



INDUSTRYEdge®

## EnergyPro® Care, Custody And Control Broadening Amendment and increased limits for care, custody and control

### OIL & GAS

Oil or gas well operators, non-operators and drilling contractors are being asked to assume more financial responsibility for non-owned equipment located at oil or gas lease sites. Travelers Oil & Gas is responding to this new trend by expanding coverage and offering higher limits for care, custody and control exposures.

#### How is coverage broadened by this new endorsement?

This endorsement – the EnergyPro® Care, Custody And Control Broadening Amendment – expands coverage for an insured’s liability as an oil or gas lease operator, non-operator or drilling contractor for physical loss of or damage to, or salvage expenses of, the following types of oil or gas field equipment of others:

Unique, broadened coverage for oil or gas well operators, non-operators and drilling contractors.

For additional information, please contact your agent or broker.

- Oil or gas field equipment of others that suffers loss or damage for which the insured has assumed responsibility under a written contract executed prior to the occurrence that causes covered loss or damage to such equipment (without this endorsement, coverage is limited to equipment that the insured leases, rents or has in its care, custody or control)
- Oil or gas field equipment of others that suffers loss or damage caused by or resulting from the previously excluded causes of loss of explosion, rupture or bursting of any engine or pump, piping, tank or pressure container from internal pressure
- Oil or gas field equipment of others that suffers resultant loss or damage from fire or explosion, if such fire or explosion is caused by or results from wear, tear, or gradual deterioration; electrical injury or disturbance to any electrical appliance or wiring resulting from artificial or natural causes; latent defect; faulty design; or mechanical failure or breakdown, including rupture or bursting caused by centrifugal force
- In-hole oil or gas field equipment of others that suffers loss or damage caused by or resulting from landslide

This endorsement also changes coverage so that it applies on a primary and non-contributory basis for covered loss or damage to oil or gas field equipment of others for which the insured has assumed responsibility under a written contract.

**What is the benefit to the insured of having additional coverage for the liability they assume under a written contract?**

Certain contracts for oil or gas field services, such as some well-fracturing contracts, contain a “special event” or “catastrophe” clause which makes the operator responsible for damage to the oil or gas service contractor’s equipment at the lease site – regardless of whether the operator leases or rents the equipment, or has it in its care, custody or control. Most Control of Well care, custody and control provisions do not cover the liability assumed under contract for damage to such equipment. The EnergyPro® Care, Custody And Control Broadening Amendment does.

**Is there an advantage to purchasing increased limits for care, custody and control under the Travelers EnergyPro® Care, Custody And Control Broadening Amendment instead of purchasing additional limits under an excess form?**

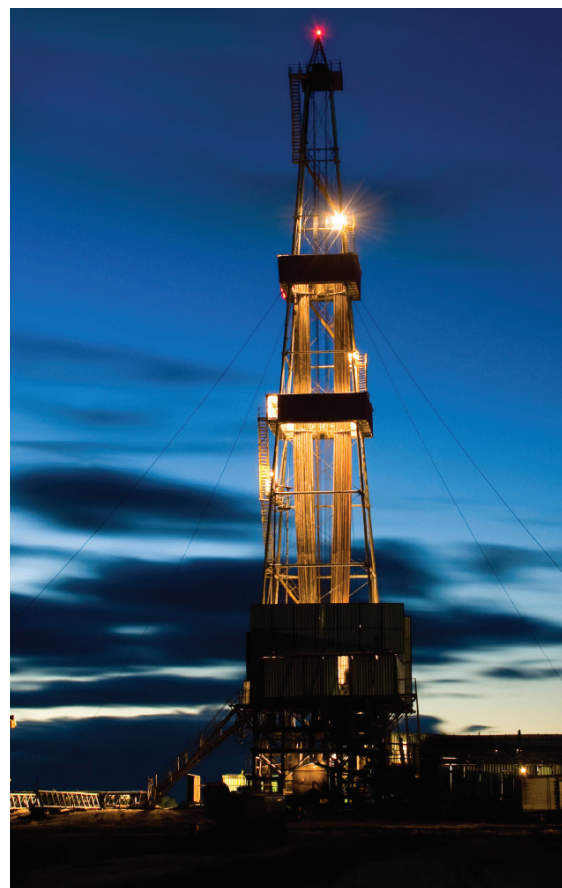
Yes. With separate excess coverage, there is a risk that coverage gaps could be created due to differences between the primary and excess coverage forms. Travelers EnergyPro® Care, Custody And Control Broadening Amendment allows you to build additional limits under one policy, thereby eliminating the potential for coverage gaps due to such differences. Plus, you have the convenience of dealing with just one company in the event of a claim.

**Will Travelers offer its EnergyPro® Care, Custody And Control Broadening Amendment excess over another care, custody and control coverage form?**

No.

**What limits are available under this endorsement?**

Travelers Oil & Gas can provide limits up to \$30 million, with options for higher limits.



[travelers.com/oilgas](http://travelers.com/oilgas)

The Travelers Indemnity Company and its property casualty affiliates. 4650 Westway Park Blvd. Houston, TX 77242-2486

This product is available on an admitted basis in most states. Where it has not yet been approved on an admitted basis, coverage will be written in St. Paul Surplus Lines Insurance Company\*, a non-admitted insurer and an affiliate of Travelers Indemnity Company. Non-admitted insurers generally do not participate in State Guarantee Funds and thus insureds are not protected by such funds. This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications.

\*St. Paul Fire & Casualty Insurance Company in Delaware.

© 2014 The Travelers Indemnity Company. All rights reserved. Travelers and the Travelers Umbrella logo are registered trademarks of The Travelers Indemnity Company in the U.S. and other countries. CP-7504 Rev. 11-14