

Policy Decision Issued by the Court on Causation

- 1. Introduction.** On 10/10/12, the Claims Administrator presented to the Parties for input the issue of additional analysis by the Claims Administrator of causation issues beyond those criteria that are specifically set out in the Settlement Agreement. This policy concerns the process by which the Claims Administrator assesses causation on Business Economic Loss (“BEL”) and Individual Economic Loss (“IEL”) claims. On 12/12/12, the federal District Court in New Orleans approved the following policy.
- 2. Causation Analysis on Economic Loss Claims.** The Settlement Agreement represents the Parties’ negotiated agreement on the criteria to be used in establishing causation. The Settlement Agreement sets out specific criteria that must be satisfied in order for a claimant to establish causation. Once causation is established, the Settlement Agreement further provides specific formulae by which compensation is to be measured. All such matters are negotiated terms that are an integral part of the Settlement Agreement. The Settlement Agreement does not contemplate that the Claims Administrator will undertake additional analysis of causation issues beyond those criteria that are specifically set out in the Settlement Agreement. Both Class Counsel and BP have, in response to the Claims Administrator’s inquiry, confirmed that this is in fact a correct statement of their intent and of the terms of the Settlement Agreement.

The Claims Administrator thus will compensate eligible BEL and IEL claimants for all losses payable under the terms of the Economic Loss frameworks in the Settlement Agreement, without regard to whether such losses resulted, or may have resulted, from a cause other than the Deepwater Horizon oil spill provided such claimants have satisfied the specific causation requirements set out in the Settlement Agreement. Further, the Claims Administrator will not evaluate potential alternative causes of the claimant’s economic injury, other than the analysis required by Exhibit 8A of whether an IEL claimant was terminated from a Claiming Job for cause.

- 3. Questions.** If you have any questions about the information in this Alert, email Questions@dhcc.com.