

Texas High Court Anadarko Coverage Ruling “Unlikely” to Have Far-Reaching Impact

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Hinshaw attorney Scott Seaman, a Chicago-based partner and co-chair of the firm’s national Insurance Services Practice Group, was quoted by Jeff Sistrunk of *Law360* in an article titled “Anadarko’s Texas Win Eases Energy Cos.’ Coverage Worries.” The article reviews a Texas Supreme Court decision (*Anadarko Petroleum Corp. et al. v. Houston Casualty Co. et al.*) that determined that legal defense costs did not constitute a “liability” under Anadarko’s energy policy, and thus a “joint venture” policy provision that capped the underwriter’s overall limits did not apply to defense costs.

According to Seaman, the opinion appeared to be closely tailored to Anadarko’s specialized policy language and is therefore unlikely to have a widespread impact across the commercial insurance landscape.

“Although important to the parties, the decision itself suggests that the Texas Supreme Court does not envision its decision as pronouncing new rules of construction or having a far-reaching impact in the world of insurance,” Seaman said. “First, the court noted the unique nature of the Deepwater Horizon loss. Second, the court recognized it was not construing a standard policy — noting that, unlike most primary general liability policies, the subject policy did not contain a duty to defend — but rather a joint venture endorsement.”

Seaman also emphasized that the Texas justices didn’t decide whether Anadarko will be able to recover any of its claimed defense expenses. Anadarko and similarly situated companies will still have to show that their defense costs were incurred litigating claims stemming from a covered event.

[Read the full article on the Law360 website](#) (*subscription may be required*)

“Anadarko’s Texas Win Eases Energy Cos.’ Coverage Worries” was published by *Law360*, January 28, 2019.

Attorneys weigh in on the potential impact of the Texas Supreme Court’s Friday ruling in *Anadarko v. Houston Casualty Co.*:

<https://t.co/3WmgBHrv5z> #insurance #insurancelaw
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— Jeff Sistrunk Law360 (@JeffSistrunk) [January 29, 2019](#)

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Scott M. Seaman

Partner

📞 312-704-3699

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