.7 The instructing party will provide the Appointee with a copy of the full policy wording including any endorsements and/or schedules.

## **2 Conduct of potential claims**

- 2.1 Following receipt of their instruction, the Appointee will contact the Insured to confirm their appointment, provide a contact name and communication details and arrange any damage survey or investigation (target time being within 5 working days).
- 2.2 The Appointee will inform the Insured in writing of information and documentation that will be required to fulfil their brief. These requirements may change and develop over time. (The target time for this request is within 15 working days of appointment).
- 2.3 In response to the Appointee's request, the Insured will provide relevant and appropriate documentation and information to the Appointee as soon as practicable (target time being within 30 working days).
- 2.4 The Appointee will provide their reports and communications for Insurers in accordance with the instructions provided to them by Insurers. If the agent or broker is the recipient of the report/communication, then they should pass them on to Insurers promptly (target time 5 days).
- 2.5 As the claim develops the Insured will provide the Appointee with significant updates (+/- 10% or USD250,000 or currency equivalent, which ever is the greater) of their estimate of the potential claim, after application of any deductible or excess, under the policy (target time being within

10 working days of any revision by the Insured of their estimate). The Insured will provide the Appointee with a written calculation of their claim under the policy supported by appropriate documentation and information as soon as possible (target time being within 30 working days of the Insured being in possession of the necessary information and documentation).

- 2.6 If during the course of the claim it becomes apparent to Insurers that the available information and/or documentation gives doubt as to the liability of Insurers in accordance with the policy, such views will be communicated to the Insured or their agent.
- 2.7 All parties concerned should be aware of potential conflicts of interest and take all appropriate steps to avoid such conflicts.

### **3 Settlement procedures**

- 3.1 On receipt of the final report of the Appointee, Insurers will consider the report and inform the Insured or their agent where applicable of their formal response to the Insured's claim in respect of coverage and quantum (target time being within 20 working days except where Insurers have already notified the Insured in relation to coverage concerns).
- 3.2 When there is mutual agreement of the amount payable under the policy, the Insurers will arrange for prompt remittance of funds to the Insured or their agent or other party in accordance with any specific loss payee or other relevant policy provisions, subject to receipt of any required payment authority, acceptance form, proof of loss form or similar documentation.