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Claims Administration and Handling in Mass Tort Cases: Lessons from Deepwater Horizon

In mass casualty and toxic tort litigation, an effective means of providing prompt and efficient compensation to victims can benefit all stakeholders. Claimants receive prompt payment for lost property or business expenses, courts are spared from individual litigants crowding their dockets, and responsible parties (RPs) can begin to cap their exposure and liability risk. A fast and fair claims process can provide an alternative to costly, protracted, and uncertain tort litigation. The 2010 Deepwater Horizon spill in the Gulf of Mexico was a good candidate for such a process. Thousands of businesses and individuals along the Gulf were seriously affected by the spill, and both British Petroleum (BP) and the Plaintiffs' Steering Committee (PSC) moved quickly to get a claims process in place.

To date, the Deepwater Horizon spill claims process has resulted in thousands of payments by BP, the RP for the spill under the Oil Pollution Act (OPA), totaling billions of dollars; however, despite voluntarily initiating a claims process and negotiating its terms, BP now vigorously disputes the program's implementation. The claims-handling process, which includes determining who qualifies to receive payment and the standard for recovery, has been the subject of substantial litigation — the very disputes the process was intended to avoid. The courts that have considered BP's requests for intervention have not provided any relief to the RP, based in large part on the fact that the claims process was one of BP's own making. Over BP's repeated objections, Deepwater Horizon claims continue to be processed. How has this voluntary and mutual process resulted in contentious litigation over its implementation? Although the scale of the Deepwater Horizon claims process provides an extreme case, it offers important considerations for parties managing claims following an oil spill or other mass casualty.

Read the [full article here](#).

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