



Oil Insurance Limited

Press Release

Hamilton, Bermuda
February 9, 2017

Oil Insurance Limited (OIL) Announces Intention to Eliminate Offshore Gulf of Mexico Designated Named Windstorm Coverage in 2018

OIL announced to its shareholders on February 7, 2017 that commencing on January 1, 2018 the company will no longer offer Offshore Gulf of Mexico Designated Named Windstorm (DNW) coverage. It will continue to offer windstorm coverage in all other onshore and offshore areas of the Atlantic Basin and the world.

Bertil C. Olsson, President & CEO, commented that “For the past few years, membership participation in the Offshore DNW pool has appreciably declined as a result of decreased demand for this product. Increasingly, many companies have come to the conclusion that retaining this risk on their balance sheet or selectively insuring individual assets in the commercial market is a better alternative to insuring their entire portfolio of Offshore Gulf of Mexico named windstorm exposed

assets with OIL. As a result, OIL has determined that this geographic risk class no longer fits well within a mutual framework.”

George F. Hutchings, Senior Vice President & COO, further added that “OIL considered several product alternatives to the existing Offshore GOM windstorm product and conducted a membership survey to seek the memberships’ input. Two thirds of the membership didn’t believe that Offshore GOM windstorm risk should be offered by OIL and a significant portion of the membership didn’t believe that this risk should be mutualized across all members as one of the options to maintain this coverage. In light of the fact that alternatives had either limited value in the context of the mutual or were expensive, the survey feedback did not favor continued underwriting of this risk and membership demand for the product was low, the decision was taken to discontinue the Offshore GOM DNW coverage.”

For more information about OIL’s property coverages and related value go to www.oil.bm.

Oil Insurance Limited (OIL) insures over \$3.0 trillion of global energy assets for more than fifty members with property limits up to \$400 million totaling more than \$19 billion in total A- rated property capacity. Members are medium to large sized public and private energy companies with at least \$1 billion in physical property assets and an investment grade rating or equivalent. Products offered include Property (Physical Damage), Windstorm, Non Gradual Pollution, Control of Well, Terrorism, Cyber, Construction and Cargo. The industry sectors that OIL protects include Offshore and Onshore Exploration & Production, Refining and Marketing, Petrochemicals, Mining, Pipelines, Electric Utilities and other related energy business sectors.

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