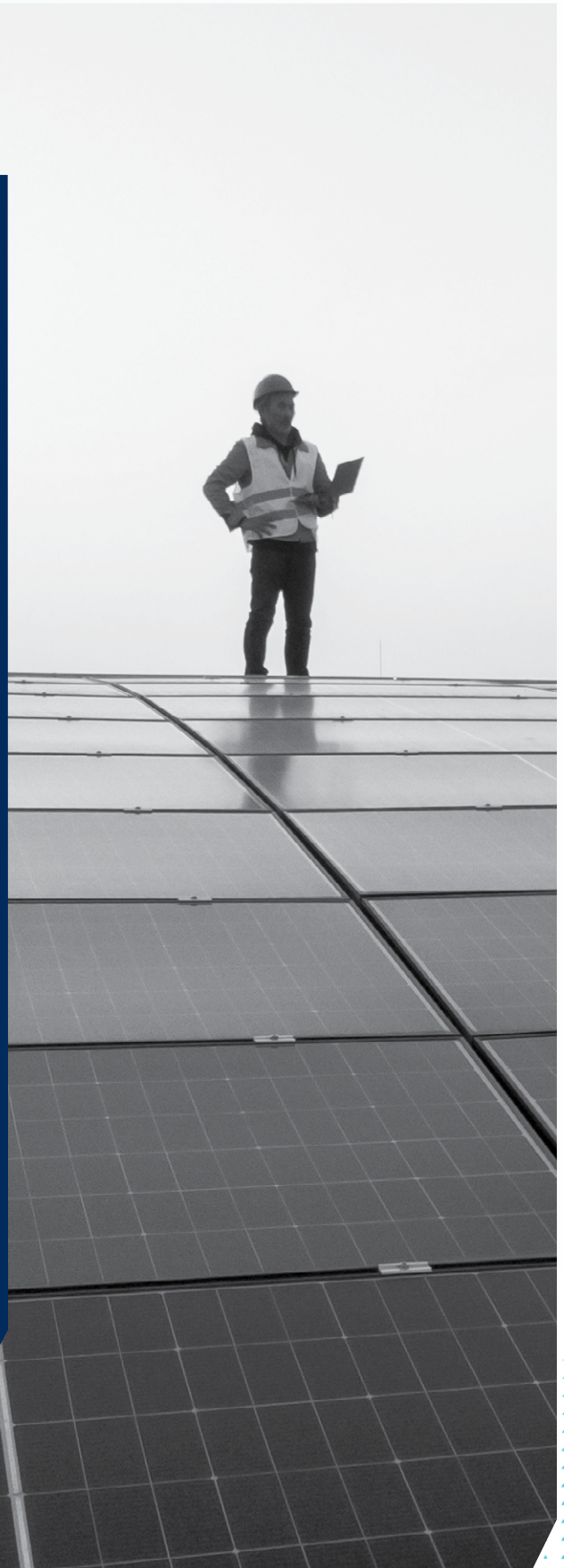


State of the Market

A Focus on the 2026 Energy Marketplace

The energy insurance marketplace continues to see meaningful differences across property, casualty and the rapidly expanding power and renewables sectors. Property remains a competitive, softening market, while casualty pricing has moved closer to flat as loss activity, litigation trends and reduced capacity continue to influence underwriting. At the same time, the scale and complexity of new energy infrastructure is creating novel insurance considerations across battery storage, solar, power generation and data centers.

For insureds, the current environment is increasingly about more than rate. Underwriters are placing greater emphasis on engineering, asset quality, maintenance, catastrophe exposure and the quality of information provided at renewal. Simultaneously, competition is creating opportunities for broader coverage, higher limits and more flexible terms on well-performing risks.





↓ Downstream property continues to soften

The downstream energy property market remains in a softening cycle despite continued losses. Per WELD, the sector experienced approximately \$6.8B in gross losses against roughly \$3.25-\$3.5B in collective premiums in 2025, while significant losses have continued into 2026 amid lower rates (including the Cartagena refinery in Spain, QatarEnergy and U.S. refiners).

The extent of rate relief continues to vary by risk.

- More complex placements with multiple insurers, larger limits and greater catastrophe exposure are generally seeing the most significant reductions.
- Less complex, single-carrier placements are seeing more moderate reductions.
- Loss-affected accounts continue to face greater underwriting attention.

The market's willingness to continue reducing rates remains uncertain. A significant natural catastrophe affecting multiple occupancies could change the broader property market dynamic, but absent such an event, competition is expected to remain significant.

Underwriting is also becoming increasingly analytical. In addition to traditional loss mitigation and fire protection, insurers are looking more closely at proactive loss prediction and prevention, including the use of data and AI. Accounts able to provide strong engineering information and demonstrate effective risk controls are better positioned in the current market.

Business interruption volatility clauses are also beginning to see some relief. After becoming more prominent during the harder market, certain accounts are seeing increased margins, longer adjustment periods or removal of volatility provisions altogether. Refining risks with greater volatility in crack spreads and commodity prices remain an area where these provisions continue to receive particular attention.



Casualty pricing flattens as capacity contracts

Energy casualty is experiencing a different set of market dynamics. Pricing is generally flat, with increases in the low single digits. Direct markets have generally been slower to push rate, even where losses have occurred, while excess markets have pushed harder in response to claims activity. Capacity reductions continue to affect the structure of large placements.

Rather than a wave of new capacity entering the energy casualty market, existing markets have continued to reduce their lines of coverage. A layer that once could have been supported by several large markets may now require significantly more participants to complete a tower.

New MGA capacity has continued to enter the broader casualty market. Still, it remains concentrated in smaller, less complex classes rather than large energy risks, leaving large accounts more dependent on the same small group of established insurers.

This dynamic is particularly important on large accounts, where maintaining sufficient limits can require significant placement work even when pricing remains relatively stable.

PFAS is another consideration for casualty underwriters. While firefighting foam can remain important to property risk management, casualty insurers are concerned about potential liability arising from the use or release of PFAS. As a result, approaches can vary across the tower, with some markets providing limited carve-backs for firefighting use while maintaining broader exclusions for other exposures.

Some states have also begun restricting third-party litigation funding, though implementation has been slow and uneven. Any near-term market impact remains limited.



London remains a significant source of competition

London continues to play an important role in the energy marketplace, but its position relative to U.S. domestic capacity is shifting. London has been particularly aggressive on pricing and terms in recent years, creating significant competition for domestic markets. In casualty, this has included situations where insureds have accepted differences in coverage terms in exchange for substantial premium savings.

On the property side, London remains highly competitive, including coverage enhancements. At the same time, U.S. insurers have become more aggressive in response to London's market position over the past several years.

This push and pull reinforces the value of maintaining a balanced panel of domestic and London capacity. On complex placements, a mix of markets can allow brokers and insureds to take advantage of whichever segment is most competitive at a given point in the market cycle.

Underwriter movement and market turnover are also worth watching. Retailers should remain attentive to changes in individual market appetites and underwriting personnel rather than assuming that a market's position will remain unchanged from one renewal to the next.



Power and renewables continue to expand

The scale of power and renewable energy projects continues to grow. Solar developments that were once measured in hundreds of millions of dollars are steadily incorporating battery storage, with projects now reaching \$1.5B or more. The size of these projects is creating continued demand for large insurance limits across both domestic and London markets.

Battery energy storage systems (BESS) are also expanding into new areas. There is growing activity involving U.S. battery assembly and manufacturing, including companies with ties to China establishing a U.S. presence. BESS developers are also submitting more project portfolios rather than individual locations.

Smaller solar and BESS risks are attracting additional market interest. Submissions in the \$25M to \$30M range are increasing, including residential-adjacent solar business. London markets that have historically been less active in this segment are showing greater appetite as the rating environment softens and insurers seek additional volume.

The risks associated with these projects are significant. Equipment failures cause severe losses, including solar inverter failures, BESS thermal runaways and fires, as well as failures of aging wind equipment. Hail-prone areas have also led to significant solar losses, making CAT modeling and site selection important considerations for underwriters.



Submissions in the **\$25M – \$30M** range are increasing



Data centers add complexity to power risk

The rapid growth of data centers is creating an additional area of intersection between energy and technology sectors. Grid-connected data centers are a more established insurance risk, with the primary energy-related exposure often involving contingent business interruption resulting from grid outages.

Behind-the-meter data centers present a more complicated risk. Facilities that incorporate on-site generation and BESS combine data center exposures with risks associated with power generation, fuel supply, and battery storage. Failure can affect both power and IT operations simultaneously.

These risks remain less mature and more fragmented from an insurance perspective. Underwriters are examining power and IT redundancy, fuel supply security, battery fire protection and the operator's experience managing integrated energy assets.



Capacity and coverage remain closely connected

Although property pricing continues to decline, the availability of capacity does not necessarily mean that every risk can secure the same limits or terms. New business is requiring higher limits than ever, while lenders are pushing for increased catastrophe limits on certain projects, particularly in catastrophe-exposed locations. Insurers remain selective but are generally willing to consider higher limits when the risk supports them.

Coverage discussions remain important. More insureds are securing non-damage extensions that historically would have been excluded. Excess contingent business interruption is one area of growth, with coverage being structured for indemnity periods extending beyond the traditional 90 to 120 days and, in some cases, out to 365 days.

Higher third-party liability limits are more relevant as projects extend farther from substations and transmission infrastructure crosses additional properties and rights-of-way. Larger buyers are also using their scale to negotiate wording around wear and tear, series loss clauses and sublimits.

Long replacement lead times for transformers, inverters, switchgear and turbine components are another consideration. Because these components may not be readily available following a loss, underwriters are examining whether business interruption limits and indemnity periods adequately reflect potential restoration timelines.



Valuations, engineering and risk quality matter

Even in a soft market, underwriting discipline has not disappeared. Insurers are requesting more detailed engineering and maintenance information, and accounts that can demonstrate strong operations and maintenance programs and engineering controls are often seeing better renewal outcomes.

Valuations continue to be an important part of that process. Several years of cumulative cost inflation have created potential gaps between insured values and actual replacement costs. At the same time, some clients are reducing replacement cost values as component prices decline, prompting insurers to scrutinize Statements of Value more closely. Third-party valuation and CAT modeling can provide additional support for the values presented to underwriters.

Cyber and emerging energy risks

Cyber risk is becoming increasingly relevant across the energy and storage value chain. Regulatory and critical-infrastructure requirements are creating demand for energy-specific cyber coverage, while cyber threats themselves continue to evolve.

The market is developing coverage for energy-specific exposures such as certain regulatory fines and penalties, replacement power costs following a cyber event, liability for failure to deliver power and relighting costs.

Nuclear is another emerging area to watch. Growing power demand is fueling discussion of small modular reactors and other nuclear technologies, while new risks are emerging outside the traditional utility-scale nuclear reactor market. Current opportunities include uranium enrichment facilities, research reactors and other nuclear-related operations.

The growth of new power infrastructure also creates interconnected supply-chain and business-interruption exposures. As data centers and other large power users require additional generation, the performance of generation, transmission, equipment and supporting infrastructure becomes more interconnected than ever. A loss affecting one component can have consequences beyond the individual insured asset.



Takeaway

The energy insurance marketplace remains competitive, but conditions vary significantly by segment and risk. Downstream property continues to see rate reductions despite meaningful losses, while casualty pricing is closer to flat as capacity remains constrained and loss severity continues to influence underwriting. London remains an important source of competition, while U.S. markets have become more aggressive in response.

At the same time, the continued development of solar, BESS, data centers, thermal generation and emerging nuclear technologies is creating increasingly complex risks. Equipment reliability, catastrophe exposure, supply chain constraints, labor availability, valuations, business interruption and cybersecurity are all becoming important considerations in the underwriting process.



We help you win

For retailers and insureds, strong submissions remain critical. Detailed engineering and maintenance information, defensible valuations, appropriate BI limits, clear risk controls and an understanding of individual market appetites can help position accounts effectively in a changing marketplace.

At Amwins, our energy specialists bring together expertise across property, casualty, power, renewable energy and specialty markets to help retailers navigate these differences. By combining broad access to the domestic and London markets with knowledge of individual insurers' appetites, we help our partners build solutions for an energy marketplace that continues to evolve.

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To learn more about how Amwins can help you place coverage for your clients, reach out to your local Amwins broker.

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