



# MIDSTREAM

## MARKET UPDATE

H2 2025





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The Midstream Insurance Market in H2 2025 continues to follow the trajectory set in H1. Capacity remains stable, resulting in a persistent surplus and driving carriers to compete for market share. Losses in the sector are minimal, with initial concerns about new North American wildfires quickly fading. Rates continue to trend downward, with reductions ranging from 10% to 15%.

The upstream segment of the midstream market benefits from a relatively low loss ratio, continuing the softening market cycle. In contrast, the downstream segment faces increased loss frequency and severity, likely leading to market hardening. Differentiating between these segments is essential, as the upstream side involves the initial phases of oil and gas recovery, including the storage and distribution of unrefined products, while the downstream side focuses on refined products. This distinction determines the rating pressures and market dynamics applicable to specific risks.

Midstream risks leaning toward the downstream side are more likely to align with the dynamics outlined in the downstream market update. However, Alesco's expertise and market leverage uniquely position us to assist oil and gas clients in navigating this evolving landscape. Our teams work seamlessly across both sides of the midstream market, ensuring our clients achieve the best possible renewal terms.

Looking ahead to 2026, we anticipate the market flexing its muscles in the midstream sector, with upstream markets increasingly writing midstream business to offset a shrinking premium pool in the upstream book. This shift is expected to drive further rate reductions for midstream clients as the year progresses.







FOR FURTHER INFORMATION CONTACT:

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