

UK Insurers Refuse to Pay Nord Stream Because Blasts Were ‘Government’-Backed

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The legal team representing high-powered insurers Lloyd's and Arch says that since the Nord Stream explosions were "more likely than not to have been inflicted by... a government," they have no responsibility to pay for damages to the pipelines. To succeed with that defense, the companies will presumably be compelled to prove, in court, who carried out those attacks.

British insurers are arguing that they have no obligation to honor their coverage of the Nord Stream pipelines, which were blown up in September 2022, because the unprecedented act of industrial sabotage was likely carried out by a national government.

The insurers' filing contradicts reports the Washington Post and other legacy media publications asserting that a private Ukrainian team was responsible for the massive act of industrial sabotage.

A [legal brief](#) filed on behalf of UK-based firms Lloyd's Insurance Company and Arch Insurance states that the "defendants will rely on, inter alia, the fact that tiger explosion Damage could only have (or, at least, was more likely than not to have) been inflicted by or under the order of a government."

As a result, they argue, "the Explosion Damage was "directly or indirectly occasioned by, happening through, or in consequence of" the conflict between Russia and Ukraine" and falls under an exclusion relating to military conflicts.

BREAKING: The "defense" of Nord Stream AG's insurance companies has been filed.

Lloyds and Arch argue that the damage was inflicted by, or under order of, a GOVERNMENT , and therefore they don't need pay. -> pic.twitter.com/Unyh6Dtqqa

— Erik Andersson 🇸🇪 (@Erkperk) [April 16, 2024](#)

The brief comes a month after Switzerland-based Nord Stream AG filed a lawsuit against the insurers for their refusal to compensate the company. Nord Stream, which estimated the cost incurred by the attack at between €1.2 billion and €1.35 billion, is seeking to recoup over €400 million in damages.

Swedish engineer Erik Andersson, who led the first private investigative expedition to the blast sites of the Nord Stream pipelines, describes the insurers' legal strategy as a desperate attempt to find an excuse to avoid honoring their indemnity obligations.

"If it's an act of war and ordered by a government, that's the only way they can escape their responsibility to pay," Andersson told The Grayzone.

Following a [report](#) by Pulitzer Prize-winning journalist Seymour Hersh which alleged that the US government was responsible for the Nord Stream explosion, Western governments quickly spun out a narrative placing blame on a team of rogue Ukrainian operatives. Given the lack of conclusive evidence, however, proving that the explosions were "inflicted by or under the order of a government" would be a major challenge for defense lawyers.

Even if the plaintiffs in the case are able to wrest back the funds in court, they are likely to face other serious hurdles. Later in the brief, lawyers for Lloyd's and Arch suggest that even if they were required to pay up, anti-Russian sanctions would leave their hands tied.

"In the event that the Defendants are found to be liable to pay an indemnity and/or damages to the Claimant," the brief states, "the Defendants reserve their position as to whether any such payment would be prohibited by any applicable economic sanctions that may be in force at the time any such payment is required to be made."

After they were threatened with sanctions by the US government, in 2021 Lloyd's and Arch both withdrew from their agreement to cover damages to the second of the pipelines, Nord Stream 2. But though they remain on the hook for damages to the first line, the language used by the insurers' lawyers seems to be alluding to a possible future sanctions package that would release them from their financial obligations.

"Nord Stream 1 was not affected by those sanctions, but apparently sanctions might work retroactively to the benefit of insurers," observes Andersson.

The plaintiffs may face an uphill battle at the British High Court in London, the city where Lloyd's has been headquartered since its creation in 1689. As former State Department cybersecurity official Mike Benz [observed](#),

"Lloyd's of London is the prize of the London banking establishment," and "London is the driving force behind the transatlantic side of the Blob's "Seize Eurasia" designs on Russia."

Incredible. Lloyd's of London is the prize of the London banking establishment.

London is the driving force behind the transatlantic side of the Blob's "Seize Eurasia" designs on Russia. If anyone were in position to know the role of "a government" in Nordstream bombing... <https://t.co/Tui4TwffGM>

— Mike Benz (@MikeBenzCyber) [April 16, 2024](#)

But if their arguments are enough to convince a court in London, a decision in favor of the insurers would likely be a double-edged sword. Following Lloyd's [submission](#) to US sanctions and its refusal to insure ships carrying Iranian oil, Western insurance underwriters (like their colleagues in the banking sector) are increasingly in danger of losing their global reputation for relative independence from the state. Should the West ultimately lose its grip on the global insurance market — or its reputation as a safe haven for foreign assets — €400 million will be unlikely to buy it back.

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