

DRILLING WELL SIDETRACK  
INSURANCE



# DRILLING WELL SIDETRACK INSURANCE

## Covers

A serious kick, a fishing operation for failed drillstring or a mechanical sidetrack suffered during the drilling of a well

## Can claim for

Charges incurred under submitted major contracts (rig, mud, logistics, etc.)

## Occurrence triggers

- Influx of fluid which results in halting of operations required for the drilling of a new hole for a period in excess of five days (serious kick)
- Drillstring fails (breaks or twists off) which results in halting of operations required for the drilling of a new hole for a period in excess of five days (fishing)
- Drillstring cannot be moved up nor down which results in halting of operations required for the drilling of a new hole for a period in excess of five days (stuck pipe)

## Indemnity

- One sidetrack or one serious kick or one fishing operation covered per insured well
- Indemnified for charges incurred under main submitted contracts (rig, drilling fluids, aviation and vessels) during the period from onset of occurrence to recommencement of drilling operations or achieving same measured depth in the sidetrack as had been achieved at time of occurrence
- Provides indemnity for downhole drilling that continues to be targeted to the original planned total depth bottom hole location – no cover during pilot holes, exploratory offshoot drilling, etc.
- Explicitly does not respond if well out of control as per EED 8/86 form (inc. UGBO endorsement) which will be attached to policy
- No cover while non-conventional operational drilling techniques in use
- Certain other exclusions principally for occurrences at times where duration is within assured's control also to avoid conflicts with OEE warranty and any times related to drilling control system problems – as product intent is to cover problems related to geology not technology

## Insurance parameters

- Individual well policy limit – 1 X AFE
- Onshore and offshore wells may be considered subject min AFE \$25 million
- Innocent assured clause for JV partners who have no control – basis for recovery could be 100% direct costs
- English law and jurisdiction

## Underwriting

- On individual well basis
- Technical data to be submitted: geologic prognosis, design basis, drilling program and MOC procedures
- Underwriting data to be submitted: well AFE with detailed cost breakdown, associated drilling time with detailed time breakdown, main contracts for which indemnity is required (rig, mud, aviation, vessel, etc.)

# About Canopus

Canopus is a global speciality (re)insurer with a presence in Bermuda, China, Ireland, Netherlands, Singapore, Switzerland, the UK and US. We are privately owned and are proud to offer an independent view of risk – our expert people ask the difficult questions so that our clients get exactly the solutions they need.

## ILS

Our ILS platform offers investors straightforward access to the (re)insurance markets, using the underwriting skill and distribution of the Canopus group.

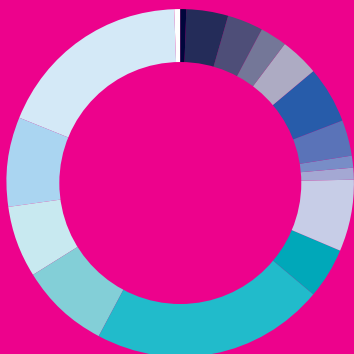
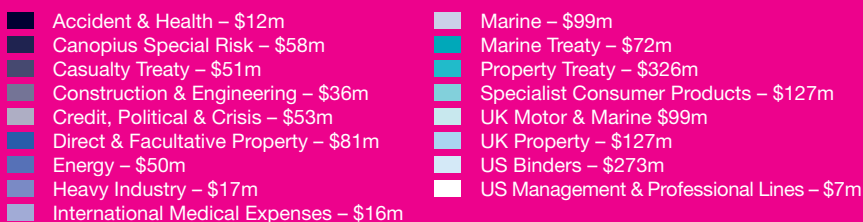
## Underwriting platforms

- Lloyd's: Syndicate 4444, managed by Canopus Managing Agents Limited, one of the top ten managing agents
- US: surplus lines insurance company, Canopus US Insurance, Inc.

## Financial strength ratings

- Syndicate 4444 shares the Lloyd's ratings of A+ (strong), Standard & Poor's; AA- (Very Strong), Fitch; A (Excellent), A.M. Best
- Canopus US Insurance, Inc.: A- (Excellent), A.M. Best

## Gross written premiums 2018 (USD)



# Our team

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