



The Delegation Clause – a Key Locking the Courthouse Doors Unless Precisely and Appropriately Targeted

The U.S. Court of Appeals for the Fifth Circuit's May 2026 ruling in *Hill v. Jackson Offshore*¹ makes it clear: broadly challenging an arbitration agreement won't get you into court. If there's a delegation clause, you must aim directly at it first and separately.

What Happened

Seaman Jeremiah Hill was severely injured on an offshore supply vessel in April 2023. During recovery, Jackson Offshore's CEO provided the required maintenance and cure, plus an apartment and full wages to complete out-patient therapies, all totaling over \$100,000 in supplemental benefits above what was mandated under the law. However, Jackson Offshore's CEO also allegedly warned Hill that retaining a lawyer would necessarily end the additional support. Six months later, in exchange for continuing to receive those supplemental benefits, Hill signed an Advance Wage and Benefits Agreement containing both arbitration and delegation clauses. Hill later sued, claiming fraud and economic duress in signing the agreement, asking a federal district court to void the agreement and its arbitration provision. Jackson Offshore moved to compel arbitration, but the district court denied the motion without prejudice, reasoning discovery should be conducted on arbitrability. It then filed a timely interlocutory appeal to the Fifth Circuit, even though the district court's denial was without prejudice.

Key Contract Language

The arbitration clause stated:

“I am not giving up my right to bring any claims against the Company for my injuries or illness. However, in exchange for the Company’s Agreement to provide these additional benefits, I agree that if I choose to file a claim or lawsuit against the Company... I will submit any such claims to binding arbitration...”

The delegation clause included:

“Any dispute relating to the validity, interpretation, or application of this Agreement shall be submitted to the arbitrator for resolution.”

What Is a Delegation Clause?

Most people are familiar with arbitration clauses – provisions requiring that disputes be resolved by a private arbitrator rather than a jury. A delegation clause goes a step further. It delegates to the arbitrator the power to decide threshold “gateway” questions – including whether the arbitration agreement itself is valid or enforceable in the first place. For a delegation clause to be displaced, the party resisting arbitration must specifically challenge that clause – not the broader contract.

What the Appellate Court Decided

Under U.S. Supreme Court precedent from *Rent-A-Center v. Jackson* (2010), a party who wants a court – rather than an arbitrator – to resolve a validity challenge must direct that challenge specifically at the delegation clause itself. Hill’s arguments – fraud in the inducement and economic duress – attacked the agreement as a whole. He never explained how those arguments applied differently, or specifically, to the delegation clause. The panel found Hill’s framing insufficient. Even though his opposition brief said he challenged “both the entire Agreement, as well as the arbitration language or ‘clause’ specifically,” Hill offered no analysis connecting fraud or duress to the delegation clause in particular. Under the severability principle, challenges to the broader contract go to the arbitrator – not the court – per the delegation clause.

Key Takeaways

- **Delegation clauses can be enforceable shields.** If your agreement contains one and it is not specifically challenged, courts will compel arbitration – even if the

underlying contract is disputed for fraud or duress.

- **General attacks are not enough.** Saying “I challenge the arbitration clause” without explaining how fraud or duress applies specifically to the delegation clause will not survive. Courts require targeted, granular argument.
- **Draft with delegation in mind.** Offshore operators and energy companies should ensure their arbitration agreements contain explicit, broad delegation clauses. The language here – covering “validity, interpretation, or application” – proved decisive.
- **Seamen’s counsel must aim precisely.** Counsel representing injured maritime workers must specifically allege how fraud or duress induced agreement to the delegation clause itself – not just the broader agreement – to get a court hearing.
- **Interlocutory appeals are available.** The court confirmed that an order denying arbitration – even “without prejudice” and permitting discovery – is immediately appealable. Operators shouldn’t assume they must wait for a final ruling.
- **Circuit tension remains unresolved.** Two concurrences reveal disagreement on whether courts must first analyze “contract existence” before reaching the delegation clause – a doctrinal fault line to watch as cases develop.

For maritime employers, offshore operators, and energy contractors: a well-drafted delegation clause can be one of the more valuable protections in an arbitration agreement. This decision confirms that so long as the clause is in place and not specifically targeted with granular argument, broad attacks on an agreement’s validity belong in front of an arbitrator, not a jury. For plaintiffs’ maritime counsel, the lesson is equally clear: if you want a court to hear your challenge to an arbitration agreement, you must surgically direct your arguments at the delegation clause, not just the contract as a whole. Anything less, and the courthouse door likely stays shut.

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