

## Fracking Insurance

Fracking has been used for many years in the conventional oil and gas well drilling. However, fracking for unconventional gas drilling has only been around since early 2000s in the advent of horizontal drilling techniques and the use of slickwater. It is especially the slickwater when it leaks into aquifers or spills on the surface, that is of great concern since it contains many nasty chemicals. These spills pollute the surface or ruin an aquifer. There is plenty evidence from the oil & gas industry itself that wells, especially deviating ones like for unconventional gas, tend to leak even after a few years.

During the Western Australian Barnett government, a parliamentary inquiry into fracking was conducted. The outcome was that any concerns were null and void and risks could be managed. The industry obviously agrees with this statement, because that clears the way for the use of fracking techniques. If the gas industry is so sure that fracking for unconventional gas is basically risk free they should not have any problem accepting the following proposal to transparently show the public that fracking is safe. Namely, obtaining an insurance policy that covers all environmental damage for the production life of the well, plus 25 years beyond that point in time as a safety margin. If reputable insurance companies come to the conclusion that fracking for unconventional gas is safe and therefore a low risk to the insurance company, the premium will be so small that it will have no impact on the gas company's profit margin. However, if the insurance companies determine that fracking is very risky business, very high premiums will be charged. If the gas companies do not take up this suggestion, then by default it means that fracking for unconventional gas is inherently unsafe and environmentally damaging.

It will be a difficult task to get gas companies to voluntary take out Fracking-Insurance, however the government could for a start commission the insurance industry to conduct a pilot study of which the results are transparently published. The terms of reference to be publicly advertised, can be commented on and should include all the concerns by opponents of this practice.