Spring Stats Statement 2026

Cargo – Executive Summary

The global cargo market remains broadly soft, with continued pressure on rates and premiums across most regions despite a complex economic and geopolitical backdrop. While major losses have been limited, underlying loss activity is increasing in certain areas. The evolving situation in the Middle East is beginning to influence underwriting behaviour, particularly in war risk, though impacts remain uneven across markets.

Economic Overview

Economic conditions remain mixed across key cargo markets. In Europe, Germany has returned to modest growth following two years of contraction, supported by fiscal expansion and public investment, though insolvencies remain elevated and external pressures such as tariffs and global competition persist. These conditions are contributing to ongoing pressure on cargo volumes and underwriting profitability.
Across markets, including Italy, Canada and the Nordic region, cargo insurance conditions remain soft, with declining or stable premiums at already low levels. In China, rates have continued their long-term downward trend, though there is limited room for further reductions given already compressed pricing levels.
Overall, economic uncertainty, weak trade momentum and competitive market dynamics continue to weigh on pricing across all regions.

Major Losses & Loss Trends

While the period has seen relatively few large-scale catastrophic events, isolated significant losses have occurred. These include a major weather-related cargo loss in North America impacting the Italian market and a bulk cargo incident in China involving liquefaction risk.
More broadly, the loss environment is perceived to be shifting towards higher frequency attritional losses. A targeted study by the German Insurance Association (GDV) has increased transparency around theft-related incidents, including cases linked to fraud and manipulation on digital freight platforms. While it is not yet clear whether frequency has materially increased, the improved visibility of these losses highlights their cumulative impact on technical performance.
Across other regions loss activity has remained relatively benign, with no major catastrophic developments reported.

War and conflict in the Middle East – Implications for Cargo Insurance

The impact of the Middle East situation is becoming increasingly visible, though not yet uniform across markets.
Across European markets, insurers continue to provide cover for affected regions, including the Persian Gulf and Red Sea. While notices of cancellation are being issued as part of standard war risk mechanisms, the clear intention remains to maintain coverage through reinstatement on adjusted terms and premiums. This reflects a controlled adaptation of risk rather than a withdrawal of capacity.

In Asia, war risk pricing has reacted more dynamically, with rates for key transit regions increasing again following a period of easing, now broadly aligning with international market levels.

By contrast, markets in North America and Northern Europe have so far seen limited direct impact, although developments are being closely monitored and underwriting responses may adjust in line with international frameworks.
Operationally, the situation has led to significant disruption. Transit volumes through critical routes have declined sharply, with vessel movements reduced by up to 95% compared to pre-conflict levels and only a small fraction of typical tanker traffic currently observed. This has resulted in delays, rerouting and cargoes being held or redirected, increasing operational complexity and client sensitivity.
Overall, while cargo insurers remain committed to providing cover, the operating environment has become more volatile, with increased reliance on dynamic pricing and case-by-case underwriting.

Hull – Executive Summary

The global hull market continues to show outward stability, supported by firm freight earnings and controlled fleet growth. However, underlying risk is increasing across multiple dimensions, including claims severity, ageing tonnage and geopolitical exposure. Despite this, market conditions remain soft, indicating a growing disconnect between risk and its perception.

Market Environment – Stable Conditions with Strong Earnings
Global shipping activity remains resilient, with moderate trade growth and freight markets continuing above long-term averages. Fleet expansion is contained, with the orderbook at manageable levels, while geopolitical rerouting - particularly around the Red Sea - has effectively tightened vessel supply and supported demand.
Overall, market fundamentals remain supportive, creating an environment of apparent stability for the hull sector.

Underlying Risk Trends – Structural Pressures Building
Beneath stable market conditions, several structural risk drivers are becoming more pronounced.
Claims severity continues to increase, driven by higher repair costs, limited yard capacity and growing technical complexity of vessels. At the same time, the ageing global fleet - now averaging around 22.5 years - is contributing to increased machinery-related exposure.
In parallel, the transition towards decarbonisation is introducing new and not yet fully understood risks, as alternative technologies enter the fleet without established loss histories.
These factors suggest a gradual but clear deterioration in the underlying risk profile.

War and conflict in the Middle East – Implications for Hull Insurance
The conflict involving Iran has materially altered operating conditions in key shipping corridors, particularly around the Strait of Hormuz, which remains critical for global energy transportation.

From a hull perspective, the most immediate impact is the sharp disruption to navigation. Transit volumes have declined significantly, with vessel movements estimated to be down by up to 95% compared to pre-conflict levels. Current activity is limited to only a handful of daily transits versus well over one hundred under normal conditions. Tanker movements in particular have been severely reduced, with only minimal flows observed and a large share of voyages consisting of vessels exiting the region rather than entering.

This disruption is fundamentally changing trading patterns. Rerouting, delays and operational uncertainty are now key features of vessel deployment, increasing both exposure and complexity from an underwriting perspective.

At the same time, war risk exposure has increased significantly. Premiums and conditions are being actively reassessed, while underwriting appetite has become more selective. In parallel, accumulation risk is rising as vessels concentrate along alternative routes and in substitute ports, creating new aggregation hotspots.

Beyond the immediate operational impact, the conflict is beginning to influence broader shipping market dynamics. In the short term, uncertainty is leading to a slowdown in transaction activity as market participants pause investment and chartering decisions. At the same time, segments benefiting from supply disruption - particularly tanker markets - are seeing stronger earnings and asset pricing.

Looking further ahead, a prolonged disruption scenario could result in sustained uncertainty, delaying investment decisions, including newbuilding activity and potentially dampening overall market liquidity. While pre-conflict conditions pointed to strong activity, especially in tanker segments, this outlook is now increasingly conditional on geopolitical developments (Clarkson's Research / S&P).

In practical terms, geopolitical risk is no longer confined to the war market but has become a core hull underwriting driver, directly affecting routing, pricing, aggregation and claims severity.

Overall, the situation represents a shift from isolated geopolitical exposure to a structurally altered operating environment, with implications across both underwriting and the wider shipping market.

Loss & Exposure Outlook – Persistent and Emerging Risks

While traditional risks such as piracy remain relatively stable in frequency, they continue to generate high-severity losses. In addition, climate-related exposures are gradually increasing, although these are not yet fully reflected in underwriting practices. Combined with rising repair costs and operational complexity, the overall exposure landscape is becoming more volatile and less predictable.

Market Dynamics – Soft Conditions Despite Rising Risk

Despite increasing risk across multiple fronts, the hull market remains soft, with continued pressure on rates and the presence of new or sustained capacity.
This creates a clear imbalance: while earnings and supply dynamics support the market externally, underlying risk is rising more rapidly than risk evaluation can follow.

Offshore Energy – Executive Summary

The offshore energy market remains supported by ample upstream insurance capacity, but underlying volatility is increasing. While headline losses remain contained, pressure is building in downstream and construction segments. The escalation in the Middle East, including direct targeting of energy infrastructure, has become a defining factor, with implications for global supply, pricing and underwriting risk.

Market Environment – Strong Upstream, Diverging Segments

The upstream sector continues to show resilience, with no market loss exceeding USD 1 billion in 2025 despite increased production and higher loss activity. A high number of final investment decisions is expected to support future hydrocarbon supply, offsetting natural decline from existing assets.

Capacity remains broadly available, supported by competition and ongoing consolidation. However, conditions diverge across segments. Subsea construction is experiencing tighter capacity, creating a localised hard market, while downstream has faced significant losses, in some cases

Loss Trends – Attritional Activity and Delayed Volatility

Loss activity is increasingly characterised by attritional events rather than large-scale losses. This environment favours larger, diversified insurers with broader portfolios. At the same time, increased underwriting of upstream construction projects introduces longer-term volatility as losses may materialise over extended timelines. While headline losses remain limited, the underlying exposure is becoming more complex and less predictable.

War and conflict in the Middle East – Implications for the Energy insurance

Recent developments in the region mark a significant escalation, with direct targeting of energy infrastructure introducing not only immediate disruption but also potentially longer-lasting consequences for global hydrocarbon supply. Even if maritime traffic gradually resumes, damage to production infrastructure is likely to delay any return to normal output.

The scale of disruption is already material. Oil output in the Middle East Gulf has reportedly been reduced by more than 10 million barrels per day, while the main export corridor remains heavily constrained. Although some volumes continue to move - including around 2 million barrels per day from Iran and further flows via alternative regional outlets - these only partially offset the roughly 15 million barrels per day of crude that would normally transit via Hormuz. Partial alternative routes are tentatively emerging, particularly via the Red Sea, where additional export volumes of 3 to 4 million barrels per day may be possible and tanker activity has increased sharply, but this still leaves a substantial supply gap. Clarkson's Research characterises the resulting drop in global oil supply as the largest ever recorded.

Energy markets have responded with extreme volatility. Oil prices moved in a wide range from around USD 120 per barrel to USD 85 per barrel, reflecting alternating signals of disruption and temporary reassurance. Supportive measures, including a potential 400 million barrel stock draw and temporary policy adjustments to keep additional crude available to the market, may cushion the immediate shock, but these measures are temporary and do not remove the underlying supply risk.

The consequences are also spreading further downstream. In Asia in particular, pressure is building through higher fuel costs and tighter gas availability. Bunker prices in Singapore have reportedly risen above USD 1,100 per tonne, up around 160% versus the start of 2026. At the same time, a range of Asian buyers remain exposed to LNG outages, while key importers of crude and LPG continue to depend materially on Middle Eastern supply. This points not only to rising energy costs, but also to broader macroeconomic risks through inflation, industrial cost pressure and weaker growth.
For the offshore energy market, the situation therefore goes beyond short-term transit disruption. The combination of infrastructure damage, reduced production, incomplete substitution through alternative routes and mounting downstream pressure suggests a more structural shock to global energy supply. Accumulation control remains critical in this environment, as the concentration of values, disrupted flows and uneven regional substitution all increase exposure volatility. Overall, the Middle East conflict is no longer simply a temporary geopolitical event, but a structural factor influencing supply, pricing and underwriting conditions across the offshore energy market.

Market Dynamics – Capacity vs. Risk

Despite increasing complexity, capacity remains widely available across most offshore segments, maintaining competitive conditions. However, this contrasts with rising uncertainty driven by geopolitical developments, evolving loss patterns and growing exposure from construction activity.
As in other marine lines, risk is increasing faster than pricing is adjusting.

Outlook – Global Economy and Market Implications

Prior to the escalation of the conflict, the global economy was expected to continue on a path of steady growth, showing resilience despite ongoing trade tensions and tariff-related uncertainty.

In a short-term disruption scenario, elevated energy prices are likely to create inflationary pressure across major economies. However, these effects would be expected to ease gradually as supply stabilises and market conditions normalise.
A prolonged disruption scenario would have more pronounced consequences. Sustained supply constraints and elevated energy prices could significantly impact global energy demand, pricing dynamics and overall economic growth. In such a scenario, inflationary pressures may become more persistent, with the risk of economic slowdown or recession emerging in some regions.

Overall, the outlook remains highly dependent on the duration and intensity of the conflict, with energy markets acting as the primary transmission channel into the broader global economy.