Energy Insurance Market Report

H1 2026

Executive Summary

The energy insurance market during the first half of 2026 generally favored buyers, supported by strong underwriting capacity, moderating loss activity across most segments and increased competition among insurers. Rates generally trended downward across upstream, midstream, power and renewables. Downstream was a notable exception, where elevated losses in 2025 began influencing the underwriting discipline.

For many energy companies, market conditions presented an opportunity to pursue premium reductions, enhance coverage and reassess program structure.

Key Insights

- Capacity remained strong and competition active, contributing to rate reductions across upstream, midstream, power and renewables. This represented one of the more favorable environments seen in recent years.
- Relatively favorable loss experience across several segments gave insurers greater confidence to deploy capacity, contributing to improved terms and pricing for many buyers.
- Many organizations had opportunities to revisit limits, retentions, coverage scope and long-term program design while market conditions remained favorable.
- Growth in LNG, electrification and data center-driven power demand continued, reshaping exposures across the sector.
- Secondary perils and interconnected digital systems became increasingly important underwriting decisions across property, casualty and cyber.
- While market conditions were generally favorable during the first half of 2026, future conditions could change depending on loss activity, reinsurance dynamics and capital availability.

Energy Insurance Market

Two trends are shaping the energy sector in 2026.

Traditional oil and gas markets are facing some pressure from softer commodity pricing and supply dynamics. At the same time, demand for energy infrastructure continues to grow, driven by LNG expansion, electrification and increased power demand linked to AI and data center growth.

Capacity remains strong across most segments, creating meaningful opportunities for buyers.

Upstream

The upstream insurance market remained highly competitive during the first half of 2026. Strong capacity and improved underwriting results contributed to double-digit rate reductions for many programs, following average reductions of approximately 11% in 2025. While oil and gas producers navigated softer commodity prices and a more disciplined capital allocation environment, insurers generally remained eager to deploy capacity across the sector.

Loss experience was an important factor. Total upstream insured losses in 2025 were approximately $270 million across 31 events, compared to $2.26 billion across 141 events in 2024.[1] This significant improvement reinforced insurer confidence and contributed to continued market softening.

Buyers generally retained significant negotiating leverage, including access to full follow capacity and increased participation from regional and specialty insurers. As with previous market cycles, conditions may change over time. Companies should consider not only premium savings, but also opportunities to strengthen coverage, program structure and carrier relationships while market conditions remain favorable.

Midstream

The midstream sector continued to benefit from strong long-term fundamentals. Growing LNG export capacity, increasing natural gas demand from power generation and continued investment in gathering, processing, transportation and storage infrastructure supported sustained insurer interest in the sector. US natural gas production was expected to reach approximately 118 billion cubic feet per day by 2026, while LNG export capacity continued expanding.[1]

Insurance conditions reflected this stability. Many high-quality risks experienced low double-digit rate reductions, supported by growing insurer interest. While total capacity remained smaller than upstream, it continued to expand as insurers look to diversify their portfolios.

As a result, the midstream market experienced a more measured and sustainable softening cycle than upstream, supported by stable cash flows, lower loss frequency and favorable long-term infrastructure demand.

At-a-Glance Market Conditions

- Upstream: ↓ Double-digit reductions; abundant capacity
- Midstream: ↓ Low double-digit reductions; expanding insurer appetite
- Downstream: ↓ Rate reductions moderating
- Power: ↓ Competitive
- Renewables: ↓ Strong competition
- Casualty: ↑ Low single digits

Data Highlights

Expanded capacity and improved technology are supporting continued rate reductions across solar, wind and storage.

- BESS: ↓ 20%-30%
- Wind: ↓ 5%-15%
- Solar: ↓ 10%-15%

Downstream

Downstream presented a more balanced outlook. Following favorable underwriting results in 2024, loss activity increased significantly in 2025, creating pressure on underwriting performance.

Despite continued capacity availability, the pace of rate reductions moderated during the first half of 2026. While some well-performing risks had previously achieved reductions of up to 20%, insurers increasingly evaluated pricing adequacy, particularly ahead of reinsurance renewals.

Recent loss activity remained a key underwriting consideration. Buyers could still achieve improved terms and coverage enhancements, although insurers generally placed greater emphasis on engineering quality, operational controls and loss history.

Power

The power sector remained favorable for many buyers. Competition increased as new insurers entered the market and established participants expanded their appetite.

Many buyers benefited from rate reductions, broader coverage options and greater flexibility in program design, although results varied based on individual risk characteristics and loss experience. Insurers also deployed larger line sizes in an effort to retain strategic relationships.

Demand for power infrastructure continued to grow, particularly from data center expansion and electrification trends, creating both new exposures and opportunities for insurers.

Renewables

The renewable energy insurance market continued evolving rapidly. Increased deployment, technology improvements and expanded insurer participation supported generally favorable conditions.

Solar and wind portfolios continued experiencing rate reductions, particularly where risks are geographically diversified. Onshore wind rates declined approximately 5% to 15% during 2025.

Battery energy storage systems experienced some of the most significant market corrections, with rate reductions of approximately 20% to 30% attributed to improved performance and reduced fire concerns. Future rate movements could become more moderate as market conditions mature.

In the US, offshore wind development slowed amid regulatory uncertainty, with the project pipeline reportedly declining from 45 projects to 23 through late 2025.[1]

Energy Casualty

The energy casualty market remained mixed during the first half of 2026. In the US, capacity constraints persisted in certain segments, while alternative markets continued expanding and providing additional options for some buyers. Many accounts experienced modest rate increases, typically in the low to mid-single digits, although outcomes varied based on risk profile, jurisdiction, operations and loss experience. Loss-impacted risks generally faced more significant pricing adjustments.

Wildfire exposure continued to be an important underwriting consideration in certain regions and, in some cases, influenced capacity availability, attachment structures and pricing.

At the same time, improving reinsurance conditions may support more favorable outcomes for some insureds depending on market conditions and individual risk characteristics. Insurers remained focused on operational controls, maintenance practices, contractual risk transfer and overall risk quality. Organizations that clearly demonstrated these elements often achieved more favorable underwriting results.

Key Underwriting Trends and Risk Considerations

Several near-term developments influenced underwriting discussions during the first half of 2026 and could continue shaping the energy insurance landscape going forward. While these trends had not materially disrupted capacity, they increasingly influenced underwriting decisions across multiple energy segments.

Natural catastrophe activity remained an important underwriting consideration. For energy companies, this reinforced the importance of understanding how catastrophe exposures were modeled and incorporated into program pricing and structure. Assets located in coastal regions, flood-prone areas and hail-exposed territories often received greater underwriting scrutiny. In some cases, underwriting discussions focused less on the availability of capacity and more on the adequacy of limits, sublimits and deductible structures.

At the same time, digital risk had became increasingly interconnected with traditional operational risk. Greater reliance on automation, interconnected systems, and artificial intelligence supported efficiency and operational performance across many energy organizations, while also creating new dependencies that insurers increasingly considered during underwriting reviews.

Insurers also placed greater emphasis on cyber resilience, operational technology security and incident response capabilities. These considerations extended beyond standalone cyber placements and increasingly influenced property and casualty underwriting discussions. Organizations that clearly demonstrated strong controls and governance often received a more favorable reception from underwriters.

Carrier stability and long-term market commitment remained important considerations. Buyers increasingly evaluated insurers based not only on pricing and capacity, but also on underwriting consistency, claims performance and long-term strategic alignment. These factors can become particularly important during periods of market volatility or following significant loss events.

Taken together, these developments underscore a market that remained broadly favorable during the first half of 2026 while becoming increasingly selective in how risk quality was evaluated. Organizations that effectively communicated their operational controls, risk management practices and evolving exposures were often better positioned to achieve favorable outcomes.

Strategic Considerations for Energy Insurance Buyers

Favorable market conditions during the first half of 2026 created opportunities for many energy companies to reevaluate their insurance programs, although outcomes continued to vary based on risk profile, loss experience and market engagement.

Organizations achieving favorable outcomes often took a broader view of insurance program strategy, looking beyond premium reductions alone and considering how risk is financed and transferred over the long term.

Early engagement with the renewal process can provide additional time to assess options, engage insurers and evaluate alternative structures. It may also help organizations present their risk profile more effectively and encourage broader market participation.

How risk is presented remains an important underwriting consideration. Insurers continue to place significant emphasis on operational discipline, transparency, maintenance practices, safety protocols and overall risk quality. Organizations that clearly communicate these attributes are often viewed more favorably by underwriters.

In favorable market conditions, organizations may find opportunities to reevaluate limits, retentions, sublimits and overall coverage structure in addition to pricing. These discussions can help improve alignment between insurance programs, operational exposures and organizational objectives.

Some organizations have explored multi-year solutions and alternative risk structures to improve stability and flexibility. The suitability of these approaches depends on individual circumstances, risk tolerance and long-term goals.

Carrier relationships also remain an important consideration. Alongside pricing and capacity, organizations may benefit from evaluating insurer expertise, claims performance, financial strength and long-term commitment to the energy sector.

Source:

[1]"Energy, Power and Renewables Insurance Market Update: H1 2026," *Alesco Risk Management.*

Closing Perspective and Next Step

The first half of 2026 presented favorable market conditions for many energy companies to reassess their insurance programs and evaluate opportunities to optimize coverage, structure and cost.

Capacity remained strong across most segments, competition was active and pricing generally improved for many buyers. At the same time, underlying risks continued to evolve, and future market conditions could change, particularly within downstream and energy casualty lines.

Organizations that took a structured approach to evaluating risk financing, coverage design and insurer relationships were often better positioned to achieve favorable outcomes and adapt to changing market conditions.

If you would like to understand how these market conditions may apply to your specific portfolio, our Energy practice can help evaluate your current program, identify potential opportunities and develop a strategy aligned with your organization's objectives and risk profile.

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