



# UPSTREAM MARKET UPDATE

H2 2025





The upstream insurance market in H1 2025 played out as we suggested it would in our previous report, with softening momentum building as capacity significantly exceeded demand for most risks, and capacity surplus driving carriers to compete aggressively for market share.

Losses in the upstream sector remain minimal, and it has been over a decade now without a market loss in excess of USD 1bn. This favourable loss environment has contributed to a continued downward trend in rates, with buyers benefiting from reductions ranging between 5% and 30% in H1 2025.

The extent of these rate reductions is influenced by the loss record, the risk location and the asset type and whilst reductions vary, as a macro theme in the upstream market, the rate is coming off across the portfolio.

While softening markets benefit clients by reducing insurance spend as a percentage of CAPEX, they also present challenges across the value chain. For markets, repeated double-digit reductions strain margins, while brokers must balance market coverage with managing signings and relationships.

For H2 2025, upstream brokers face the challenge of pushing incumbent leaders for necessary reductions, only to see business won by other markets offering better terms. For operational risks with large premiums, renewals are becoming increasingly unpredictable, with savings of 20%–30% achievable. This level of reduction is unsustainable over several renewals.

Brokers must work closely with clients to navigate this soft cycle while maintaining relationships for the inevitable market turn. Without a series of major upstream losses, the next 12–24 months will remain challenging for the upstream insurance business. Brokers will need to offset costs to protect margins, potentially impacting service levels, while underwriters face diminishing returns on capacity deployment.



## TOP TEN LARGEST UPSTREAM ENERGY LOSSES IN 2024

DOL	AREA	COUNTRY	LOCATION	LAND/ OFFSHORE	OP/CAR	CATEGORY 1	CATEGORY 2	CATEGORY 3	CAUSE	PD/ACTUAL US\$	BI/ ACTUAL US\$	OEE/ACTUAL US\$	TOTAL/ ACTUAL US\$
02/12/2024	Far East	South Korea	Ulsan	Land	CAR	MOPU	FPS	Structure	Unknown	175,000,000	-	-	175,000,000
05/16/2024	Europe	Denmark	North Sea	Offshore	OP	Platform	Platform	Transformer	Unknown	-	156,000,000	-	156,000,000
09/06/2024	Far East	China	South China Sea	Offshore	OP	MOPU	FPSO		Windstorm	151,228,900	-	-	151,228,900
04/06/2024	North America	Mexico	Bay of Campeche	Offshore	OP	Platform	Platform	Structure	Fire + explosion/ VCE	150,000,000	-	-	150,000,000
02/01/2024	Europe	UK	North Sea	Offshore	OP	Rig	Semi sub	Riser	Faulty work/ op error	108,500,000	23,000,000	-	131,500,000
01/30/2024	North America	USA	GOM - MC	Offshore	OP	Well	Well		Blowout no fire	-	-	130,000,000	130,000,000
01/30/2024	Australasia	Australia	Western Australia	Offshore	CAR	Pipeline	Pipeline		Mechanical failure	100,000,000	-	-	100,000,000
07/18/2024	Africa	Nigeria	Delta State	Offshore	OP	MOPU	FPSO	Various	Heavy weather	63,873,870	-	-	63,873,870
09/07/2024	North America	Mexico	Unknown	Offshore	CAR	Vessel	Crane/pipe barge		Heavy weather	52,804,770	-	-	52,804,770
04/25/2024	Africa	Nigeria	Escravos	Offshore	OP	Rig	Jackup	Leg/ SpudCan/ Mat	Heavy weather	50,000,000	-	-	50,000,000

Total 2024 upstream losses (117): **USD1,815,273,990**

Total top ten losses: **USD1,160,407,540 = 64%**

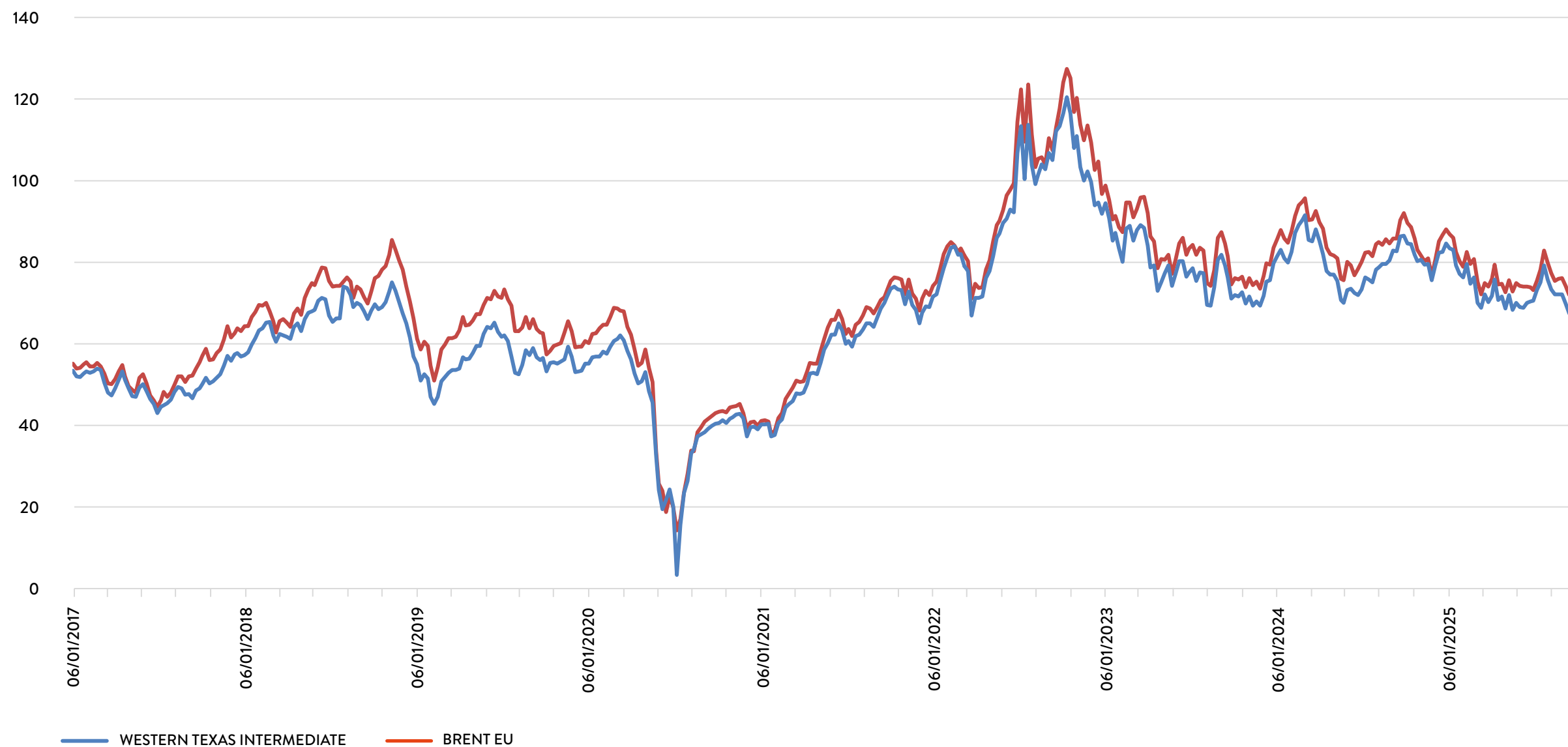
Operational (92): **USD1,285,478,599**

Construction (25): **USD529,795,391**

Losses are incurred in actual amounts, as reported, not indexed, sourced from the Willis Towers Watson's energy industry loss database for ground-up losses of USD1 mn or more at the time of loss. Note that 2024 figures are subject to further development, both in terms of frequency and severity of losses as of 26th June 2025.

# WEEKLY OIL PRICES JAN. 2017-JUN. 2025

OIL PRICES – WEEKLY

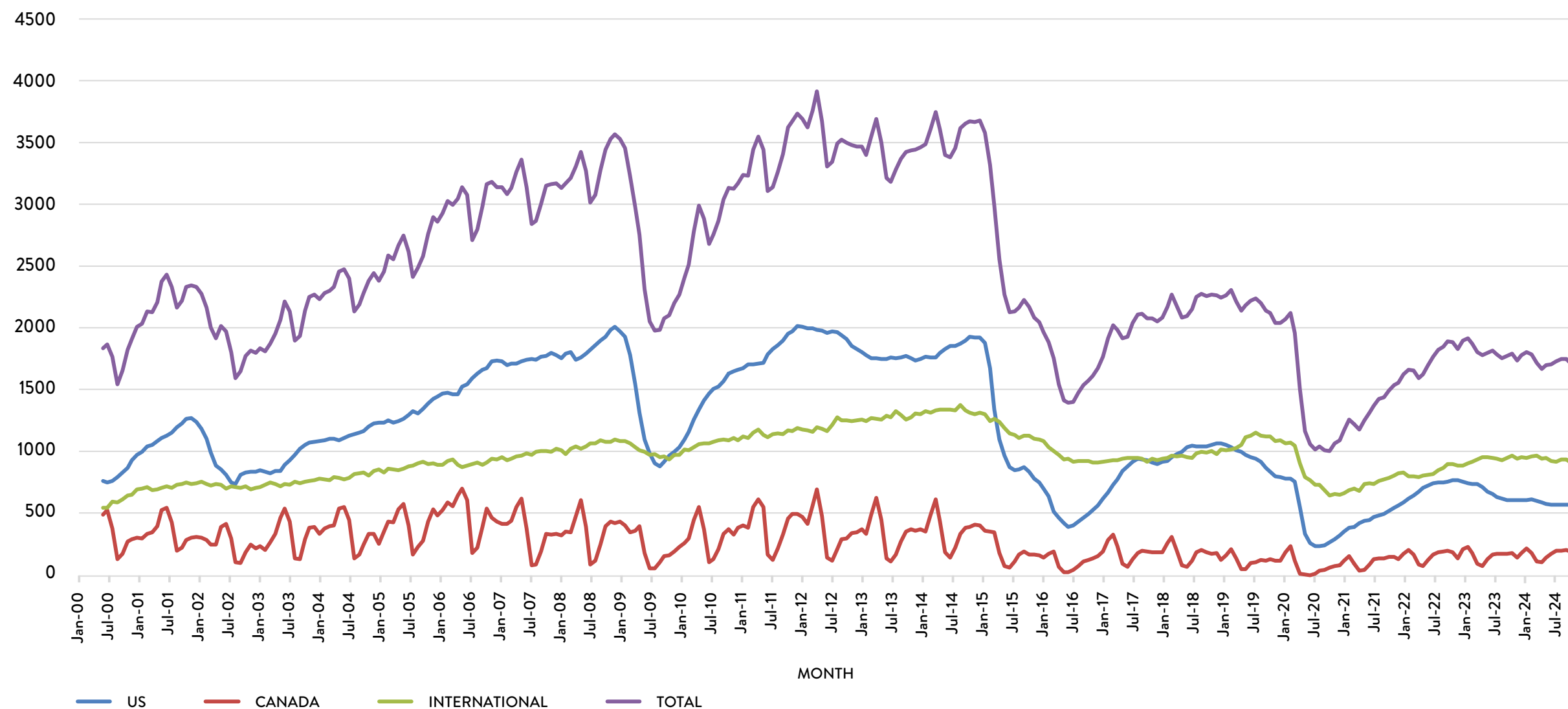


Source: <https://fred.stlouisfed.org/tags/series?t=oil>



# MONTHLY RIG COUNTS JAN. 2000-JUN. 2025

MONTHLY RIG COUNTS (LAND AND OFFSHORE, ALL ASSETS)



Source: <https://rigcount.bakerhughes.com/intl-rig-count>





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