



H2 2026

NATURAL RESOURCES

INSURANCE MARKET UPDATE



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01

ABOUT ALESCO

Alesco Risk Management is an independent London Market insurance and reinsurance broker and risk consultancy for large and complex risks on a direct and wholesale basis. Founded in 2008, we provide risk management services and insurance solutions which are fundamental for protecting organisations in an ever-changing world. We work closely with underwriters in the London markets, in key global insurance centres and with local broking partners in 70+ countries.

Offering insurance solutions for property, liability, accident and health, contingencies and more across a diverse range of industries, from natural resources and construction to marine, aviation and fine art, just to name a few. Combining the strength and reach of a global brand with the service levels and flexibility of a specialist independent broker, Alesco is committed to building confidence and creating certainty in your business.



02

INDUSTRY OVERVIEW



INDUSTRY OVERVIEW

Alesco Natural Resources perspective on global insurance market conditions and strategic risk transfer opportunities.

The year 2026 can be characterised as the year in which the energy transition became fundamentally about security, resilience, electrification and execution. The organisations best positioned to succeed will be those able to balance affordability, reliability, sustainability and capital discipline while navigating an increasingly complex geopolitical, technological and insurance market landscape, with the Iran conflict and associated oil price volatility providing clear examples of how quickly energy security and market conditions can shift.

From an Alesco Natural Resources perspective, the first half of 2026 has continued to present a materially buyer-friendly insurance market. Abundant capacity, heightened insurer competition and sustained downward pressure on ratings are creating opportunities for clients to improve programme efficiency across upstream, midstream, downstream and renewable energy portfolios. This softening has continued despite significant energy loss activity, including reported 2025 downstream losses of approximately USD7 billion and reported 2026 losses to date that remain heavily weighted towards downstream exposures.

Clients continue to operate against a complex backdrop of geopolitical and trade fragmentation, supply chain fragility, evolving sanctions regimes, higher asset replacement values and increasing climate volatility. These factors are influencing underwriting scrutiny around territorial exposure, sanctions compliance, business interruption values, rebuild assumptions, contingent exposures and natural catastrophe accumulation. However, the overall supply of insurance capital remains more than sufficient, leaving well-managed risks with strong engineering data in a position to secure attractive terms, broader coverage and meaningful programme efficiencies.

“Today, the energy transition is about security, resilience and technologies.”

World Economic Forum, Global Energy in 2026: Growth, Resilience and Competition

Insurance conditions remain broadly stable and buyer-friendly, with softening supported by new capacity and greater competition. Underwriters remain focused on valuations, BI exposure, maintenance, asset concentration, supply chain resilience and limit adequacy; well-managed risks can still secure improved pricing, higher limits and broader coverage.

Structurally, Everen's continued development reflects growing buyer interest in mutual and alternative risk transfer structures as part of the wider energy insurance market. Membership now stands at 74 and the platform accommodates both smaller international utilities and major integrated energy companies, with membership assessed by asset scale, creditworthiness, operational quality and diversification value, rather than market capitalisation alone.

The attraction for suitable buyers is stable capacity, low expense ratios and reduced exposure to short-term market-cycle volatility. However, this must be balanced against capital commitment, membership obligations, dividend potential and coverage scope. Alesco therefore views Everen as a strategic risk transfer tool, rather than a direct replacement for conventional market placement.

TOP FIVE NATURAL RESOURCES RISKS IN 2026

RANK	RISK	WHY IT MATTERS IN 2026 AND INTO 2027
1	Geopolitical, trade and energy security fragmentation	Sanctions, tariffs, MENA volatility, critical mineral competition and energy security priorities are reshaping LNG flows, upstream gas investment, midstream infrastructure, mining demand and insurer appetite.
2	Asset integrity, operational resilience and loss volatility	Downstream refining losses, restart risk, ageing upstream and midstream infrastructure, power plant reliability and mining asset concentration are increasing scrutiny of maintenance, engineering quality and contingency planning.
3	BI valuation, supply chain and replacement cost adequacy	Higher commodity values, gas price volatility, critical spares constraints, long-lead equipment and project delays are making accurate declared values, BI/CBI limits and spare parts strategies central to underwriting outcomes.
4	Natural catastrophe, climate volatility and modelling quality	Recent hail, windstorm, flood and severe weather activity reinforces the importance of NatCat limits, site mitigation, climate-adjusted modelling and accumulation management across renewables, power, midstream and mining portfolios.
5	Technology transition, electrification and portfolio interdependency	Larger WTGs, BESS, floating offshore wind, Chinese OEM exposure, AI/data centre demand, grid pressure, LNG growth, M&A and integrated energy systems are increasing technology, aggregation and clash risk.

These risks reflect the themes now running across the sector updates: gas-led growth in upstream and midstream, elevated downstream refining losses, power demand and grid pressure from data centres, renewable technology and NatCat scrutiny, Everen's relevance as a strategic mutual/ART option, and mining's exposure to critical minerals, asset concentration and valuation adequacy. The strongest underwriting outcomes will continue to depend on credible engineering data, accurate BI values, resilient supply chains, disciplined maintenance and a clear view of retained versus transferred risk.

Underwriters remain focused on valuations, BI exposure, maintenance, asset concentration, supply chain resilience and limit adequacy; well-managed risks can still secure improved pricing, higher limits and broader coverage.

CONTINUING TO CAPTURE VALUE IN A SOFT MARKET



2026 remains a clear market of opportunity for energy buyers. Capacity surplus, expanded insurer appetite and strong competition across London, regional and international markets are enabling clients to reduce cost, broaden coverage and simplify placements. The most favourable outcomes are achieved by buyers who enter the market early, present high-quality engineering information, demonstrate active risk governance and allow Alesco to build genuine competitive tension across the available capacity base.

Rate reductions remain achievable across upstream, midstream, downstream and renewable energy portfolios, although outcomes vary materially by asset quality, loss history, natural catastrophe exposure, sanctions exposure, operational resilience and insurer perception of technology risk. Well-engineered, loss-free risks continue to attract the strongest competition, while accounts with heavier downstream or refining exposure, complex construction activity, weaker business interruption valuation support or poor data quality face greater underwriting challenge, particularly where policy coverage, deductibles and restart procedures are under review.

This environment creates an important strategic window to reassess retentions, limits, deductibles, indemnity periods and the balance between retained and transferred risk.

Alesco's recommendation is that clients should not simply bank premium savings; they should use market leverage to secure broader protections, address coverage gaps, improve lender compliance, restructure towers and test whether alternative risk transfer or parametric solutions can reduce earnings volatility.

For renewable energy, portfolio diversification, natural catastrophe modelling, OEM support, operating performance data and mitigation technology are increasingly important differentiators. Solar clients should evidence hail and windstorm protections, BESS clients should demonstrate monitoring and fire controls, and wind clients should address technology maturity, maintenance access, spare parts and certification. For conventional energy, the same discipline applies to inspection regimes, maintenance, BI values, contractor controls, sanctions screening and evidence that recommendations are being closed.



03

UPSTREAM

UPSTREAM INDUSTRY OUTLOOK

The upstream energy sector is driven by LNG growth and energy security, with a focus on strategic gas investments. Meanwhile, abundant insurance capacity ensures favourable terms, despite rising claims activity.

The upstream sector continues to benefit from a relatively constructive commodity backdrop, although the market remains increasingly bifurcated between oil and gas. While oil demand growth is slowing and pricing remains vulnerable to macroeconomic uncertainty, natural gas continues to emerge as the key growth story, supported by expanding LNG export capacity, energy security concerns and rising power demand.

The LNG buildout underway globally is creating a significant pull-through effect for upstream gas developments. With over 150 million tonnes per annum of additional LNG capacity¹ expected by the end of the decade, operators are accelerating investment in gas resources capable of supplying future export demand. This trend is particularly evident across North America, the Middle East, East Africa and selected offshore basins where large-scale gas developments are increasingly being viewed as strategic assets.

¹<https://www.iea.org/news/coming-surge-in-lng-production-is-set-to-reshape-global-gas-markets>





At the same time, electrification, artificial intelligence and data centre growth are creating a structural increase in power demand. Whilst renewable generation continues to expand, natural gas remains the most practical and scalable source of dispatchable power in many regions. This is reinforcing the long-term investment case for upstream gas developments and supporting activity across both conventional and unconventional resource plays.

Despite this positive backdrop, capital allocation remains disciplined. Operators continue to prioritise shareholder returns, balance sheet strength and free cash flow generation over production growth at any cost. Similar to the broader energy sector, there is a noticeable preference for brownfield expansions, tieback opportunities and infrastructure-led developments rather than large-scale frontier projects. Whilst major developments continue to move forward in regions such as Guyana, Brazil and the Middle East, the industry remains considerably more measured than during previous commodity cycles.

Energy security continues to be a major driver of upstream investment. Governments are increasingly recognising the importance of domestic hydrocarbon production in supporting economic stability and reducing import dependency. Whilst ESG considerations remain influential, recent years have seen a more pragmatic approach emerge, balancing decarbonisation objectives with the need to maintain secure and affordable energy supplies.

The sector continues to attract significant capital, particularly where projects are supported by low lifting costs, attractive fiscal regimes and long-term gas demand fundamentals. M&A activity remains robust as operators seek to optimise portfolios, secure reserves and position themselves for the next phase of growth.

Whilst renewable generation continues to expand, natural gas remains the most practical and scalable source of dispatchable power in many regions.

UPSTREAM INSURANCE MARKET UPDATE

The upstream insurance market remains firmly in soft market territory, with abundant capacity and strong competition continuing to drive favourable outcomes for insureds.

Throughout the first half of 2026, existing markets have continued to expand their appetite while new entrants have sought to establish positions across both upstream and wider energy portfolios. Competition for high-quality business remains particularly intense, with many underwriters willing to deploy additional capacity in pursuit of growth and diversification.

The competitive dynamics that have characterised the upstream market for several years remain firmly in place. London continues to see a significant number of carriers competing for lead positions, while international markets are increasingly seeking opportunities to participate in larger programmes. This has resulted in continued downward pressure on pricing, broader coverage offerings and increased flexibility around programme structures.



Underwriting focus remains centred on well control exposures, asset integrity, ageing infrastructure, natural catastrophe accumulations and construction activities. Offshore developments, particularly those involving complex drilling programmes, continue to attract enhanced scrutiny, as do operations located within catastrophe-exposed regions. Aggregation management is also becoming an increasingly important consideration given ongoing consolidation within the sector and growing insured values associated with major developments.

Notwithstanding these considerations, underwriters remain keen to deploy capacity and competition continues to outweigh concerns around exposure. For well-performing risks, rate reductions of between 10% and 20% remain achievable, often accompanied by opportunities to secure higher limits, enhanced policy wordings and more favourable terms and conditions.

Multi-year agreements remain widely available and continue to be an area of interest for both insurers and insureds. Whilst some markets have become more selective regarding the structure of these arrangements, particularly where break provisions are absent, alternative capacity remains readily available across most programmes.

The upstream insurance market continues to experience elevated claims activity with 2026 potentially a gross loss-making year for insurers. Whilst many insurers are pointing to their claim figures the market dynamics will continue to operate on a supply and demand basis and there continues to be an abundance of available capacity for most upstream risks.

Looking forward, we do not anticipate any material change in market direction over the next six to twelve months. However, there are early indications that the pace of softening may begin to moderate during 2027. Much of the capacity supporting upstream programmes also participates across downstream, power and broader energy portfolios, and any sustained deterioration in loss experience could influence underwriting appetite. For the time being, however, market conditions remain highly competitive and continue to present favourable opportunities for buyers.

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 USD	BI/ ACTUAL USD	OEE/ACTUAL USD	TOTAL/ ACTUAL USD
20/10/2024	Europe	Norway	North Sea	Offshore	OP	Platform	Platform		Fire no explosion	100,000,000	115,000,000		215,000,000
12/02/2024	Far East	South Korea	Ulsan	Land	CAR	MOPU	FPS	Structure	Unknown	175,000,000			175,000,000
16/05/2024	Europe	Denmark	North Sea	Offshore	OP	Platform	Platform	Transformer	Unknown		156,000,000		156,000,000
06/04/2024	North America	Mexico	Bay of Campeche	Offshore	OP	Platform	Platform	Structure	Fire + explosion/ VCE	150,000,000			150,000,000
06/09/2024	Far East	China	South China Sea	Offshore	OP	MOPU	FPSO		Windstorm	137,900,000			137,900,000
01/02/2024	Europe	UK	North Sea	Offshore	OP	Rig	Semi sub	Riser	Faulty work/ op error	108,500,000	23,000,000		131,500,000
30/01/2024	North America	USA	GOM — MC	Offshore	OP	Well	Well		Blowout no fire			130,000,000	130,000,000
30/01/2024	Australasia	Australia	Western Australia	Offshore	CAR	Pipeline	Pipeline		Mechanical failure	100,000,000			100,000,000
18/07/2024	Africa	Nigeria	Delta State	Offshore	OP	MOPU	FPSO	Various	Heavy weather	63,873,870			63,873,870
07/09/2024	North America	Mexico	Unknown	Offshore	CAR	Vessel	Crane/pipe barge		Heavy weather	52,804,770			52,804,770

Total 2024 Upstream Losses (141): **USD2,257,390,854**

Total Top Ten Losses: **USD1,312,078,640 = 58%**

Operational (113): **USD1,699,268,275**

Construction (28): **USD558,122,579**

Losses are incurred actual amounts, as reported, not indexed, sourced from the Willis Towers Watson's energy industry loss database for ground-up losses of USD1 million 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 25 November 2025.

TOP TEN LARGEST UPSTREAM ENERGY LOSSES IN 2025

DOL	AREA	COUNTRY	LOCATION	LAND/ OFFSHORE	OP/CAR	CATEGORY 1	CATEGORY 2	CATEGORY 3	CAUSE	PD/ACTUAL USD	BI/ ACTUAL USD	OEE/ACTUAL USD	TOTAL/ ACTUAL USD
18/02/2025	South America	Brazil	Santos Basin	Offshore	CAR	Pipeline	Pipeline		Unknown	32,000,000			32,000,000
22/01/2025	Europe	Italy	Adriatic Sea	Offshore	OP	Platform	Platform		Fire no explosion	11,500,000	18,500,000		30,000,000
26/04/2025	Far East	Malaysia	Gulf of Thailand	Offshore	OP	MOPU	FSO	Mooring equipment	Unknown	30,000,000			30,000,000
03/06/2025	Far East	Malaysia	Sarawak	Offshore	OP	Pipeline	Pipeline	Pipeline	Impact	17,515,816			17,515,816
05/06/2025	Far East	Thailand	Gulf of Thailand	Offshore	OP	SBM, etc.	SALM Buoy	Buoy	Windstorm		16,000,000		16,000,000
12/09/2025	Far East	Pakistan	Sind	Land	OP	Well	Well	Structure	Flood	15,600,000			15,600,000
15/02/2025	Africa	Ivory Coast	Gulf of Guinea	Offshore	OP	Pipeline	Pipeline	Equipment	Unknown	15,575,000			15,575,000
01/03/2025	Africa	Ivory Coast	Unknown	Offshore	Maint	MOPU	FPSO	Crane	Fatigue	13,000,000			13,000,000
26/04/2025	North America	USA	Louisiana	Land	OP	Well	Well		Blowout no fire			13,000,000	13,000,000
26/06/2025	South America	Brazil	Santos Basin	Offshore	CAR	SSCS	SSCS		Unknown	13,000,000			13,000,000

Total 2025 Upstream Losses (31): **USD270,102,512**

Total Top Ten Losses: **USD195,690,816 = 72%**

Operational (25): **USD186,162,512**

Construction (6): **USD83,940,000**

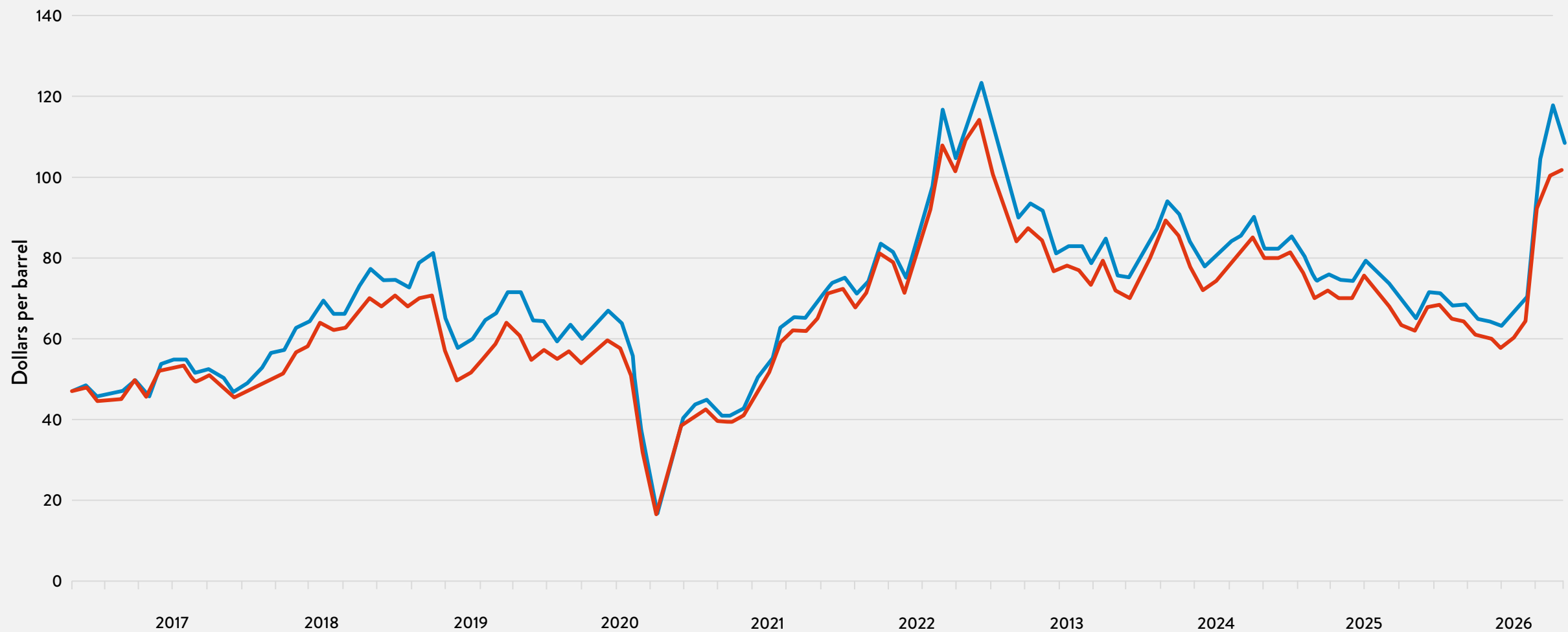
Losses are incurred actual amounts, as reported, not indexed, sourced from the Willis Towers Watson's energy industry loss database for ground-up losses of USD1 million or more at the time of loss. Note that 2024 figures are subject to further development, both in terms of frequency and severity of losses as of 25 November 2025.

MONTHLY OIL PRICES MAY 2016-JUNE 2026

FRED 

— Crude Oil Prices: Brent Europe

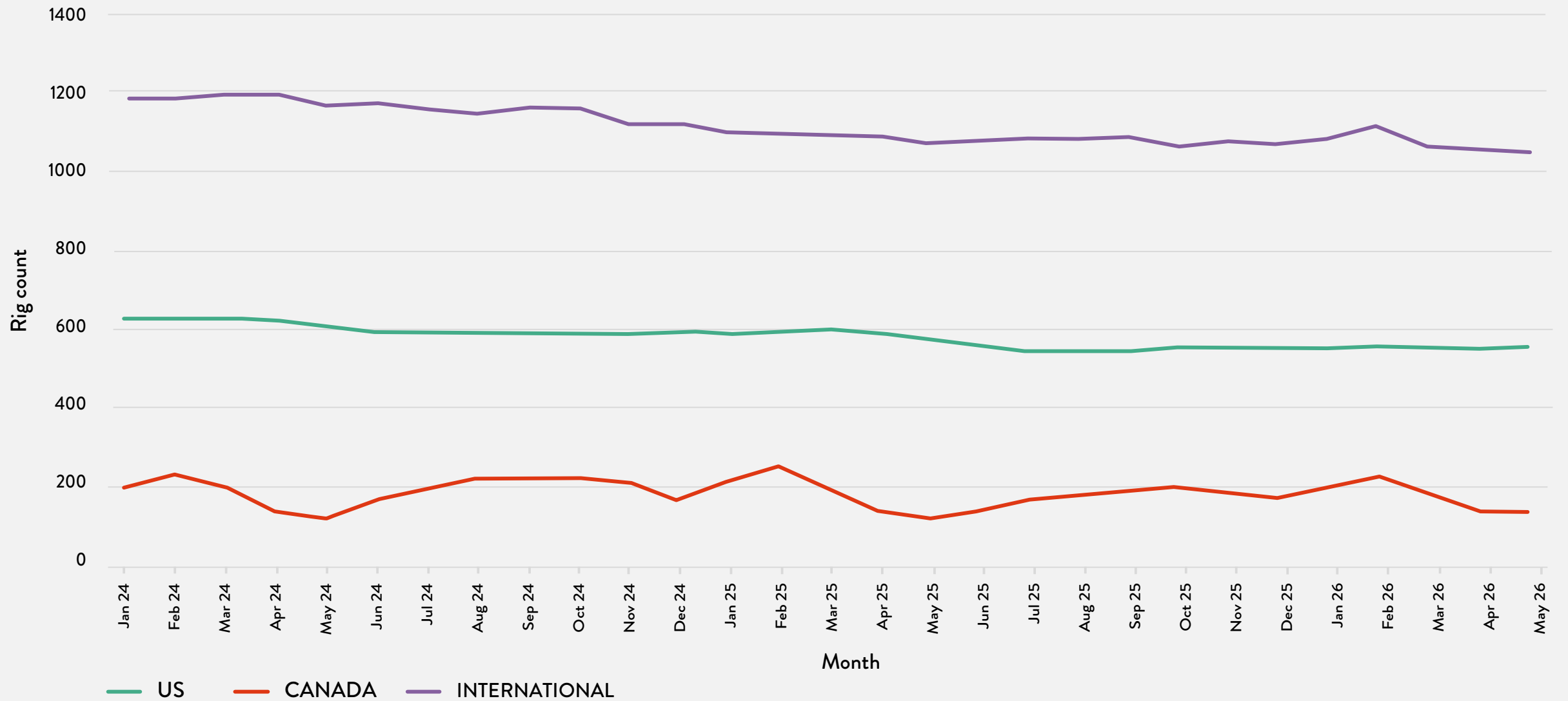
— Crude Oil Prices: West Texas Intermediate (WTI) — Cushing, Oklahoma



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

MONTHLY RIG COUNTS JAN 2024-MAY 2026

MONTHLY RIG COUNT BY REGION



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



04

MIDSTREAM

MIDSTREAM INDUSTRY OUTLOOK

Midstream is entering a gas-driven growth phase, with LNG expansion reshaping global demand and infrastructure priorities.

The global midstream sector is increasingly gas-weighted, with LNG driving the next phase of infrastructure growth. Global LNG supply is forecast to increase over 7% in 2026², marking one of the fastest expansions since 2019. This is the start of a broader LNG 'supercycle', with more than 150 million tonnes per annum of additional capacity expected by 2030, led by the US and Qatar. As new supply comes online, global gas demand is expected to accelerate (by just under 2% growth in 2026)³, particularly in Asia. With export capacity expanding rapidly and a major new global LNG supply wave underway, the midstream sector is now very much focusing on gas logistics and LNG infrastructure rather than crude transport. From a commodity perspective, gas markets are rebalancing but remain well-supported by structural demand growth, particularly from LNG exports. Prices are expected to remain in the ~USD3.3-USD4.3/per million British thermal units (MMBtu) range through 2026-2027⁴, supported by rising consumption but moderated by higher production and storage levels. In contrast, the oil market outlook is more uncertain, with demand growth softening and macroeconomic pressures weighing on prices and upstream investment. This divergence reinforces a more constructive outlook for gas weighted midstream assets, particularly those with exposure to LNG export infrastructure and power demand growth.

²<https://www.energy.gov/sites/default/files/2026-02/Ex.%206%20Short%20Term%20Energy%20Outlook%20Feb%202026.pdf>

³<https://gasprocessingnews.com/news/2025/07/iea-global-natural-gas-demand-growth-set-to-accelerate-in-2026-as-more-lng-supply-comes-to-market/>

⁴<https://www.eia.gov/todayinenergy/detail.php?id=67004>





Data centres and electrification are creating incremental gas demand, and utilities are seeing sustained load growth after decades of stagnation which is pushing investment into gas pipelines (especially in the Permian to Gulf Coast, US), storage and processing capacity and last mile connectivity to power generation.

Although we are seeing a strong investment cycle, it is a lot more disciplined very much like what we are seeing in the upstream energy market. Most companies are avoiding mega projects and focusing on smaller debottlenecking expansions.

There are some major new LNG capacities coming online with Golden Pass having started up in March, Plaquemines ramping up and more FLNG projects gaining traction, such as Delfin. This means there will be a huge need for feed gas pipelines, gathering and processing. LNG is rewiring global gas flow and midstream sits at the centre.

This is being supported by most governments increasingly viewing midstream as the key to energy security infrastructure and using it for strategic decisions in geopolitics. Permitting delays are still a major issue and there is ESG scrutiny influencing capital flows along with the impact on trade and tariffs, but the bottom line remains that we are in the growth phase and this is continuing to attract M&A and private capital.

MIDSTREAM INSURANCE MARKET UPDATE

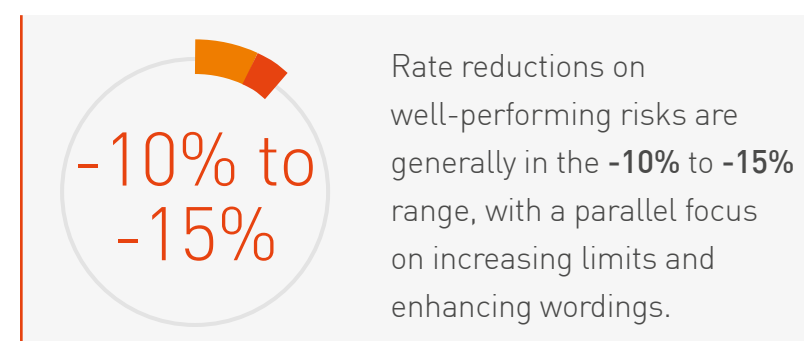
The midstream insurance market remains highly competitive. In H1 2026, capacity continued to expand, with entrants from both upstream and downstream markets seeking diversification and incremental market share. Strong recent sector performance, combined with low loss volatility, has supported pricing improvements and a broader underwriting appetite.

While the upstream market has, for some time, seen an influx of underwriters competing for lead positions, this dynamic is increasingly evident in the midstream sector, both among London-based carriers and international markets.

London's written standalone midstream business remains predominantly North America focused. However, this is expected to diversify with the growth of FLNG exposures. Outside of large, capacity-driven risks, middle eastern and small and mid-sized international placements continue to be largely dominated by domestic insurers. Traditional LNG risks are still typically placed within downstream markets, although upstream underwriters with established midstream portfolios are increasingly seeking to expand their remit, subject to treaty and corporate constraints. For example we have seen a degree of softening in prior ESG-related restrictions for some Canadian businesses.

The majority of standalone midstream businesses written in London are still predominately North American focused. However, with increasing FLNG risks, this will diversify. Outside the larger capacity risks, much of the small and mid-sized international business is dominated by domestic markets. Traditional LNG is often written by the downstream markets, but more upstream underwriters writing a midstream book are trying to expand where their treaties and corporate policy allow, with many also softening on previous ESG stances, for example.

Underwriting scrutiny remains concentrated on key risk areas, including infrastructure integrity (particularly for ageing assets), natural catastrophe exposure, testing and commissioning/start-up phases, and critically, operational interdependency across integrated systems. Given the volume of recent M&A activity in the midstream sector and increasing limit requirements from insureds, aggregation and clash exposure are receiving heightened attention.



Despite ongoing softening, the midstream market continues to exhibit more discipline than upstream. Rate reductions on well-performing risks are generally in the -10% to -15% range, with a parallel focus on increasing limits and enhancing wordings. Many placements this year have shown elevated BI/CBI to PD ratios, which have not deterred underwriters, given the continued demand for premium amid pressure from new entrants, reduced line sizes and M&A-driven premium erosion. There has also been a noticeable rise in the availability of multi-year agreements, although in recent weeks some markets have begun to resist renewal structures incorporating these features if there are no break provisions. Notwithstanding this, alternative capacity remains readily available for most programmes.

Looking ahead, no immediate shift in the midstream cycle is expected over the next six months. However, by mid-2027, we anticipate a potential tightening in appetite. This is driven by the shared portfolios with either upstream or downstream clients, where an uptick in loss frequency and severity observed in early 2026 may, over time, begin to temper the current soft market trajectory.



05

DOWNSTREAM

2025/26 DOWNSTREAM INDUSTRY OVERVIEW

The downstream energy market remains delicately poised following significant loss activity in 2025 and a continued pattern of events during the first half of 2026. The following summary outlines the key trends, challenges and developments shaping the market:

MARKET PERFORMANCE AND LOSS TRENDS

- **2025 performance:** The gross losses, currently settled or reserved, to impact the downstream market in 2025 stand at approximately USD7 billion, far exceeding the global premium pool of less than USD3.5 billion. This was largely driven by an increased frequency of losses in the refining sector.
- **2026 developments:** The trend of multiple losses has persisted into 2026, with over USD850 million in reported losses during the first half of the year. This figure has the potential to rise significantly following the recent Qatar Energy incident, which could become a major loss event.
- Prior to the Qatar Energy incident, the most significant loss to date in 2026 is the refinery fire in Cartagena, Spain, with reserves currently estimated at USD508 million.



MARKET CONDITIONS AND PRICING TRENDS

Despite the ongoing losses, the downstream market continues to soften, with the rate reductions of 2025 further observed in 2026. Key pricing trends include:

Rate reductions:

- Medium-sized accounts without losses are seeing reductions of 7.5% to 12.5%.
- Larger accounts with significant premiums are experiencing reductions of up to 20%. However, in some extreme, or regional cases, where there is less capacity requirement, we have seen reductions in the region of 25%.

LNG sector: The LNG sector remains highly competitive, with underwriters offering significant rate reductions and lenient terms and conditions to secure these risks. It remains to be seen if this trend continues following the recent Qatar Energy incident.

Refining sector: Refining remains under intense scrutiny due to its contribution to the three largest losses of 2025. However, with refining contributing to around 70% of the global downstream premium, the rating outlook remains competitive. However, with the recent loss activity, underwriters are maintaining discipline in policy coverage and deductibles, emphasising the importance of insureds demonstrating their robust risk management and high operating standards via a well-managed risk engineering programme.

KEY DRIVERS OF MARKET TRENDS

The following factors are influencing the current trends in the London and European downstream markets:

- Overcapacity: Increases in working capacity, and a willingness to deploy more capacity, has led to heightened competition.
- Traditional property markets: These markets are now writing more downstream business, adding to the competitive landscape.
- New capacity: New entrants, including Hiscox, have introduced additional capacity to the market.
- Increased competition for lead positions: More markets are broadening their appetite and are willing to take lead positions to protect their signings.
- Use of facilities: Markets are striving to protect their orders amidst the growing use of broker facilities.
- Regional capacity growth (DIFC): Significant challenges have arisen in the London/European markets for MENA business due to the expansion of regional capacity and increased competition from players such as AIG, Markel and Starr operating out of the Dubai International Financial Centre (DIFC).



Larger accounts with significant premiums are experiencing reductions of up to **20%**.





CONSIDERATIONS FOR INSURED

With regard to key issues under market review, it is important to note that, as highlighted in previous reports, the trend of losses occurring during restarts following turnarounds or maintenance procedures has persisted into 2026. This issue has once again captured the attention of underwriters, particularly in light of the recent Qatar Energy incident which reportedly occurred two days after restart.

Accuracy in assessment and reporting of Business Interruption (BI) sum insured values remains a critical concern, particularly in light of the recent volatility driven by the delicate geopolitical situation in the Middle East. While many insureds have adjusted their values upwards, it is essential that these are accurately maintained, especially as oil prices decline following the recent ceasefire.

OUTLOOK

The downstream insurance market is at a critical juncture. While the LNG sector remains a bright spot with favourable conditions for insureds, the refining sector continues to face challenges due to its loss history. The recent Qatar Energy incident could further exacerbate market conditions if it results in a significant loss.

To navigate these challenges, it is imperative for well-managed risks to demonstrate their operational excellence through comprehensive risk engineering surveys. This will be key to securing favourable terms and conditions in an increasingly competitive and capacity-driven market.

TOP TEN LARGEST DOWNSTREAM ENERGY LOSSES IN 2024

DOL	AREA	COUNTRY	LOCATION	LAND/ OFFSHORE	OP/ CAR	CATEGORY 1	CATEGORY 2	CATEGORY 3	CAUSE	PD/ACTUAL USD	BI/ACTUAL USD	TOTAL/ ACTUAL USD
17/09/2024	Europe	Greece	Peloponnese	Land	OP	Refinery	Crude unit	Distillation: atmospheric	Fire + explosion/VCE	148,000,000	388,000,000	536,000,000
19/03/2024	North America	USA	Louisiana	Land	Maint	Petrochemical	Olefins	Heat exchanger	Fire no explosion	50,000,000	129,782,000	179,782,000
29/09/2024	North America	USA	Texas	Land	OP	Chemical	Inorganic Chemicals	Reformer	Fire + explosion/VCE	72,100,000	101,000,000	173,100,000
27/11/2024	Africa	Algeria	Illizi Province	Land	OP	Gas plant	Gas processing	Equipment	Fire + explosion/VCE	131,000,000		131,000,000
06/05/2024	North America	USA	Oklahoma	Land	OP	Petrochemical	Olefins	Various	Windstorm	41,000,000	50,000,000	91,000,000
17/01/2024	North America	USA	Texas	Land	Su/d	Gas plant	LNG	Cooling system	Mechanical failure	20,000,000	70,600,000	90,600,000
28/07/2024	Far East	South Korea	Ulsan	Land	OP	Petrochemical	Aromatics		Fire no explosion	25,000,000	47,000,000	72,000,000
07/07/2024	North America	USA	Texas	Land	OP	Petrochemical	Olefins	Turbine Steam	Fire no explosion	37,000,000	20,500,000	57,500,000
29/07/2024	Africa	Algeria	Arzew	Land	OP	Chemical	Inorganic Chemicals	Ammonia	Mechanical failure	5,000,000	50,970,272	55,970,272
25/11/2024	Eastern Europe	Turkey	Izmir	Land	OP	Refinery	Secondary process	Furnace	Fire + explosion/VCE	5,000,000	50,214,200	55,214,200

Total 2024 Downstream Losses (97): **USD2,407,036,442**

Total Top Ten Losses: **USD1,442,166,472 = 60%**

Operational (78): **USD1,953,648,142**

Construction (19): **USD438,597,900**

Losses are incurred actual amounts, as reported, not indexed, sourced from the Willis Towers Watson's energy industry loss database for ground-up losses of USD1 million 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 25 November 2025.

TOP TEN LARGEST DOWNSTREAM ENERGY LOSSES IN 2025

DOL	AREA	COUNTRY	LOCATION	LAND/ OFFSHORE	OP/ CAR	CATEGORY 1	CATEGORY 2	CATEGORY 3	CAUSE	PD/ACTUAL USD	BI/ACTUAL USD	TOTAL/ ACTUAL USD
01/02/2025	North America	USA	California	Land	Maint	Refinery	Secondary process	Hydrocracker	Fire + explosion/VCE	525,000,000	525,000,000	1,050,000,000
17/01/2025	Europe	Germany	Bavaria	Land	Maint	Refinery	Secondary process	Hydrocracker	Fire + explosion/VCE	154,000,000	603,000,000	757,000,000
09/02/2025	North America	USA	Pennsylvania	Land	OP	Chemical	Resins/paint/adhesives		Fire + explosion/VCE	150,000,000	350,000,000	500,000,000
07/05/2025	North America	USA	Alabama	Land	OP	Refinery	Secondary process	Coker	Fire + explosion/VCE	60,000,000	150,000,000	210,000,000
14/06/2025	North America	USA	Texas	Land	OP	Refinery	Secondary process	Hydrotreater	Fire no explosion	80,000,000	55,000,000	135,000,000
04/07/2025	Eastern Europe	Czech Rep	Litvinov	Land	OP	Refinery	Secondary process	Compressor	Supply interruption	22,000,000	112,000,000	134,000,000
07/03/2025	South America	Argentina	Bahia Blanca	Land	OP	Gas plant	Gas processing		Flood	71,000,000	6,100,000	77,100,000
12/02/2025	North America	USA	Wyoming	Land	Su/d	Refinery	Crude unit	Heater	Fire + explosion/VCE	30,500,000	43,300,000	73,800,000
08/04/2025	North America	USA	North Dakota	Land	OP	Pipeline	Pipeline		Ruptured pipeline	72,000,000		72,000,000
26/05/2025	South America	Ecuador	Esmeraldas	Land	OP	Refinery	Refinery	Storage tank	Fire no explosion	67,000,000		67,000,000

Total 2025 Downstream Losses (37): **USD3,504,936,716**

Total Top Ten Losses: **USD3,008,900,000 = 86%**

Operational (31): **USD1,603,086,716**

Construction (6): **USD1,901,850,000**

Losses are incurred actual amounts, as reported, not indexed, sourced from the Willis Towers Watson's energy industry loss database for ground-up losses of USD1 million 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 25 November 2025.



06

MINING AND HEAVY INDUSTRY

MINING AND HEAVY INDUSTRY INDUSTRY OUTLOOK

Geopolitical volatility, an accelerating energy transition and the ongoing data revolution are combining to redefine the mining sector, and these trends are expected to continue beyond 2026. Forecast difficulties in maintaining and expanding the required knowledge base due to a shrinking talent base pose additional challenges in navigating a demanding sector.

- Recent geopolitical instability has driven record gold and precious metal prices while elevating mining's strategic importance, with critical minerals increasingly viewed as assets of national significance. This is particularly evident for commodities with defence applications, including cobalt, graphite and rare earth elements. In response, governments are seeking to secure supply chains and are showing greater willingness to support the sector through investment and more favourable regulatory frameworks.
- The transition to a clean energy economy is expected to widen supply-demand gaps for key commodities, requiring mining companies to significantly scale output to meet future needs. This shift creates substantial revenue opportunities but also introduces complex challenges, including ESG and reputational risks, rising capital intensity and longer project timelines. At the same time, advances in technology and recycling may temper long-term demand, adding further uncertainty to investment decisions.
- The reducing volume of easily accessible deposits combined with rising extraction costs has seen net profit margins of 40 leading mining companies reduced from 24% in 2011 to 10% in 2025⁵, making operational efficiency critical for survival. This challenging environment has seen the industry increasingly looking to the improvements and efficiencies available through accessing AI, automation and data to maximise their productivity and profitability.
- The mining sector's longstanding skills shortage is expected to intensify as retirements rise and talent pipelines lag, with gaps in critical areas such as mine planning, engineering, sustainability and regulatory compliance undermining productivity, safety and future supply. Addressing this challenge will require a concerted effort to reposition mining as a critical enabler of the energy transition and digital economy, while improving diversity, equity and inclusion to broaden the available talent pool.

⁵<https://www.deloitte.com/content/dam/assets-shared/docs/industries/energy-resources-industrials/2026/tracking-the-trends-2026.pdf>





MINING AND HEAVY INDUSTRY INSURANCE OUTLOOK

The insurance market for mining and heavy industry risks is expected to remain broadly stable through the second half of 2026, with continued rate softening across most regions and classes of business. However, the market is increasingly characterised by a divergence in underwriting philosophy between specialist mining insurers and non-specialist property carriers.

A relatively benign period for global natural catastrophe losses has strengthened insurer balance sheets and preserved underwriting capital. As pricing continues to soften in less challenging property sectors, a growing number of carriers are seeking premium growth opportunities in traditionally complex industries such as mining and heavy industry, with new entrants to the space seeking dedicated mining underwriting resource and expanding capacity and appetite for sector risks. At the same time, domestic market capacity has expanded significantly, with particularly strong competition emerging in Canada, Latin America and Africa.

The growth in available capacity, both within local markets and across the international marketplace, is increasing competition and providing insureds with a broader range of options. This has intensified downward pressure on pricing and created challenging conditions for specialist mining insurers. Many dedicated mining and heavy industry carriers have experienced several years of large-loss activity, resulting in continued pressure on portfolio profitability. Against this backdrop, a number of specialist insurers are now writing business at, or close to, minimum technical pricing levels, while also facing increasing competition from carriers seeking to establish or expand their presence in the sector.

This competitive environment has contributed to a gradual shift in placement strategies. In some cases, business has moved away from traditional mining insurers towards transactional or domestic capacity providers. This trend is not solely driven by pricing considerations. Increasing levels of local retention have reduced the participation of some international markets, creating additional pressure on long-standing insurer-client relationships where historical order sizes have materially reduced.

Despite these challenges, specialist carriers are expected to maintain a disciplined underwriting approach. Underwriters remain focused on asset valuations, loss scenarios, maintenance standards and operational resilience. Recent large losses have reinforced concerns around asset concentration, supply chain dependencies and the growing scale of business interruption exposures across the sector.

Commodity prices are also expected to play an increasingly important role in underwriting decisions. Elevated prices for gold, copper and other strategic minerals have significantly increased revenue generation and earnings potential for many mining companies, resulting in materially higher business interruption values at risk.

In many cases, insured values have not increased in line with underlying exposure growth, nor has sufficient consideration been given to whether existing coverage limits remain appropriate for current operating conditions.

Consequently, insurers are expected to place greater emphasis on weighted rate adequacy than on headline rate movements alone, seeking to ensure premium levels adequately reflect the increased earnings exposures being assumed. Higher insured values and increased limit purchases may also help support overall premium volumes, even as market rates continue to soften.

For insureds, increased competition is expected to create meaningful opportunities beyond pricing improvements. The abundance of available capacity is likely to support higher limit deployment, broader policy terms and expanded coverage options, as insurers seek to differentiate themselves through coverage enhancements and strategic deployment of capital rather than competing exclusively on rate. As a result, well-managed mining and heavy industry risks are expected to benefit from one of the most favourable buying environments seen in recent years, provided adequate attention is given to valuation accuracy and exposure management.





07

POWER

POWER INDUSTRY & INSURANCE OUTLOOK

The operational power market has continued to favour buyers throughout 2026, with conditions remaining soft despite an increasingly uncertain geopolitical and economic backdrop. Strong insurer appetite, abundant capacity and continued competition have enabled buyers to secure further rate reductions, enhanced policy coverage and greater flexibility during renewal negotiations. For well-performing risks, the market remains one of the most competitive experienced in recent years. Pricing has continued to soften as insurers compete aggressively for business.

The past twelve months have seen further investment in underwriting talent, with Sam Bishop joining Chaucer, Steve Pearce moving to Everest and Volt continuing to expand their capacity. These developments have increased competition, providing brokers with greater flexibility when constructing programmes and enabling clients to benefit from broader coverage and more favourable commercial terms. Established insurers have also responded by increasing their written shares, and demonstrating greater flexibility around deductibles, sub-limits and policy enhancements.

Capacity remains plentiful across the sector, extending even to more challenging occupancies such as coal-fired generation. Whilst underwriting discipline remains appropriate, insurers continue to demonstrate an appetite for well-managed assets as they seek to diversify their portfolios and deploy available capacity.



Looking ahead, the market is expected to remain favourable for buyers, with strong competition and abundant capacity supporting continued softening over the coming year.



Alongside these favourable market conditions, insurers are increasingly focused on several emerging risk trends. The rapid expansion of artificial intelligence has accelerated global investment in data centres, significantly increasing electricity demand and placing additional pressure on existing grid infrastructure. This has resulted in greater underwriting scrutiny of grid resilience, transmission capacity and the growing reliance on captive power generation to support energy-intensive facilities. These developments present opportunities for the sector but also introduce new operational and resilience considerations that insurers are closely monitoring.

Supply chain resilience continues to be another key underwriting focus. Ongoing conflict in the Middle East has placed further strain on global supply chains, extending lead times for major plant equipment replacement components. As a result, insurers are placing renewed emphasis on clients' critical spare parts strategies, recognising that access to replacement equipment remains one of the most significant drivers of business interruption losses following a major incident. Clients that are able to demonstrate robust contingency planning and appropriate inventories of critical spares continue to differentiate themselves.

Geopolitical uncertainty is also contributing to continued volatility in energy markets. Sustained increases in gas prices have the potential to increase business interruption exposures and replacement costs across operational power assets, reinforcing the importance of ensuring declared asset values and business interruption sums insured remain accurate and reflect current replacement costs. Underinsurance remains a key concern for insurers, particularly where inflationary pressures and changing energy prices have materially altered asset values since previous valuations were undertaken.

Looking ahead, the market is expected to remain favourable for buyers, with strong competition and abundant capacity supporting continued softening over the coming year. However, underwriting attention is increasingly shifting towards operational resilience, supply chain management, valuation adequacy and emerging infrastructure risks associated with growing electricity demand. Clients that continue to demonstrate effective risk management, maintain accurate exposure information and proactively address these evolving challenges should remain well positioned to achieve competitive renewal outcomes and secure comprehensive coverage.

TOP TEN LARGEST POWER ENERGY LOSSES IN 2024

DOL	AREA	COUNTRY	LOCATION	LAND/ OFFSHORE	OP/ CAR	CATEGORY 1	CATEGORY 2	CATEGORY 3	CAUSE	PD/ACTUAL USD	BI/ACTUAL USD	TOTAL/ ACTUAL USD
29/06/2024	North America	Canada	New Brunswick	Land	Maint	Power Nuclear	Nuclear	Generator	Unknown	73,000,000	116,000,000	189,000,000
16/04/2024	Middle East	UAE	Dubai	Land	OP	Power Renewable	Solar	Solar panels	Windstorm	101,000,000	32,100,000	133,100,000
09/05/2024	North America	USA	Texas	Land	OP	Power Renewable	Solar	Solar panels	Windstorm	63,500,000	5,500,000	69,000,000
29/01/2024	Europe	UK	Northumberland	Land	OP	Power Renewable	Biomass	Generator	Mechanical failure	13,800,000	38,500,000	52,300,000
17/08/2024	Far East	Philippines	Leyte	Land	OP	Power Renewable	Geothermal	Turbine Steam	Mechanical failure	5,000,000	46,000,000	51,000,000
06/12/2024	Europe	Netherlands	Rotterdam	Land	OP	Power T&D	T&D	Cable (elec/control)	Unknown	18,480,000	21,550,000	40,030,000
06/02/2024	Middle East	Saudi Arabia	Eastern Province	Land	OP	Power Thermal	Gas	Turbine Steam	Unknown	9,000,000	31,000,000	40,000,000
07/12/2024	Europe	Ireland	Co. Antrim	Land	OP	Power Thermal	Gas	Structure	Windstorm	26,100,000	12,700,000	38,800,000
19/05/2024	Middle East	Saudi Arabia	Eastern Province	Land	OP	Power Thermal	Gas	Turbine Steam	Mechanical failure	9,000,000	27,500,000	36,500,000
08/07/2024	Far East	Philippines	Leyte	Land	OP	Power Renewable	Geothermal	Turbine Steam	Mechanical failure	4,400,000	32,000,000	36,400,000

Total 2024 Power Losses (109): **USD1,373,887,022**

Total Top Ten Losses: **USD1,089,080,300 = 79%**

Operational (81): **USD994,636,654**

Construction (28): **USD379,250,368**

Losses are incurred actual amounts, as reported, not indexed, sourced from the Willis Towers Watson's energy industry loss database for ground-up losses of USD1 million 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 25 November 2025.

TOP TEN LARGEST POWER ENERGY LOSSES IN 2025

DOL	AREA	COUNTRY	LOCATION	LAND/ OFFSHORE	OP/ CAR	CATEGORY 1	CATEGORY 2	CATEGORY 3	CAUSE	PD/ACTUAL USD	BI/ACTUAL USD	TOTAL/ ACTUAL USD
10/01/2025	South America	Argentina	Mendoza	Land	OP	Power Renewable	Hydro	Various	Flood	74,750,000	8,400,000	83,150,000
21/03/2025	Europe	UK	Middlesex	Land	OP	Power T&D	T&D	Substation	Fire no explosion	41,366,400	9,380,000	50,746,400
25/06/2025	Europe	Italy	Piedmont	Land	OP	Power Thermal	Gas	Transformer	Fire no explosion	7,753,000	34,260,000	42,013,000
10/01/2025	Far East	Pakistan	Punjab	Land	OP	Power Thermal	Gas	Turbine Gas	Unknown	37,500,000		37,500,000
15/03/2025	North America	USA	Mississippi	Land	OP	Power Renewable	Solar	Solar panels	Windstorm	29,500,000	5,500,000	35,000,000
21/02/2025	Far East	Japan	Tohoku Region	Land	OP	Power Renewable	Solar	Solar panels	Ice/snow/freeze	20,227,870	9,350,000	29,577,870
01/06/2025	South America	Peru	Lima	Land	OP	Power Thermal	Gas	Turbine	Unknown	21,500,000		21,500,000
28/01/2025	Europe	Ireland	Dublin	Land	OP	Power Thermal	Gas	Turbine Steam	Fatigue	8,470,700	8,869,530	17,340,230
03/04/2025	Europe	UK	North Sea	Offshore	OP	Power T&D	T&D	Cable (elec/control)	Unknown	16,400,000		16,400,000
12/05/2025	Europe	Germany	North Sea	Offshore	OP	Power Renewable	Wind	Cable (elec/control)	Faulty work/op error	11,100,000	5,100,000	16,200,000

Total 2025 Power Losses (28): **USD416,245,790**

Total Top Ten Losses: **USD399,913,200 = 96%**

Operational (26): **USD412,465,790**

Construction (2): **USD3,780,000**

Losses are incurred actual amounts, as reported, not indexed, sourced from the Willis Towers Watson's energy industry loss database for ground-up losses of USD1 million 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 25 November 2025.



08

RENEWABLES

RENEWABLE ENERGY INDUSTRY & INSURANCE OUTLOOK

In the current market, coverage is being expanded where available as the soft market presents opportunity for new leaders and consolidation of insureds programmes. This is supported by improving loss records in some settings and balanced as portfolios grow with a natural spread of asset age, technology type and territory.

The renewable energy insurance market in H2 2026 continues to evolve, driven by technological advancements, increased capacity and competitive dynamics. The trend of premium rate reductions observed in 2025 and H1 2026 is expected to persist, albeit at a more stabilised pace. Loss-free accounts are likely to see reductions in the range of 5% to 25%, reflecting a maturing market with improved risk management practices.

There is anticipated specific scrutiny of NatCat limits for specific regions as data models have recently improved their occupancy and mitigation functions in addition to a potentially greater prevalence of Cat losses for renewables this year.

Early projections reference large hail solar losses in Saudi Arabia and very recent windstorm damage to wind farm(s) in Dakota. Both loss estimates between USD100 million and USD200 million for each site.



ONSHORE WIND

The deployment of larger wind turbine generators (WTGs), now reaching capacities of 10 megawatts, is reshaping the onshore wind landscape. While these advancements bring efficiency gains, they also introduce new underwriting challenges. Insurers are responding with tailored deductible structures and site-specific premium rates to address the increased risk exposure.

The stabilisation of premium rates for onshore wind is supported by a growing global premium pool, which acts as a buffer against potential loss spikes. However, the balance between technology risk and market competition remains a critical factor in pricing decisions.

SOLAR ENERGY

Solar energy continues to benefit from advancements in risk mitigation technologies, such as hail stow systems and innovative racking solutions. These developments are driving a broader range of premium rate reductions, particularly for assets located in natural catastrophe-prone regions. The market's willingness to compete for solar business remains strong, supported by improved claims ratios and enhanced forecasting capabilities.

BATTERY ENERGY STORAGE SYSTEMS (BESS)

The BESS sector has seen significant premium rate reductions in recent years, driven by improved technology performance and diminished fire risk. In H2 2026, this trend is expected to stabilise, with reductions aligning more closely with those observed in the wind and solar sectors. Enhanced monitoring and control systems, supported by AI and IoT technologies, continue to improve the risk profile of BESS, making it an increasingly attractive option for insurers and investors alike.

OFFSHORE WIND

Floating offshore wind technology is transitioning from demonstration projects to commercial-scale deployments. Insurers are cautiously optimistic, with project certification emerging as a key milestone for underwriting. The integration of in-situ maintenance and tow-to-port provisions is critical to reducing insurance costs and demonstrating effective risk mitigation strategies.

REGIONAL DEVELOPMENTS

China remains a dominant force in the renewable energy sector, with its manufacturing capabilities and ambitious clean energy targets driving global market dynamics. The expansion of Chinese Original Equipment Manufacturers (OEMs) into international markets highlights the growing interconnectedness of the global renewable energy supply chain. However, geopolitical concerns and regulatory scrutiny may pose challenges to these initiatives.

CONCLUSION

The renewable energy insurance market in H2 2026 is characterised by stabilising premium rates, technological advancements, and a competitive landscape. As the sector continues to mature, insurers and clients alike must navigate the complexities of emerging technologies, regional dynamics and evolving risk profiles to achieve sustainable growth.





09

CASUALTY

ENERGY CASUALTY INDUSTRY & INSURANCE OUTLOOK

USA

As we move through the second half of 2026, the London market continues to experience growth in US energy liability opportunities, with trends broadly aligned to those seen in the first half of the year. This momentum is increasingly supported by an expansion of underwriting capacity, with more markets actively expressing appetite across the class. In parallel, we are seeing a continued shift of business away from US domestic insurers into London, particularly on loss-impacted accounts and insureds with significant auto liability exposures.

As in the earlier part of the year, the most notable activity remains concentrated within the first USD25 million of insured towers. While higher excess layers continue to attract participation, it is the smaller, mid-market insureds — particularly within general liability and lead umbrella positions — that are benefiting most from an increasingly competitive London market, as carriers look to deploy additional capacity and capitalise on the growing inflow of risks historically placed domestically. Domestic carriers remain competitive on pricing and wording for clients with a clean loss record and/or small auto fleets; insureds who can demonstrate strong auto fleet risk management, through the deployment of cameras, telematics and MVRs, are viewed significantly more favourably by London carriers.

As we progress through the second half of 2026, the US energy liability market in London continues to show positive momentum, although rating conditions have stabilised following the increases seen in the earlier part of the year. Upstream-focused placements are now generally securing flat rate renewals, while downstream and midstream risks placed in London from the US are seeing more modest rate movement, typically in the low single-digit range of +2% to +4%.

Distressed placements, particularly those impacted by adverse back-year development, continue to experience more pronounced upward pressure, with double-digit rate increases still evident. Claims inflation remains a key driver, driven by elevated settlement values — particularly in cases involving bodily injury and material pollution exposures. Auto-related risks continue to present a challenge, with claims experience remaining volatile and difficult to forecast.

Underwriting appetite in the London market remains supportive, particularly for insureds with well-managed, smaller auto fleets. Carriers continue to show a clear preference for lower layers of programmes, with exploration and production (E&P) risks typically attracting stronger interest relative to oil and gas service contractors.





At the same time, a number of markets traditionally focused on upstream business are continuing to broaden their scope into midstream and downstream sectors, albeit in a measured and disciplined manner. This is being driven by a continued need for GWP growth in the face of flattening rates and M&A activity in the US upstream space.

Despite this expansion of appetite, the US energy casualty market remains selective rather than broadly soft, with underwriters maintaining a strong focus on risk quality. Increased scrutiny is being applied to areas such as process safety, maintenance practices and transition-related exposures. Insurers continue to view US casualty as one of the most structurally challenged classes within their portfolios due to worsening litigation trends and loss-cost inflation.

In this environment, the ability to clearly articulate an insured's risk management framework and key differentiators remains critical in achieving optimal placement outcomes.

In summary, conditions remain favourable for high-quality US energy clients. London insurers continue to compete aggressively for lead positions and strategic relationships, particularly where brokers can articulate that an insured has strong risk and contractual management processes in place. Capacity remains abundant, but underwriters are increasingly selective on US casualty exposure and are unlikely to materially relax attachment points or pricing expectations for challenged risks.

INTERNATIONAL (NON-US)

The international energy casualty sector has continued to ease across the latter half of 2026. A wave of new underwriting participants entering the market earlier in the year has intensified competition for established carriers, while incumbent insurers are also managing increased staff movement as underwriters transition to start-ups or take on more senior positions. Collectively, these dynamics are contributing to meaningful pricing reductions, particularly for high-quality, well-performing risks with favourable loss histories.

For insureds not seeking to expand their limits, there is growing scope to fully reconfigure casualty programmes, leveraging a range of newer market entrants where existing insurers are unable to offer commercially attractive renewal terms. Concurrently, London-based markets are encountering heightened competition from domestic and regional providers, often necessitating more competitive pricing strategies to retain business in regions supported by increasingly advanced local casualty markets.

Early feedback from the mid-year casualty treaty reinsurance renewals indicates more favourable pricing trends for buyers. This is expected to further enhance brokers' ability to drive pricing competition across international casualty markets, leading to improved outcomes through the remainder of 2026.



10

EVEREN

Alesco has been actively involved in observing Everen's developments for the past 30 years and has provided consultancy advice, specifically regarding the Rating and Premium Plan and capital modelling.

Key financial highlights as of 31 December 2025 include⁶:

- Total shareholders' equity: USD3.707 billion (compared to USD3.918 billion on 31 December 2024)
- 2025 Written Premiums: USD486 million (2024: USD496 million)
- Incurred losses: USD950 million (2024: USD156 million)
- Investment income for 2025: USD623 million
- Dividend declared: USD250 million in 2026

Everen increased their coverage limit from USD400 million to USD450 million as of 1 January 2022, with the aggregation limit also rising from USD1.2 billion to USD1.35 billion.

The final loss position for 2025 has led to a 25% premium increase in 2026 for most members and a TWP increase of up to 50%.

Despite the 2025 underwriting loss of circa USD464 million, this was more than compensated for by investment income to produce positive net income overall of USD140 million.

2025 Written Premiums

USD486 million

(2024: USD496 million)



⁶<https://everen.bm/>

OVERALL MEMBERSHIP NOW STANDS AT 74

NEW MEMBERS OVER THE PAST FIVE YEARS WERE:



The Everen pool is continuing to expand, with a focus on adding more international (non-US) members and diversifying into the lower-risk Power and Renewable sectors. This strategy aims to benefit long-standing members by increasing the pool premium and reducing risk and volatility.

Everen is taking a different approach to renewables with the introduction of several new business sectors, bringing the total to sixteen.

Everen adjusted the individual member experience modifier (EM) in 2025. The new EM is now triggered based upon a five-year cumulative paid loss ratio above 150% with a maximum additional premium of 50% per annum or 250% in total. The previous EM was triggered by a three-year incurred loss ratio above 150% and subject to a maximum additional premium of 25% per annum or 75% in total.

Everen is reviewing their approach to pollution coverage given an increase in losses in recent years. Over the past three years, 2023-25, there were 54 pollution losses reported (compared to 96 property losses). Loss reserves for pollution claims are currently about 25% of the overall total (USD2.1 billion).

The minimum entry requirement of USD1 billion gross assets is under review and increasing to USD5 billion (current members below the minimum will be grandfathered).

More flexibility in the definition of 'Energy Company' to allow energy subsidiaries of larger conglomerates to join.

No entry via financial ratio tests, but Fitch added to Moody's and S&P as an acceptable investment grade rating (or shadow rating).

CURRENT EVEREN MEMBERS: 74

AS OF JUNE 2026

Australasia (7)

Beach Energy Limited
Santos Ltd
Origin Energy Limited
Woodside Energy Group Ltd.
Meridian
Contact Energy
Genesis Energy

Canada (12)

Bruce Power L.P.
Canadian Natural Resources Ltd.
Cenovus Energy Inc.
Federated Co-operatives Limited
Inter Pipeline Ltd
North West Redwater Partnership
NOVA Chemicals Corporation
Paramount Resources Ltd.
Pembina Pipeline Corporation
South Bow
Suncor Energy Inc.
TransCanada Pipelines Limited

Europe (17)

BASF SE
CEPSA
CEZ. a.s.
Electricité de France S.A. (EDF)
Eni S.p.A.
Equinor ASA
Gulp Energia SGPS S.A.
LyondellBasell Industries N.V.
National Grid
MOL Hungarian Oil and Gas Public
Limited Company
Neste
OMV Aktiengesellschaft
Orsted A/S
Repsol S.A.
Royal Vopak N.V.
TotalEnergies SE
Yara International ASA

Latin America (3)

Braksem S.A.
Ecopetrol S.A.
Puerto Rico Electric Power
Authority (PREPA)

United States (33)

APA Corporation
Arena Energy LLC
Buckeye Partners L.P.
Chevron Phillips Chemical
Company LLC
Chevron Corporation
CITGO Petroleum Corporation
Colonial Enterprises Inc.
ConocoPhillips
Delek US Holdings Inc.
Drummond Company Inc.
DTE Energy Company
Edison International
Energy Transfer LP
Ergon Inc.
Formosa Plastics Corporation U.S.A
Hess Corporation
HF Sinclair
LOOP LLC
Los Angeles Department of
Water & Power
Marathon Oil Company

United States (continued)

Marathon Petroleum Corporation
Motiva Enterprises LLC
Murphy Oil Corporation
Occidental Petroleum Corporation
Phillips 66 Company
Plains All American Pipeline LP
Portland General Electric Company
Sempra
The Williams Companies Inc.
United Refining Company
Valero Energy Corporation
Westlake Chemical Corporation
Xcel Energy Inc

Asia (2)

CNOOC Limited
INPEX Corporation

CONCLUSION

The opportunity is not only to reduce premium, but to improve resilience, contractual certainty and future market optionality.

In Alesco's view, client success for the remainder of 2026 requires them to be proactive. Early engagement, strong advisory and engineering evidence, credible valuations, robust business interruption assumptions and a clear view of risk appetite will allow organisations to convert soft market conditions into sustainable programme value rather than short-term price reduction.

Clients should use the current market to challenge incumbent structures, test alternative capacity, review indemnity periods, validate declared values and consider whether retained risk, captive participation, parametric products or other structured solutions can provide a more efficient outcome.

The next 12 to 18 months will test whether the market's softening trajectory can withstand geopolitical and trade fragmentation, elevated downstream loss activity, claims inflation, supply chain stress and the increasing complexity of energy transition assets. The eventual market impact of market events (e.g., the Qatar Energy incident) will be an important indicator of whether current downstream pricing discipline can be maintained. For now, the balance of power remains with buyers. Alesco is well positioned to help clients and prospects combine strong data, disciplined risk management and strategic risk transfer solutions to capture value while protecting against future market volatility.

“The real opportunity in a soft market is not cheaper insurance; it is the ability to combine market leverage, risk financing and disciplined strategy to create resilience, certainty and long-term advantage.”



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