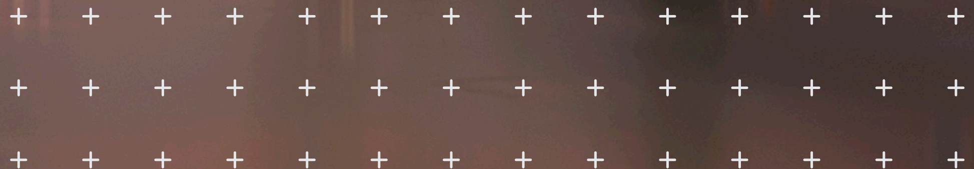
MARKETS IN FOCUS
ENERGY

Insurance Pricing & Market Update

Q2 2022



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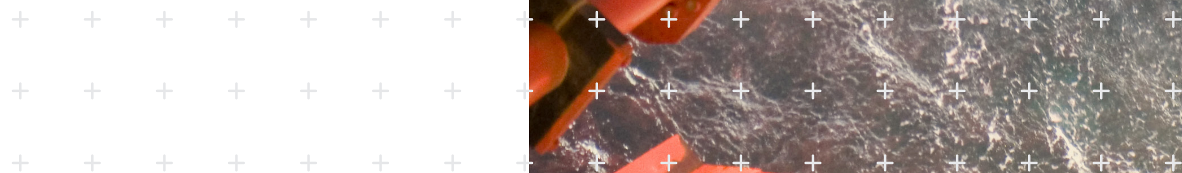
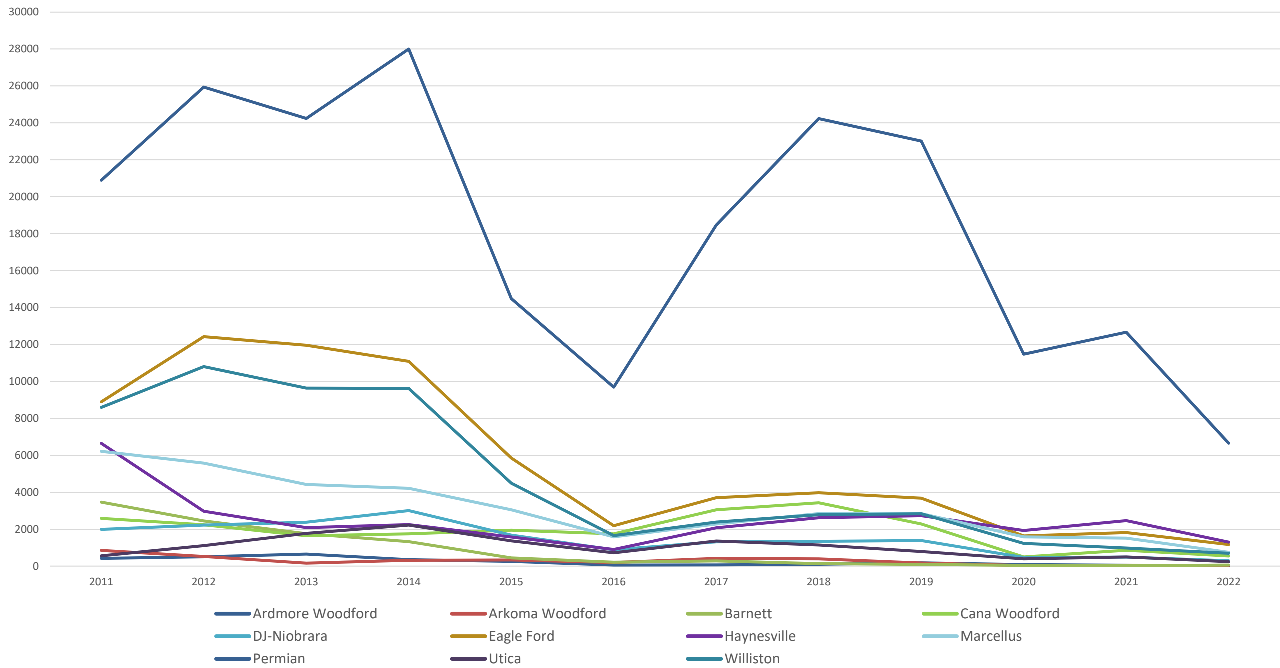
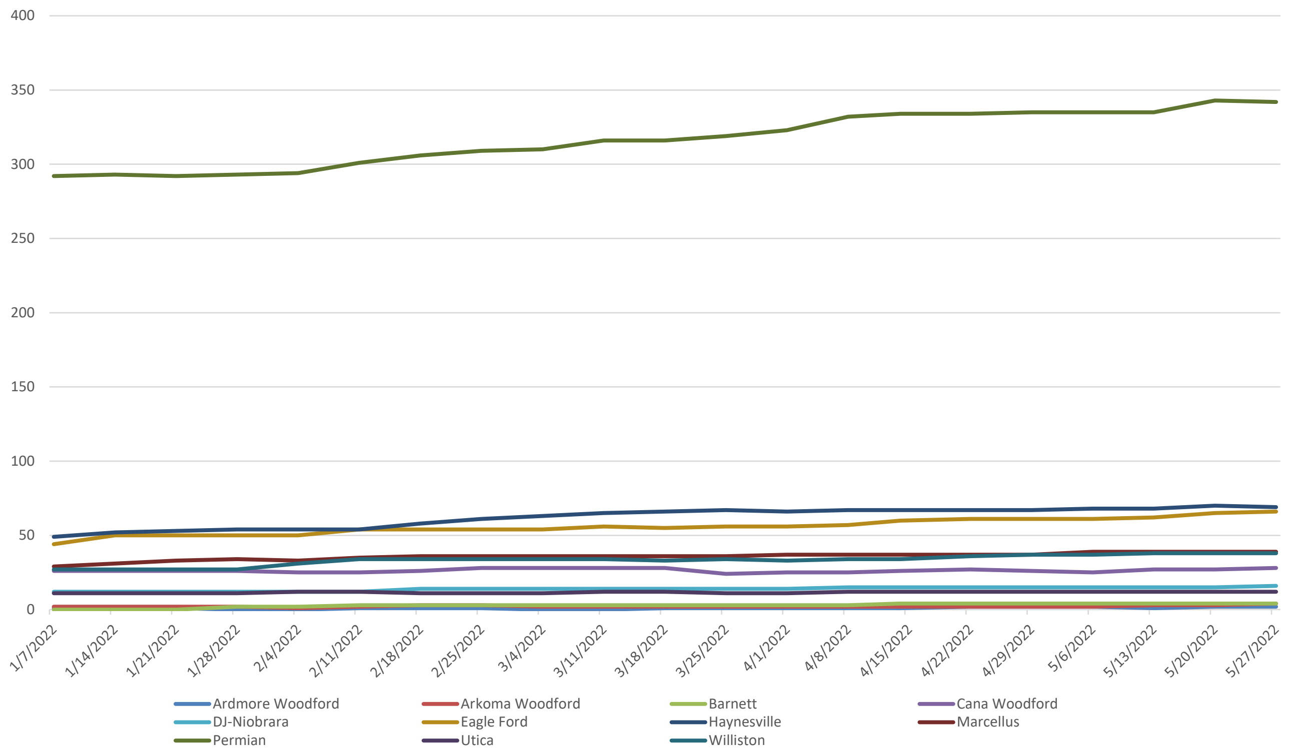
Introduction

Through the first quarter of 2022, the oil and gas industry continues to enjoy an elevated price environment with crude prices above $100/bbl and natural gas prices above $4/mcf for most of 1Q22. Despite prices being at their highest since 2008 and sustained upward pricing pressure as a result of the Russian invasion of Ukraine and supply constraints given lack of investment in new well development plans, the total rig count has not increased, and BOE/d production remains below pre-pandemic levels (estimated 12.0 million bpd in 2022 versus 12.8 million bpd in 2019 and estimated 97.4 Bcf/d in 2022 versus 93.1 Bcf/d in 2019)[1]. As it stands, it appears operators have settled into a flat to modest growth mode with more focus on generating returns for shareholders, waiting for lower hedging prices to roll off and improving balance sheets after multiple difficult years prior to 2021 as opposed to sacrificing free cash flow for increased production. Capital markets are coming out from the shadows with new institutional investors looking to reengage shunning the climate change narrative that has attempted to villainize the industry in exchange for investments in what has emerged as the most stable (and clean) global form of energy to satisfy increased global demand for the next 20+ years.

As the industry continues to reinvent itself in response to the global outcry for energy producers to reduce carbon emissions, many have made strategic ESG-friendly changes to their organizations and operations. Today, it is not uncommon to see emissions reduction plans, detailed ESG reports and specifics around community outreach in investor presentations, SEC filings and on company websites. However, many are still not satisfied with this level of attention to detail and would prefer to see a much more aggressive change to renewable energy. It appears that the oil and gas industry is caught between a rock and hard place – many would prefer for production to increase to help lower prices at the pump and relieve inflation pressure while others would prefer more stringent oversite of the industry and a faster shift to renewables. Finding a happy balance will continue to be a challenge for the industry moving forward.







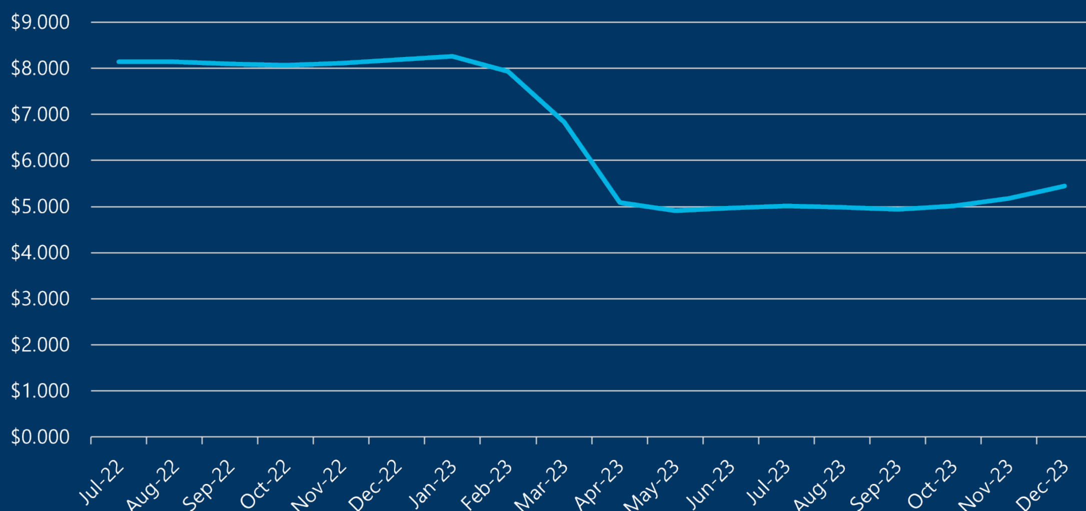
*2022 year through 5/27/2022

Source: Baker Hughes as of 5/27/2022 (https://rigcount.bakerhughes.com/na-rig-count)

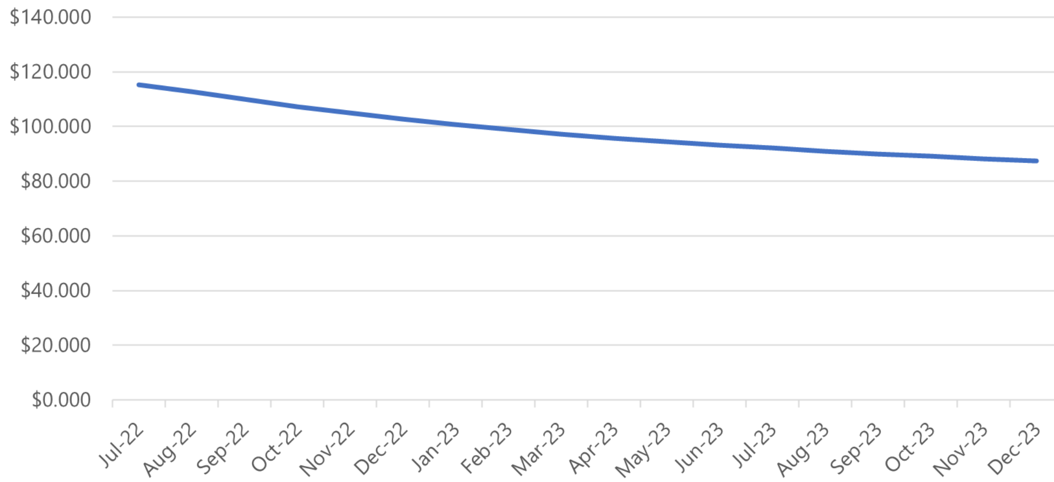
Upstream

As we enter the middle of 2Q22, crude prices remain above $100/bbl and natural gas prices continue to climb towards $8/mcf. However, despite upward pricing pressure from the Russian invasion of Ukraine and inflation, crude futures pricing remains in backwardation and U.S. natural gas prices futures show pricing in the $5/mcf range for Q2 through Q4 of 2023. As mentioned previously, it appears operators are more concerned with spending within free cash flow, returning capital to shareholders, reducing debt, and investing in ESG initiatives in order to better position themselves in the evolving global energy production landscape. Many operators are also still hamstrung by 3.0x and 3.5x revolving credit facility leverage covenants and hedge pricing significantly below current spot prices, which is also impacting their ability to ramp production. Additionally, oilfield services and equipment prices have increased significantly, which is raising AFEs estimates for projects. However, rig counts have increased or remained steady in 2022 in most major basins and the EIA forecasts crude production to increase to 13 million bpd in 2023 (which would surpass the previous record of 12.3 million bpd set in 2019).[2] As Jerome Powell looks to continue increasing interest rates, it will be interesting to see how much demand destruction occurs or if the Fed will be able to achieve the "soft landing" they are hoping for.

Stronger financial positions have helped improve underwriters' views on the space (particularly D&O), which has allowed capacity to remain strong. However, many underwriters are still unable to expose much capacity to the industry due to internal limitations as a result of broader views on fossil fuels and climate change. Some carriers, such as Zurich, Allianz, Ascot U.S. and AXA XL, have completely pulled out of the upstream market in loud moralistic displays of their commitment to the Net-Zero Insurance Alliance. As such, Travelers, Chubb (who recently rebuffed calls to stop providing capacity to the industry), Berkely Oil & Gas, Arch, AIG and Lloyds of London syndicates continue to be the primary markets that serve the industry and insureds should not expect significant changes to this landscape.



*As of 6/1/2022
Source: https://www.cmegroup.com/trading/energy/natural-gas/natural-gas_quotes_globex.html

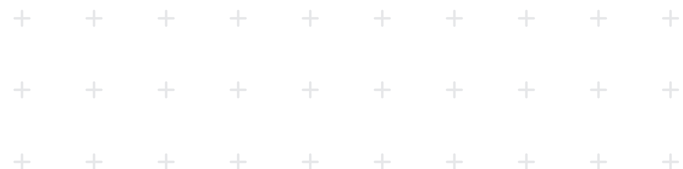


*As of 6/1/2022
Source: https://www.cmegroup.com/trading/energy/crude-oil/light-sweet-crude_quotes_settlements_futures.html

Oilfield Services & Equipment ("OFS")

Oilfield service and equipment providers continue to enjoy price elasticity for their services and products in 2022, which is a welcome reprieve from recent years. Despite the renewed demand in the sector, many OFS companies are struggling to find labor since many field employees that were downsized in 2020 have found new employment opportunities and are not looking to return to the cyclical world of oil and gas. Additionally, supply chain issues continue to be a problem as semiconductor shortages, electrical steel shortages and port congestions impact timelines for completing work.[3] With little inventory of products on hand, operators are at the mercy of OFS companies' supply chains and must wait for raw materials, components or unfinished products to be received and made into finished products. For key equipment like tank batteries and field automation components, the supply chain woes can result in delays in developing fields or extended downtime.

In order to address this changing market dynamics, many OFS companies have resorted to getting a little lax with policies to capture market share. For example, some are waiving drug testing in order to attract new hires and to keep their workforce intact while others are rushing to reactivate equipment and rigs. Underwriters are catching on to this behavior and are asking more detailed questions around hiring processes and checklists for reactivating stacked rigs. IMA's Risk Control team members are able to help audit or provide checklists for reactivating equipment and assist in bolstering hiring practices as part of your IMA service team's tailored service plan to your account.



Midstream

As global energy supplies become more uncertain, the global rise in demand for natural gas, and U.S. production expecting to reach daily highs by 2023, the role of midstream over the coming years is firmly on many people's minds. Due to take-or-pay contracts, minimum volume commitments and other fee-adjusted contracts, midstream companies were generally able to protect themselves during the downturn and have only gotten stronger financially as of late. This strength has allowed them to be in a great position to meet the additional demand – which is primarily coming from natural gas as LNG prices rise and the growing number of electric vehicles require more grid power. Per the EIA's latest report, there are currently 119 active natural gas pipeline projects in the U.S. spanning 34 states.[4] Water projects and carbon capture sequestration (more on this below) have also been a relatively new demand source for the sector.

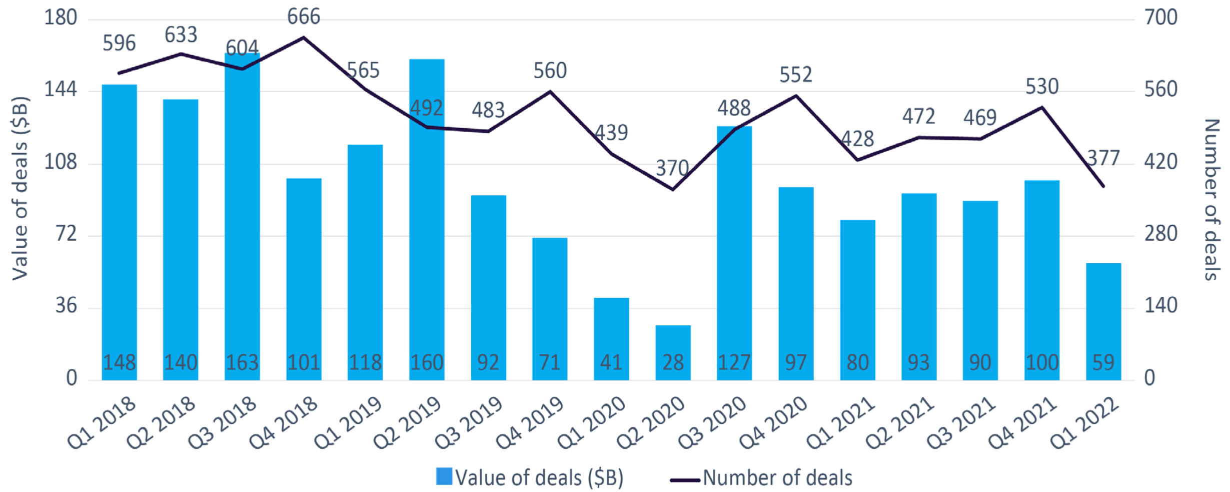
The global rise in demand for natural gas is expected to **reach daily highs** by 2023

With demand expected to be elevated for the foreseeable future and the attractive distribution margins for private equity investors, further pipeline growth appears to be inevitable. Regulations and general attitudes toward the industry could hamper this development, but the rubber must meet the road on near term energy demand. Given the current global supply chain issues, the added demand from pipeline builders has added further consternation resulting in project delays. These delays are challenging for many builder's risk insurers since these delays often times result in extension requests for these policies, which are not adequately captured in underwriters' risk models. It will be interesting to see how underwriters address this challenge as there appears to be no end in sight for supply chain problems and more pipeline projects appear to be likely in the near future.

Global M&A

In 1Q22, $59B worth of deals were announced in the global oil and gas industry, which represented a 41% decline from 4Q21's levels.[5] Of the $59B, upstream transactions accounted for $21B and midstream accounted for $14B while downstream, oilfield services and software companies were responsible for the remainder.[6] Much of the upstream activity in the first quarter was driven by U.S. shale operators with the most notable combinations being the merger of Bakken operators Whiting Petroleum and Oasis Petroleum and Chesapeake's consolidation of two Marcellus operators – Chief E&D and Tug Hill.

With many thinking that elevated commodity prices would yield another year of consolidation, it appears that rising interest rates and gyrations in equity valuations have given pause to dealmakers. As such, those still looking for opportunities would be wise to consider Representations and Warranties policies since acquiring debt for the transaction may be more complicated than before, which could extend the process and allow for more time to uncover potential breaches of Reps and Warranties. Additionally, the product can allow for the reduction or elimination of an escrow and can provide a cleaner exit from the transaction. For more details on how this product works, feel free to reach out to your brokerage team to get a more thorough explanation.



Source: https://www.globaldata.com/media/oil-gas/ma-deal-activity-oil-gas-industry-declined-41-terms-value-q1-2022-compared-q4-2021-says-globaldata/

Top 5 U.S. Upstream Deals of 1Q22

DATE	BUYERS	SELLERS	DEAL TYPE	U.S. PLAY	VALUE ($MM)
03-07-22	Oasis Petroleum	Whiting Petroleum	Corporate	Bakken	$3,880
01-25-22	Chesapeake Energy	Chief Oil & Gas; Tug Hill	Corporate	Marcellus	$2,602
01-12-22	Falcon Minerals	Desert Royalty Co	Royalty	Delaware	$1,421
02-28-22	PDC Energy	Great Western Oil & Gas	Corporate	DJ	$1,271
01-31-22	Earthstone Energy	Bighorn Permian Resources	Property	Midland	$860

Source: Enverus

Carbon Capture Sequestration ("CCS")

As renewable fuel producers, E&P companies, power and utilities companies, LNG facilities, and other carbon emitters look to lower emissions, carbon capture sequestration has become a very popular solution that many companies are working towards implementing or are exploring. For many it makes a lot of sense – the engineering and geological components already align with operational core competencies, sequestering CO2 helps achieve emissions and ESG initiatives and operators of these assets benefit from receiving up to $50 (potentially $80 if that portion of the Build Back Better legislation is ever passed) for each metric ton of carbon captured and sequestered. The process for obtaining Class VI injection well status can be cumbersome, but those that go through the process can be rewarded with the above benefits as well as a potential new revenue stream from sequestering other emitters' CO2. To expedite the permitting process of Class VI wells and encourage operators, the Texas Railroad Commission voted to approve the following actions on May 3:

+ Publication of proposed amendments to its rules implementing the state program for geologic storage of anthropogenic CO2 and incorporating federal requirements[7]
+ Submittal to the U.S. Environmental Protection Agency (EPA) of a pre-application to gain regulatory authority over Class VI underground injection control (UIC) wells that are used for injection of CO2 into deep subsurface formations[8]
+ A request that the Governor formally ask EPA for Class VI UIC well program approval[9]

Designing a risk management program around these operations can be tricky since a suite of products from surety bonding to 45Q tax credit insurance are applicable. Many of the first movers in CCS were renewable fuels companies, which we have worked heavily with over the years and have been able to apply those lessons learned to other industries looking to utilize CCS. For E&P companies that own gathering lines that are looking to add these operations on to their current operations, much of these assets can be added to current schedules and bolstered with the addition of 45Q tax insurance and changes to environmental legal liability policies. However, those looking to create a CCS joint venture or are not simply adding on to similar operations, a more fulsome risk management program will be required.

2H 2022 Insurance Market Outlook

2022 market conditions are suggesting that pricing trends continue to improve from the highs in late 2020 across most lines and regions for accounts with desirable risk characteristics.[10] Factors like inflation-driven higher claims costs across all lines of business, along with social inflation in the U.S. and low interest rates (albeit rapidly rising) are still drivers for the elevated pricing environment, but underwriters are generally willing to extend capacity to risks they like. It is this level of discipline that has helped soften many markets and why we are dubbing this current market state the "disciplined market" as opposed to the "hard market."[11] Granted, there are still difficult classes of business to write, and loss history will continue to be paramount. Strong recovery from the COVID-19 pandemic has also boosted the market outlook, but economic growth may slow down over the next few years as the Fed looks to apply decelerating monetary policies, coupled with supply chain issues and inflation risks.[12] On top of these factors, CAT risk exposures will continue to add volatility to the market. Despite intense competition in the market, the global recovery trend is clear and investors are still optimistic about the insurance market with influx of new investments entering in the future.[13] In regards to technology initiatives in the P&C market, this sector is ripe for investments. Reports show that Insurtech investments reached $7.4B in the first half of 2021 as carriers look to utilize AI and machine learning to lower underwriting costs.[14] According to Market Watch, "The high adoption of advanced technology and the presence of large players in this region are likely to create ample growth opportunities for the market and hopefully additional capacity will follow."[15]

Property

Property pricing continues to be volatile, but the market is generally healthy. The availability of capacity and pricing depends on risk perception as well as geographic location, particularly in Texas, Louisiana and Florida given these state's CAT exposure and questions raised around quality control given the recent Sunnyside, Florida condo collapse. The recent wildfire impacts in the west have caused a significant shortage in capacity. The situation is especially pressing in California, Oregon, Washington, Utah, Idaho and Colorado where high winds and low humidity have made containment operations more difficult.

- Business Interruption and Loss of Production Income coverages are under greater scrutiny for upstream and midstream operators. Capacity remains adequate, but allocations at the asset level need to be precise with values well supported and loss mitigation and flow assurance emphasized where possible. Pricing has become more volatile with rates ranging from flat to +25% in the Lloyd's market.

Oilfield Lease Property ("OLP")

OLP continues to be a challenging line with the best results typically seen when combining this product with a Control of Well policy. Blanket limits with higher limits for specific items are still achievable. Given the volatility of crude prices, it will be important to make sure the $/bbl cap for crude in tank losses is at an adequate level. Obtaining lightning coverage continues to be very difficult with many carriers offering small sublimits or no coverage at all, resulting in many insureds looking into expensive standalone lighting strike policies. In general, underwriters are asking a lot of questions around lighting protection and are excluding tank batteries that don't have a level of protection they are comfortable with. Saltwater disposal wells and batteries also remain a challenge for coverage since it is typically not economically for lightning protection to be on these assets.

+ For integrated operations, obtaining business interruption and contingent business interruption has become a more cumbersome process as underwriters want to understand what exactly the company can control and would be making a claim against itself. In many cases, carriers are requiring a third-party forensic study to get a better understanding of aggregate exposure.

Casualty

In the U.S., rate hikes have generally leveled off from the highs of 2020 and 2021 for accounts with favorable loss history, as most accounts were typically seeing sizable rate increases during this time. Though many primary and excess carriers are still generally concerned about nuclear verdicts (particularly given the shift in general public attitude towards the industry), admitted carriers are willing to look at new accounts and appetite is moderate. In general, carriers are requesting more history of loss information, more details related to past losses and any subsequent changes made to prevent future losses. Capacity on excess layers remains adequate but lead Umbrella underwriter offerings are being scaled back from the traditional $25M layer to $15M with some as little as $5M. As such, more carriers are typically needed to achieve desired limits.

+ Accounts with large auto fleets or operations close to residential areas are finding it hard to place the first $5M of coverage as carriers have seen more losses in these categories.

Control of Well (COW)

The pricing environment continues to be soft for COW as 0-5% rate increases remain the norm and achieving $50-$100M in limits is not uncommon for clean Area 1 U.S. Onshore Shale (Developmental Well vs Exploratory Well category) accounts. Underwriters are still asking a lot of questions around D&C contractors, mud weights, how many wells are on each pad and frac fleet fueling procedures. Some underwriters have also become more concerned with orphan wells (known and unknown) on leases destabilizing wellbore pressure and causing blowouts during drilling operations, which is why they are asking to see the known orphaned wells added to schedules.

Environmental

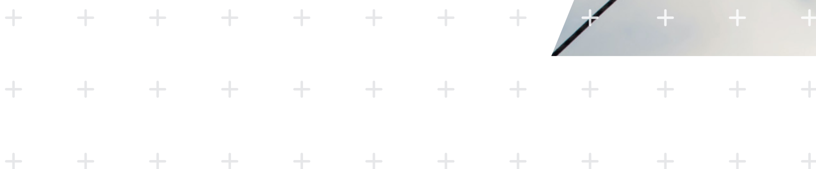
Unlike the P&C space, the environmental marketplace remains fairly stable from a rate perspective. The coverage continues to be an important backstop to any sudden and accidental coverage provided in the casualty tower and OEE (if applicable) and providing broader coverage terms such as civil fines and penalties. However, underwriters are taking a more critical eye with respect to terms and conditions. Exclusions and/or restrictions such as polyfluoroalkyl substances (PFAs), natural resource damages and choice of law are becoming more prevalent in specific jurisdictions such as California, Louisiana and Colorado. Capacity in the upstream market for operators is also more limited now with the exit of Zurich Insurance from the pollution marketplace. However, new capacity has entered the market in the form of London-based facilities writing onshore U.S. business. Coverage is more dynamic in the midstream and contractor spaces with additional carriers dipping their toe in the water to compete for business. With 95% of the placements in the E&S market, coverage remains nimble and can be crafted to address the specific needs of clients.

Auto

Placing auto liabilities continues to be a challenge, particularly for accounts with large fleets, as this line of insurance has been a loss leader for many carriers for the last decade. It is not uncommon to see carriers that traditionally package Auto, General Liability, and Workers' Compensation together now splitting out Commercial Auto from their product offerings as losses in this line have made this strategy suboptimal. Many carriers are also asking about fleet monitoring technology and future investment plans in telematics.

Workers' Compensation

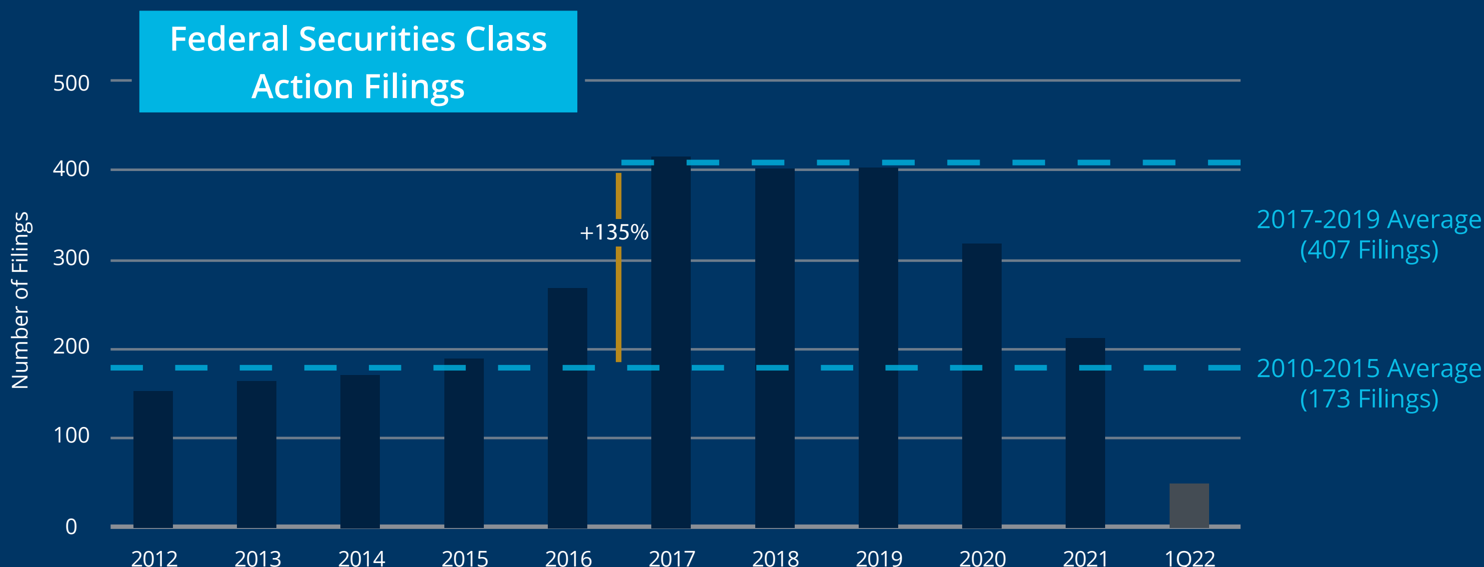
One bright spot for insurance purchasers continues to be Workers' Compensation, which has been a profitable line of business for many carriers and capacity remains stable. Pricing is still dependent on loss history and Modification Factors, but carrier competition over accounts with adequate to strong loss history continues to help pricing.



Executive Risk & Specialty Lines

Directors & Officers

For the last two years, D&O claim filings have trended downward compared to their elevated levels in 2017, 2018 and 2019. In 1Q22, 47 total D&O cases were filed, which would imply an annualized IMA estimate of 188 total filings in 2022. This would represent the third year in a row of year-over-year decreases in total cases filed (210 cases were filed in 2021 and 328 were filed in 2020). Given this downward trend, elevated lawsuit dismissal rates, frequency of SPAC-related litigation still evolving and new capacity entering the marketplace, D&O pricing for recent renewals have consistently been more favorable than the rate highs of 2020. Companies considering an IPO, or a de-SPAC transaction should continue to expect elevated pricing and retentions, but both are generally more favorable than a year ago. Given market conditions and the need to ensure proper coverage for IPOs and de-SPACs, it will be paramount to engage your D&O team as early as reasonably possible.



M&A and Representations & Warranties (R&W) Insurance

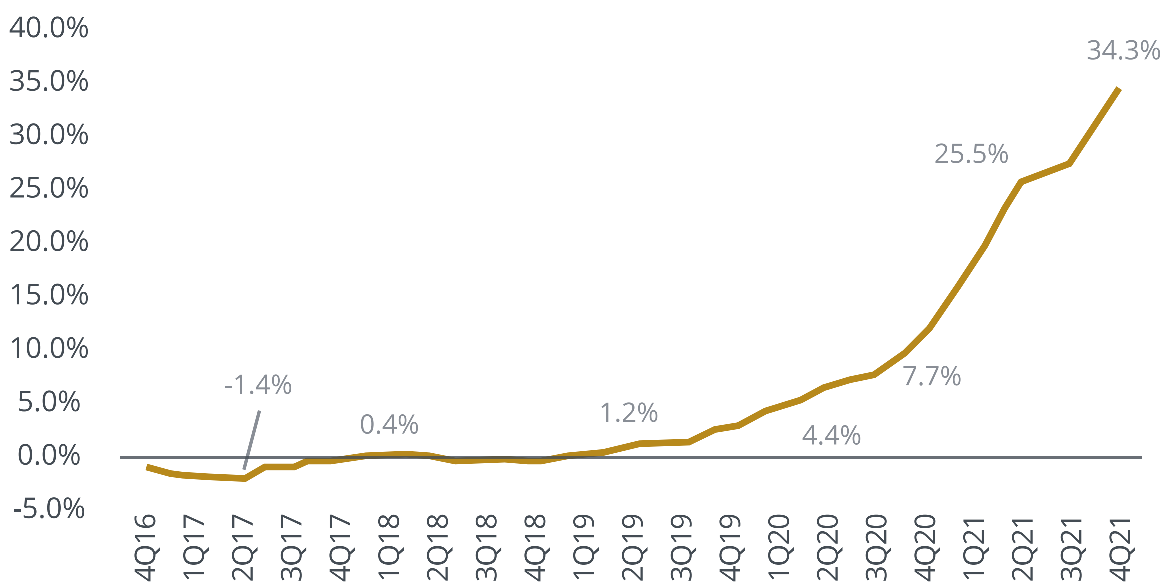
After the sharp increase in M&A transactions (and by correlation, R&W insurance submissions) that flooded the market in 2021, most notably in Q4, deal flow began to subside to slightly higher than historical levels in 1Q22 for most industries. With lower submission activity, carriers being staffed more adequately and additional RWI capacity coming on-line in 2022 pricing began to soften from recent market highs in 4Q21. Although pricing volatility subsided some in Q1, upstream O&G remains a challenging RWI placement based on the increased risks surrounding reserving, developed vs. undeveloped and heightened environmental issues in addition to new concerns presented regarding cyber following 2021's cyberware attack.

The war in Ukraine and by extension, the high price of oil and the market's long-term outlook have begun to attract increased capital to the energy sector resulting in increased oil & gas (and broader energy) M&A opportunities in 2022 thus far. Globally, in the first quarter we saw one of Europe's largest M&A deals involving Swedish Lundin Energy adding scale to its oil & gas exploration practices in the Nordics. Domestically activity has increased in the oil & gas space, and it is expected that there will be continued carve-out activity in the middle market space necessitating the use of RWI. Capacity for these products is available and limits and pricing are based on the target's Total Enterprise Value.

Cyber

As more high-profile attacks make news headlines and concerns over more attacks resulting from geopolitical tensions increase, carriers have responded by increasing rates, limiting language and diminishing capacity. Additionally, due to the high severity of losses and the need for more disciplined capacity in the space, there has been an emergence of InsurTech carriers in the world of Cyber insurance. These firms have moved beyond static questionnaires and are using proprietary technology to probe insureds' Cyber defense and response systems in their underwriting processes to determine what coverage and limits will be offered. Regardless of the carrier looking at the business, insureds will need to prove that they have sophisticated cybersecurity controls in place just to receive a quote. One such control carriers are demanding to see out of insureds is Multi-Factor Authentication (MFA) since this protocol can deter ransomware and social engineering attacks. Many carriers will not even quote accounts without MFA implemented or will make binding subjective to a 30 to 60-day adoption of a stringent MFA policy across the company.

For public companies, it is also important to note that the Securities and Exchange Commission issued a new rule aiming to enhance and standardize disclosures regarding cybersecurity risk management and incident reporting. The new rule will require companies to disclose via 8-K information about a material cybersecurity incident within four business days. It also requires updated disclosures on previously disclosed incidents, as well as when a series of undisclosed immaterial cybersecurity incidents become material in the aggregate. Lastly, it requires reporting companies to describe their cybersecurity policies and procedures, if any, management's role in implementing cybersecurity policies and procedures and whether the board of directors possesses cybersecurity expertise.



Source: ciab.com/resources/q4-p-c-market-survey-2021/

Surety Update

After a decade-long soft market, the COVID-19 pandemic acted as a catalyst in tipping the scale in the surety markets. However, the surety industry, within the energy space weathered the pandemic well, outside one very large and publicized loss. Looking into the future, the market remains robust, however, there continues to be fissures brewing within the industry.

The current commodity pricing market has been a boon to all operators, and we're seeing more capital plans for drilling activity. Some operators were significantly hedged in 2022 and were limited in their positive impacts to price increases, however, we're seeing those hedges roll off and new hedge strategies taking place. At current pricing levels, upstream operators can finance significant portions of the current and future drill plans through cash flow.

At the start of the COVID-19 pandemic, the upstream operators were at the end of a cycle, with significant leverage coupled with a very competitive commodity price. During the pandemic, operators focused on delivering production at lower costs and have emerged with stronger balance sheets. Access to equity capital is opening, however, we have yet to see the credit market embrace energy with open arms as they had pre-pandemic. Furthermore, we are seeing a very strong consolidation effort among international, large, to super-basin players. We see this trend continuing for the next few years.

The overall economic uncertainty and forecast of a pending recessions is a cause for concerns for surety underwriters. The underwriters' concerns are more broadly based in economic terms rather than specifically energy related, but we are pushing them to view things on an account-by-account basis since this is a credit-based product.

In general, a very tight labor market is inhibiting drilling plans, a severe supply constraint is causing issues through the entire vertical and there continues to be a major headwind for energy companies to drill, pipe and build energy facilities in the U.S. We continue to see ESG concerns with surety/ insurance companies removing themselves for the surety marketplace for energy companies. In addition, we are seeing proposed changes to multiple states' bonding requirements has incited an increase in financial assurance requirements across the country, particularly for upstream operators. Many states are concerned about the potential cost associated with plugging and abandoning ("P&A") orphaned wells as a result of operator insolvency, which is causing many state legislators to propose increases in financial assurance requirements for P&A bonds.

The surety fallout from Fieldwood has yet to be fully felt across the underwriting market, however, the concerns about the losses remain with the underwriters. Coupling this with future economic uncertainly and the potential for vast increases in financial assurance requirements has the underwriters on edge. That said, we continue to see surety market for energy companies as robust, with ample capacity and a competitive rate environment.

Keys To Success In 2022

+ **Begin the Renewal Process Early** – The General Liability, Excess/Umbrella, Cyber and D&O markets have become constrained and more difficult to navigate in the disciplined market. Furthermore, many blue-chip admitted carriers in the oil and gas space are offering less capacity and more carriers are being required to achieve desired limits. Due to general price increases across all lines of coverage and all industry sectors, underwriters are being inundated with submissions as brokers and insureds look to minimize the additional costs. As such, turnaround times for quotes are increasing. To achieve the best results, insureds should begin their renewal processes earlier than usual as to allow for brokers to successfully canvass the market, work diligently with underwriters in detail, and negotiate the best terms.

+ **R&W Insurance** – In an increasingly competitive M&A landscape, R&W insurance provides corporate/strategic buyers, private equity firms and other stakeholders with a risk mitigation solution for uncertainties surrounding the M&A process. If you are contemplating an M&A transaction and considering the use of R&W insurance, the following should act as your guide:

    1. **Contact your broker early in the process.** To obtain the most value out of the R&W process, this means around the LOI phase in the transaction. This provides for a better opportunity to align deal terms with the R&W policy provisions.

    2. **Policy Terms matter.** Limits placed are typically 10% of target's Total Enterprise Value. Pricing currently averages from 3 - 4%, which is expressed as a percentage of the limits placed. Self-Insured Retentions on average are 1% of TEV. For example, in a $100M TEV transactions: (1) $10M Limit, (2) $1M Self-Insured Retention, (3) $300 - $400K Premium.

    3. **The process.** Be prepared to provide underwriters at the outset with financials, draft purchase agreements and any confidential investment memorandums. From there, you should expect underwriters to thoroughly be involved in the deal itself, as they will be given data room access, copies of diligence and advisor reports and be provided with the opportunity to ask any further questions during an underwriting call.

- **Highlight Cybersecurity** – With Cyber policies becoming more expensive and more difficult to place for energy clients, it will be important for insureds to highlight the specificity of their cybersecurity programs. Make sure to highlight any additions in cybersecurity staffing or upgrades to programs as well as lessons learned from previous attacks. If you do not have MFA procedures in places (on all devices, including out in the field), start thinking about implementing them or else it will be impossible to even get a quote for Cyber coverage.

- **Highlight Safety** – Carriers are always looking to analyze EH&S practices, but underwriters will add more scrutiny to safety in the hard market. This is especially true when looking to obtain lightning strike coverage, as many underwriters will want an in-depth description of all lightning protection equipment and procedures included in the submission. If there have been claims in the past, it will be important to explain to carriers what lessons were learned and how the company is working to not have repeat incidents. Additionally, IMA's Client Advantage EH&S and risk control professionals can help strengthen policies, provide training based on the latest regulations, or provide on-site audits via their custom service plans.

- **Contracts** – Carriers are becoming more and more interested in indemnity language in MSAs and other contracts. Many underwriters are even asking for samples of contracts to review as part of their renewal process in order to see what insureds are agreeing to indemnify. This is especially true on issues of care custody and control. IMA Client Advantage attorneys can help tighten indemnity language and give feedback on current contracts that will help protect our clients and make them more attractive to underwriters.

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