

Exxon settles for \$480 million

Lloyd's of London must pay claim from '89 Alaskan oil spill

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Exxon Corp. will receive \$480 million from Lloyd's of London underwriters to settle all litigation regarding Exxon's claims from the 1989 Alaskan oil spill by the Exxon Valdez supertanker, Exxon officials confirmed Thursday.

A jury in June found that the insurers had underpaid Exxon by \$250 million for costs associated with accident and clean-up. In the final judgment by state District Judge Carolyn Johnson, interest and other charges boosted that amount to about \$410 million.

The settlement, hammered out

through the work of Houston mediator Susan Sousson, will end what was predicted to be years of appeals by the defendants, Lloyd's, and more than 200 of its underwriters. They were unavailable for comment Thursday.

Both sides also agreed to drop lawsuits pending in Harris County and elsewhere. These included Exxon's allegations that the insurers violated good-faith provisions of Texas insurance laws, a New York arbitration proceeding by the two sides, and New York litigation by the insurers against Exxon.

"Exxon is pleased that these claims finally have been resolved," Exxon Chairman Lee R. Raymond said in a prepared statement. "This

settlement closes another chapter of this accident."

Jurors in Johnson's court found that the insurers erred in refusing additional Exxon claims for the clean-up. The oil company said it spent more than \$2.5 billion overall for the spill.

Lloyd's agreed in January to pay about \$300 million in disputed claims, and Exxon had paid about \$210 million as its deductible on its policies.

The insurers maintained that Exxon was effectively seeking double payment under dual policies carried by it and its subsidiaries. The defense also argued that coverage was voided by the negligent misconduct of the Exxon Valdez captain in causing the grounding.