



# Deepwater Horizon Oil Spill

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Making Claims for Damages



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**DEEPWATER HORIZON**  
Protecting Florida's Future



# BP Claims Process



- File a claim in one of three ways:
  - Visit [www.bp.com/claims](http://www.bp.com/claims)
  - Call 1-800-440-0858
  - Visit a BP Claims Office
  
- Claimants should file a claim online or by phone before walking into a claims office to speak with an adjuster.
  
- For more information and a listing of BP Claims offices please visit [www.MyFloridaCFO.com](http://www.MyFloridaCFO.com).

# BP Claims Process

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- Claimant info is entered into database, assigned a number and forwarded to adjusters to then investigate/evaluate.
- Adjuster will require some substantiation of income such as a copy of current licenses or permits, documentation of loss of income, and possibly tax returns or other financial information to document comparable past income.
- Reasonable effort will also be made to act on lost income claims up to \$5,000 within 48 hours of receipt.

# BP Claims Process



- BP indicates that 90% of claimants make their living from the water. Florida's Sea Grant program urges consideration of the following:
  - BP will require commercial fishermen, and most likely for-hire operators, to indicate the location of their fishing activities and species targeted.
  - Commercial fishermen may want to extract their fishing location data that can be found from their archived Trip Tickets and ensure that any estimated losses are linked with a specific area that they have historically fished, but is now off-limits due to the spill.
- Any claims that are denied or that are not resolved within 90 days after the date of submission to the BP Exploration claims representative may be submitted to the US COAST GUARD STOP (ca), 4200 Wilson Boulevard, Suite 1000, Arlington, Virginia 20598-7100 for consideration.

# What Claims are covered?



- "Removal Costs" – Reasonable and necessary costs to cleanup or remove the oil.
- Damages for injury to, or economic losses resulting from, destruction of real or personal property.
- Damages for loss of subsistence use of natural resources, such as hunting or fishing.
- Damages equal to the loss of taxes, royalties, rents, fees or net profit shares due to the destruction or loss of real or personal property or natural resources.
- Damages equal to the loss of profits or impairment of earning capacity due to the injury, destruction, or loss of real or personal property or natural resources.
- Damages for net costs of providing increased or additional public services during or after remove activities.

Please refer to the Oil Pollution Act (OPA) for more detailed information on oil spill claims coverage information.

# How often should I make a Claim?



- Only file your claim once.
- Later you may provide your adjuster with supplemental information and claims once assigned your initial claims number.
- You can report different types of damages on the same form with the same claim number.
- You will not be required to file again for subsequent payments.

# What documentation is necessary?



- All claims and supporting documentation will be reviewed by an adjuster.
  
- Examples of various types of supporting documentation (if applicable):
  - Tax Records
  - Wage Statements
  - Deposit Slips
  - Boat Registration
  - Occupancy Rates
  - Cancellation Records
  - Bookkeeping Records

# Claims Adjuster Information



- Adjusters meet with claimant individually.
- If represented by an attorney, they must pursue the claim for you.
- Adjuster will review claim information and determine if it is sufficient to support the claim.
- Adjuster has the authority to pay an advance as dictated below if documentation provided supports such a payment.
  - \$5,000 for captain or owner of boat
  - \$2,500 for deckhand
  - Estimate of one month of lost wages

# Escrow Account

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- BP has agreed to contribute \$20 billion over a four-year period at a rate of \$5 billion per year, including \$5 billion within 2010. BP will provide assurance for these commitments by setting aside \$20 billion in U.S. assets.
- BP has reaffirmed its commitment to pay all removal costs and damages that it owes as a responsible party. It will not assert any liability cap under OPA to avoid liability.
- The creation of the escrow account will provide assurance to the public that funds will be available to compensate the injured.

# New Independent Claims Facility



- A new, independent claims process will be created with the mandate to be fairer, faster, and more transparent in paying damage claims by individuals and businesses.
- The facility is designed for claims of individuals and businesses who have been harmed by the oil spill; local, state, tribal, and federal government claims will continue to be handled directly by BP.
- The facility will decide all claims as expeditiously as possible, and in any event within the existing statutory timeframe.
- All claims adjudicated under this facility have access to the escrow account for payment.

# Other Options for Assistance



## National Pollution Funds Center

- The Oil Pollution Act (OPA) of 1990 set up a system of liability and funding for responding to oil spills. To remedy this, the act created the Oil Spill Liability Trust Fund. That fund is administered by the National Pollution Funds Center.
- You **must** submit claims to BP **before** you can submit a claim to National Pollution Funds Center.
- If BP **denies your claim or does not pay within 90 days** of filing, you may file a claim with the National Pollution Funds Center, [www.uscg.mil/npfc/Claims/default.asp](http://www.uscg.mil/npfc/Claims/default.asp).

# Types of Claims Available to the Public Under the National Pollution Funds Center



- **Real or Personal Property Damage:** damage or economic loss related to destruction or harm of real or personal property.
- **Loss of Profits and Earning Capacity:** damages for loss of profits or impairment of earning capacity due to the injury, destruction, or loss of real property, personal property, or natural resources.

## Making a Claim: Information Required by the NPFC and Suggested for BP Claims

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- The National Pollution Funds Center does not have a required format for claims to the oil spill trust fund, but it has provided an optional claim form. The optional claim form is available as an appendix to its "Claimant's Guide" at two online locations:
- <http://www.uscg.mil/npfc/docs/PDFs/urg/Ch6/NPFCClaimantGuide.pdf>
- [http://www.uscg.mil/npfc/docs/PDFs/Forms/Claims\\_Form.pdf](http://www.uscg.mil/npfc/docs/PDFs/Forms/Claims_Form.pdf).

# Bridge Loans



- Bridge Loans are a type of short-term loan, typically taken out for a period of 2 weeks to 3 years pending the arrangement of larger or longer-term financing.
- Loan amounts between \$1,000 and \$25,000 for a maximum term of 12 months. Loans will be interest free for the loan term.
- Eligibility criteria:
  - In business a year prior to April 2010
  - 2 to 100 employees.
  - Loans up to \$25,000.
  - Must have applied for BP and federal assistance and have claim numbers for both or,
  - Applied to BP and received first check or,
  - Have business interruption coverage under their insurance policy.
- For more information please visit the Florida First Capital Finance Corporation website at [www.ffcfc.com](http://www.ffcfc.com).

# SBA Loans



- SBA is offering working capital loans up to \$2 million at an interest rate of 4 percent with terms up to 30 years. Businesses in designated counties must demonstrate economic injury as part of their loan application.
- SBA encourages businesses to also file claims with BP. Borrowers may be required to use any claim payments to help repay these SBA loans.

# SBA Loans



- Eligible small businesses include those engaged in shrimping, crabbing and oyster fishing in the waters affected by the closure.
- Obtain loan information and application forms by either calling SBA's Customer Service Center at (800) 659-2955 (800-877-8339 for the hearing impaired), e-mailing [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov), or visiting SBA's Web site at [www.sba.gov/services/disasterassistance](http://www.sba.gov/services/disasterassistance).

# Worker's Compensation



With clean-up activities under way, the divisions of Consumer Services and Worker's Compensation are working together to develop and provide information that contractors need to know about Florida's workers' compensation laws.

- Workers on the beach and land areas are covered by state law; workers on the water (boats, docks ... any structure in or touching the water) are covered by federal law.
- Cleanup work is largely considered non-construction activity, meaning independent contractors and those with fewer than 4 employees are not required to have workers compensation coverage. They do not need to apply for an exemption either.
- The Division of Consumer Services will assist in contact efforts and is coordinating to include workers' comp representatives at meetings and roundtables to help provide information on workers comp laws and help answer questions.

The effort is intended to ensure immediate coverage is available if a worker is injured or becomes ill due to the oil spill work.

# Deepwater Horizon Financial Accountability Website



[www.MyFloridaCFO.com/OilSpill](http://www.MyFloridaCFO.com/OilSpill)

Florida CFO Alex Sink launched a new webpage allowing Floridians to track state expenditures in response to the Deepwater Horizon oil spill, and to provide transparency in how BP grant dollars are distributed to Florida counties.

- The Deepwater Horizon Financial Accountability webpage is updated nightly.
- The financial data shown is representative of what Florida's state agencies have received/spent in relation to the Deepwater Horizon oil spill.
- Any monies received/spent by non-state agencies are not reflected.
- "State Operation Expenditures" represent costs incurred by state agencies in providing assistance for the oil spill that may not yet have been reimbursed.
- "BP Grant Dollar Disbursements" represent payments made to non-state agencies for protection and promotional services.

Please visit [www.MyFloridaCFO.com/OilSpill](http://www.MyFloridaCFO.com/OilSpill) for more information and a link to the new Financial Accountability site.



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Florida Department of Financial Services



# MORE QUESTIONS?

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The Division of Consumer Services helps consumers make informed insurance and financial decisions.

Our dedicated and experienced staff are continuously trained and informed about any changes that occur in the 26 different categories of insurance. Consumer Assistance and Protection is our Mission.

Visit [www.MyFloridaCFO.com](http://www.MyFloridaCFO.com) or call **(850) 413-3089** or **1-877-MY-FL-CFO (693-5236)**.



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# References

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- BP's Deepwater Horizon Response  
<http://www.deepwaterhorizonresponse.com/go/site/2931/>
- Oil Spill Claims—U.S. Coast Guard National Pollution Funds Center  
<http://www.uscg.mil/npfc/Claims/default.asp>
- Claimant's Guide (2003, updated 2009), published by the National Pollution Funds Center  
<http://www.uscg.mil/npfc/docs/PDFs/urg/Ch6/NPFCClaimantGuide.pdf>
- The Oil Pollution Control Act  
<http://www.epa.gov/oem/content/lawsregs/opaover.htm>