

# EnergyPro® Casing Repair or Replacement Coverage – Section IB

## OIL & GAS

Well drilling, fracturing and completion operations are changing. As a result, oil or gas well operators and non-operators are facing increased potential for damaged well casings. Travelers Oil & Gas is responding by expanding coverage for this exposure under our *EnergyPro*® Control Of Well Insurance Form.



Unique, broadened coverage for oil or gas operators, or non-operators.

For additional information, please contact your agent or broker.

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

The *EnergyPro*® Casing Repair or Replacement Coverage Section – IB endorsement broadens coverage giving the insured two options:

**Option 1:** The insured or the operator may choose to repair or replace a damaged casing in wells insured if such damage is caused directly by well drilling, fracturing or completion operations that cause a Well Out of Control Event, which gives rise to a claim under the policy.

**Option 2:** If a redrill, sidetrack or bypass is necessary, the insured or the operator will be reimbursed for actual costs and expenses (up to the before loss Actual Cash Value of the damaged casing plus installation costs) reasonably incurred to install a new casing in the well.

### How is this coverage unique?

Under Option 1, your current policy may not:

- Include coverage for casing damage caused by well drilling operations
- Expressly permit the insured to decide whether it wants to repair or replace the damaged well casing
- Include coverage for casing damage repair or replacement costs if the attempted repair or replacement is not successful and the well must later be redrilled, sidetracked or bypassed
- Include coverage for actual costs and expenses to install a new casing if the well must be redrilled, sidetracked or bypassed (the damage to the casing could otherwise be considered pre-existing damage that's excluded because it happened before the Well Out of Control event)

### What happens if the casing replacement or repair is not successful under Option 1?

In addition to recovering costs or expenses under Option 1, the insured may proceed to replace the casing in conjunction with a covered redrill, sidetrack or bypass under Option 2.

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