

2026 Regular Session

HOUSE BILL NO. 941

BY REPRESENTATIVES HEBERT, BAYHAM, BEAULLIEU, BILLINGS,
BOUDREAUX, CARLSON, EGAN, JACOB LANDRY, MARCELLE,
MELERINE, AND WYBLE

1 AN ACT

2 To amend and reenact R.S. 9:2780(B), (C), (G), (H), and (I) and to enact R.S. 9:2780(J),
3 relative to oilfield indemnification agreements and additional insured coverage; to
4 make technical changes; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 9:2780(B), (C), (G), (H), and (I) are hereby amended and reenacted
7 and R.S. 9:2780(J) is hereby enacted to read as follows:

8 §2780. Certain indemnification agreements ~~invalid~~; additional insured coverage

9 * * *

10 B. Any provision contained in, collateral to, or affecting an agreement
11 pertaining to a well or wells for oil, gas, or water, or drilling for minerals which
12 occur in a solid, liquid, gaseous, or other state, is void and unenforceable to the
13 extent that it purports to or does provide for defense or indemnity, or either, to the
14 indemnitee against loss or liability for damages arising out of or resulting from death
15 or bodily injury to persons, which is caused by or results from the sole or concurrent
16 negligence or fault (strict liability) of the indemnitee, or an agent, employee, or an
17 independent contractor who is directly responsible to the indemnitee.

18 C. The term "agreement," as it pertains to a well or wells for oil, gas, or
19 water, or drilling for minerals which occur in a solid, liquid, gaseous, or other state,
20 as used in this Section, means any agreement or understanding, written or oral,
21 concerning any operations related to the exploration, development, production, or
22 transportation of oil, gas, or water, or drilling for minerals which occur in a solid,
23 liquid, gaseous, or other state, including but not limited to drilling, deepening,
24 reworking, repairing, improving, testing, treating, perforating, acidizing, logging,

1 conditioning, altering, plugging, or otherwise rendering services in or in connection
 2 with any well or wells drilled for the purpose of producing or excavating,
 3 constructing, improving, or otherwise rendering services in connection with any
 4 mine shaft, drift, or other structure intended for use in the exploration for or
 5 production of any mineral, or an agreement to perform any portion of any such work
 6 or services or any act collateral thereto, including the furnishing or rental of
 7 equipment, incidental transportation, and other goods and services furnished in
 8 connection with any such service or operation.

9 * * *

10 G. Any provision in any agreement arising out of the operations, services,
 11 or activities listed in Subsection C of this Section ~~of the Louisiana Revised Statutes~~
 12 ~~of 1950~~ which requires waivers of subrogation, additional named insured
 13 endorsements, or any other form of insurance protection which would frustrate or
 14 circumvent the prohibitions of this Section, shall be null and void and of no force and
 15 effect.

16 H. Notwithstanding the prohibitions of Subsection G of this Section,
 17 additional insured coverage if procured as the result of an agreement shall be
 18 enforceable solely as follows:

19 (1) A party can seek additional insured coverage for itself or itself and
 20 members of its group as defined by its agreement with the named insured after the
 21 party seeking additional insured coverage does all of the following:

22 (a) Makes such a request for an additional insured premium quote by
 23 separate written communication to the named insured or the named insured's
 24 insurance agent or broker, or both.

25 (b) Receives a premium quote from the named insured's insurer or its
 26 authorized representative.

27 (c) Makes direct payment to the named insured's insurer or its authorized
 28 representative for either additional insured coverage for itself only or for itself and
 29 members of its group as defined by its agreement with the named insured.

1 (2)(a) Additional insured coverage for the group shall only be valid and
2 enforceable pursuant to this Subsection when the premium is expressly quoted for
3 group coverage, and the payment by the additional insured is for that corresponding
4 group premium amount.

5 (b) Once additional insured coverage is actually purchased, the named
6 insured, its insurer, or authorized representative shall notify the additional insured
7 in writing at least thirty days before the next annual premium is due or within seven
8 days of binding the renewal coverage for the named insured, whichever time period
9 is less.

10 (c) For any policy year where an additional insured either does not make the
11 request pursuant to Subparagraph (1)(a) of this Subsection or does not make payment
12 in the previous policy year pursuant to Subparagraph (1)(c) of this Subsection, the
13 named insured, its insurer, or authorized representative are not required to notify the
14 additional insured in writing at least thirty days before future renewals and, in such
15 instances, the additional insured shall make a new written request for additional
16 insured coverage pursuant to Subparagraph (1)(a) of this Subsection.

17 (3) When additional insured coverage is obtained pursuant to Paragraph (1)
18 of this Subsection, the additional insured or insureds, and not the named insured, are
19 liable for and responsible for any applicable deductibles or retentions as set forth in
20 the named insured's policy up to a maximum of one hundred thousand dollars, with
21 the named insured responsible to fund the amount of the applicable deductibles or
22 retentions, if any, in excess of one hundred thousand dollars.

23 (4) Any agreement where the named insured is made to fund all or any part
24 of the deductibles or retentions up to the first one hundred thousand dollars is null
25 and unenforceable and the provisions of this Subsection shall not apply.

26 (5) Nothing in this Subsection shall in any way be deemed to negate the
27 prohibition against defense and indemnity as set forth in Subsection B of this
28 Section, which defense and indemnity provisions remain null and void and against
29 public policy.

1 H: I. The provisions of this Act do not deprive a person who has transferred
 2 land, with a reservation of mineral rights, of the right to secure an indemnity from
 3 any lessee, operator, contractor, or other person conducting operations for the
 4 exploration or production of minerals in connection with the reserved mineral rights;
 5 provided such person does not retain a working interest or an overriding royalty
 6 interest convertible to a working interest in any production obtained through
 7 activities described in Subsection C of this Section.

8 H: J. This Act shall apply to certain provisions contained in, collateral to or
 9 affecting agreements in connection with the illustrative activities listed in Subsection
 10 C of this Section which are designed to provide indemnity to the indemnitee for all
 11 work performed between the indemnitor and the indemnitee in the future. This
 12 specifically includes what is commonly referred to in the oil industry as master or
 13 general service agreements or blanket contracts in whatever form and by whatever
 14 name. The provisions of this Act shall not apply to a contract providing indemnity
 15 to the indemnitee when such contract was executed before the effective date of this
 16 Act and which contract governs a specific terminable performance of a specific job
 17 or activity listed in Subsection C of this Section.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____