

Lloyd's of London Insurance Syndicates Take Legal Action against BP over Gulf Oil Spill Claims

By: Callahan & Blaine

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The catastrophic Gulf of Mexico oil spill that started after a rig explosion in April of 2010 is now widely regarded as the largest oil spill in history. The owner and principal operator of the oil field where the rupture occurred is BP (formerly British Petroleum), which was leasing the rig in question from Transocean, Ltd. Transocean personnel were also operating the rig at the time of the accident.

A recent article in the Times Online, [Lloyd's syndicates launch legal action over BP insurance claim](#), revealed that BP had no external insurance for such an accident. Even though the US government has named BP as the responsible party in the accident, the company has continued to blame Transocean for the accident, and recently attempted to make \$700 million in insurance claims against insurance coverage held by Transocean.

A BP spokesman has said: "We believe we may be entitled to coverage for the incident under Transocean's insurance." Even so, thirty-eight Lloyd's of London underwriting syndicates and a group of other international insurance companies have filed documents in a Houston, TX court, asking a judge to declare that the group of Transocean insurers has "no additional insured obligation to BP." They say that the rig lease specifies that Transocean's insurers would only be responsible for damage to the rig – not for any further damages resulting from any damage to the rig.

Even if BP is successful in securing \$700 million in insurance payouts from Transocean's insurers, it would only be a drop in the bucket. Swiss Re has estimated that the total insured losses from the incident could reach as high as \$3.5 billion.

Callahan & Blaine is California's premier litigation firm, specializing in insurance denial of claims cases like the one BP is involved in with Lloyd's of London. In a similar [denial of insurance case](#), Callahan & Blaine lawyers were able to attain coverage for denied insurance claims made by our client after the Northridge earthquakes.

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