

Leslie Thorne and Andrew Van Osselaer: 'Who Will Pay for the Freeze and Subsequent Meltdown in Texas'?

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Today in Texas homes and businesses, the lights are on and clean water flows. But for one week in February, the entire state of Texas was brought to its knees by a massive winter storm creating such a demand for electricity that much of Texas went without power and water for days on end. The widespread loss of electricity caused mass devastation on a scale rivaling any natural disaster. The only thing certain now is that the road to recovery will be long and the specter of litigation even longer.

Those suffering losses following natural disasters invariably ask themselves, “Who will pay for this?”

There is no easy answer to that question, but insurance will play a key and deceptively complex role in any recovery. It should not only pay for property damage and lost profits, but also fund the defenses of those sued for causing harm and bolster certain industries, like the gas and electric power industry, against unique hazards. That is why as we collectively scramble to account for our losses, we must understand the many roles insurance may play. Only by doing so can Texans and Texas businesses hope to be made whole.

Excerpted from *Insurance Journal*. To read the full article, click [here](#).