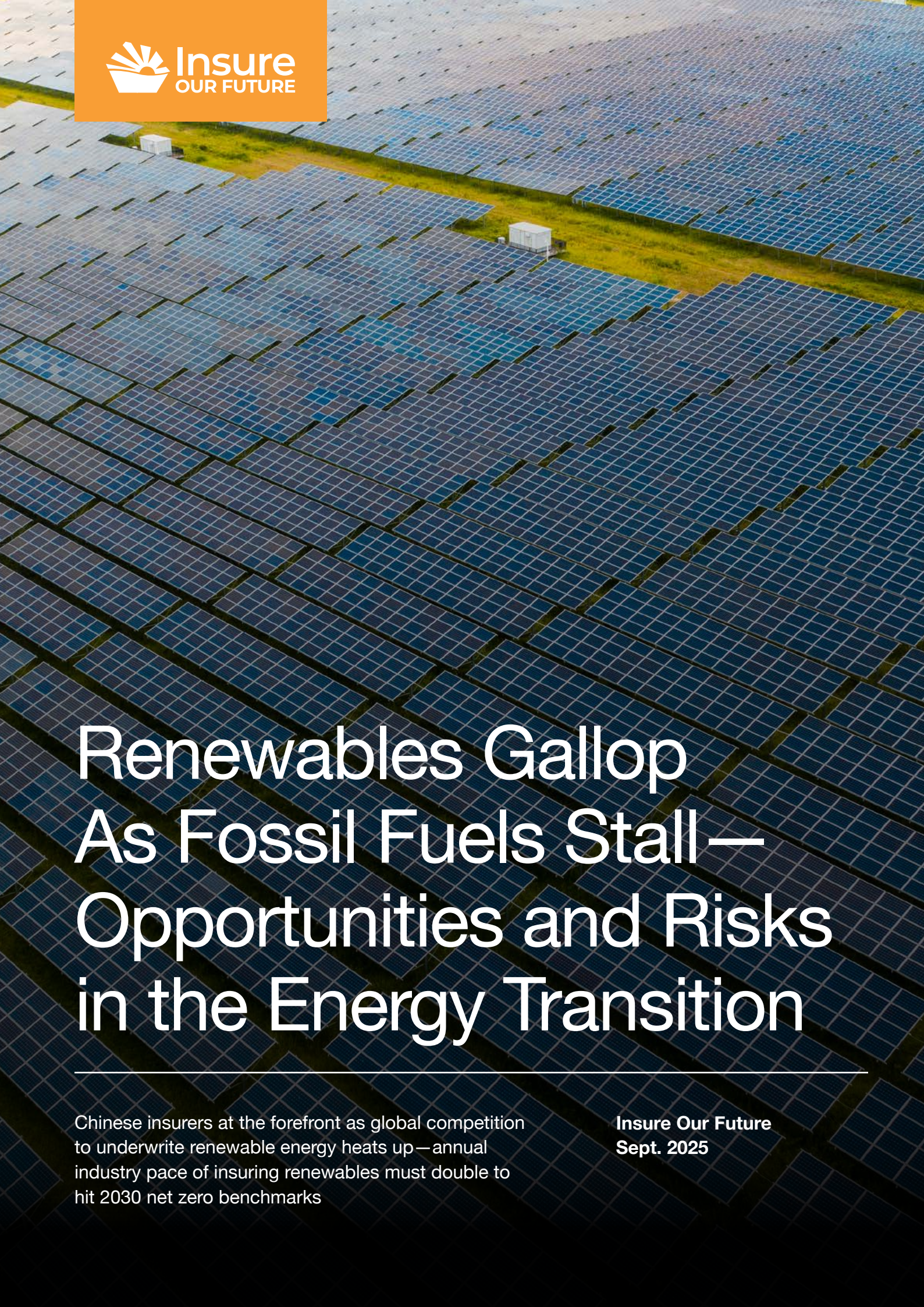


Insure OUR FUTURE

Renewables Gallop As Fossil Fuels Stall—Opportunities and Risks in the Energy Transition

Chinese insurers at the forefront as global competition to underwrite renewable energy heats up—annual industry pace of insuring renewables must double to hit 2030 net zero benchmarks

Insure Our Future
Sept. 2025

Overview

The energy insurance market stands at a critical juncture where fast-acting insurers and reinsurers today will shape the market rules of 2030—by doubling down on renewable energy growth opportunities while limiting the risks that fossil fuel expansion poses to the future of private insurance markets.

Analysis of market trends based on estimates by Insuramore reveals a race to capture market share in renewable energy—the fastest expanding energy sector—with Chinese companies and a handful of global peers gaining competitive advantages that could prove decisive down the line.

Halfway through the decade, however, the annual growth of renewables underwriting is only half of what is needed to meet IEA's 2030 Net Zero benchmark that corresponds to roughly 18% a year. Each year of undershooting this benchmark makes Paris Agreement goals harder to reach.

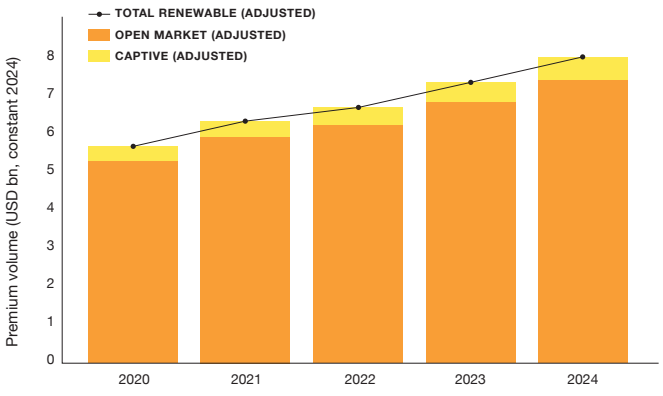
Yet the energy transition is set to accelerate as renewable costs hit record lows. The fossil fuel sector faces structural decline, with even LNG—often portrayed as a growth driver—confronting chronic demand uncertainties according to IEA projections and warnings of a global supply glut that compounds financial risks with climate risks.

Getting on track in the second half of the decade involves diverting risky LNG coverage to help double the pace of renewables underwriting growth and unlock capital for the climate transition to match IEA net zero pathways. As climate-related claims break records, these urgent actions can prevent persistent inflationary pressure on premiums triggering social and political backlash, stem the erosion of markets in the United States, Europe, Australia, and beyond, and address challenges to the core insurance business model driven by greenhouse gas buildup loading the risk dice.[1]

Fossil fuels stall as renewables race forward—but at half the pace of net zero climate benchmarks

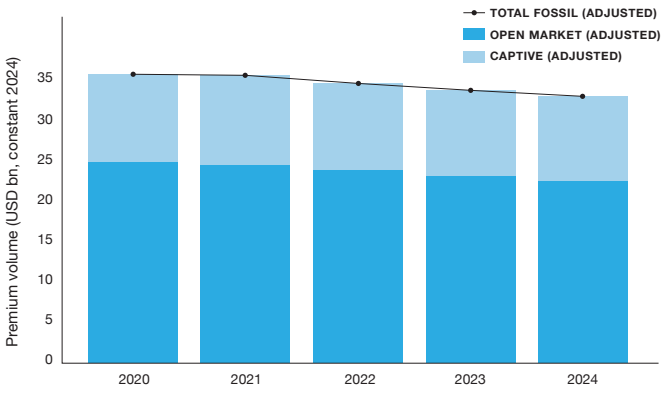
The primary renewable energy insurance market grew about 9% a year in constant-2024 dollars from $5.65 billion to $8.0 billion (2020–2024). By contrast, the fossil fuel market declined about 2% a year in real terms over the same period. In 2024, captives made up 7.5% of renewables versus 31.8% of fossil fuel premiums. The fossil fuel insurance market size is still over three times that of its renewable counterpart, but the contrasting trends in market size highlight the energy transition underway.

Change in market size for renewable energy underwriting in real 2024 US dollars



CAGR 2020 - 24 | Total: 9.1% | Open market: 8.7% | Captive: 14.6%
2024 baseline, inflation-adjusted per IMF, source: Insuramore

Change in market size for fossil fuel underwriting in real 2024 US dollars



CAGR 2020 - 24 | Total: -1.9% | Open market: -2.4% | Captive: -0.9%
2024 baseline, inflation-adjusted per IMF, source: Insuramore

> **"The market is telling you that AI is the biggest thing we've seen in our entire careers. To meet energy demand from AI, renewables will need to play a big part, not least because they're the fastest to market.**
>
> **Karim Moussalem**, CIO of Equities, Selwood Asset Management LLP on Bloomberg, Aug 2025[2]

The growth of renewable energy is likely to accelerate as prices have reached a tipping point low by beating out fossil fuel sources.[3] Brokers in the UK believe that renewable energy insurance has the second most growth potential, after cyber insurance.[4]

The International Energy Agency's Net Zero pathway foresees a tripling of installed renewable energy capacity by 2030,[5] which suggests the renewable underwriting sector needs to more than double its pace of annual inflation-adjusted growth to at least 18% through 2030 to align with Paris Agreement goals.[6] If it does, it may overtake the non-captive fossil fuel underwriting market this decade—a market transformation of immense scale and speed.

This cannot happen in a vacuum—supporting policies, private investments, and public financing all have to contribute, and yet, re/insurers have a pivotal role to play. **Howden** has called on the re/insurance sector to take a central role in discussions to de-risk the climate transition.[7] As Monte Carlo gathers some of the world's best risk expertise as well as largest pools of capital, it provides the opportunity to center conversations on how to innovate and derisk, deploy capital and underwrite solutions, and accelerate the energy transition to meet Net Zero pathways this decade.

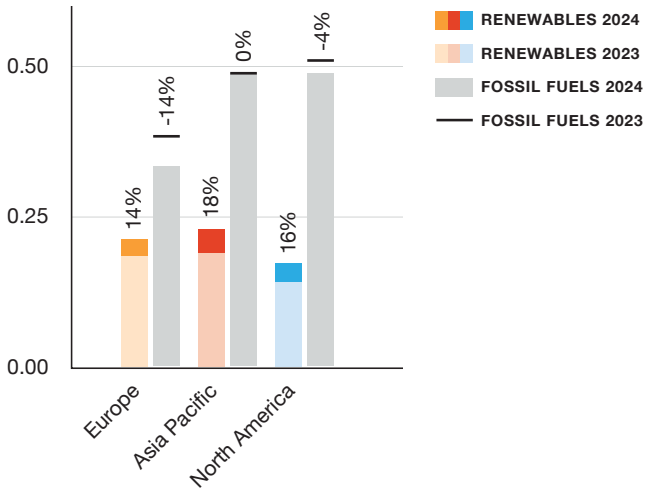
This will help put the brakes on record climate-related costs and enable resilience to reduce claims sustainably, before they become unmanageable for the sector and for society at large.[8]

The frontrunners and laggards in the renewables race

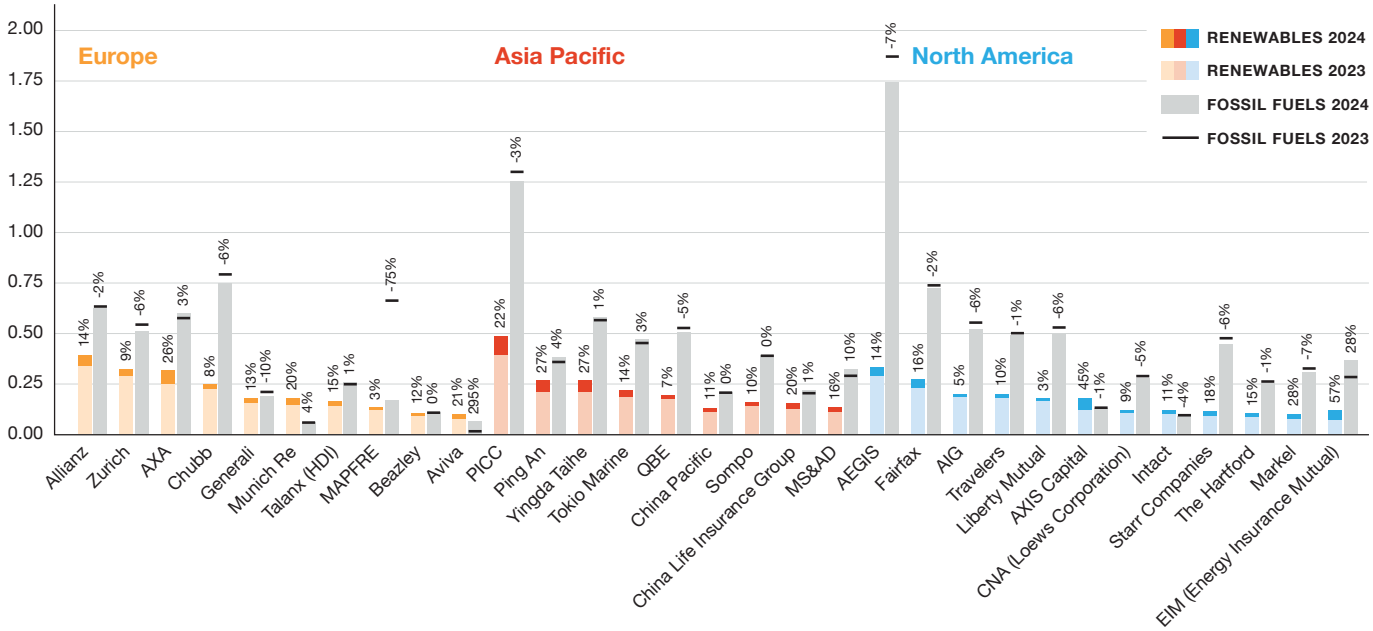
Analysis of 45 top energy insurers show that Chinese insurers dominate the renewables race, with **PICC**, **Yingda Taihe**, and **Ping An** capturing over $200 million in new renewable premiums collectively between 2023 and 2024, with **PICC** recording the highest growth total of $89 million.

In each region, a picture emerges of a split market of rapid versus lukewarm growth —with several companies growing their renewable underwriting business more than 25% in a single year, such as **AXIS Capital**, **AXA**, **Yingda Taihe**, **Ping An**, **Markel**, and **Energy Insurance Mutual**.

Average company premiums by region in 2023-2024, in USD billions, for insurers with at least 0.1 billion USD in renewable premiums in 2024



Renewable energy and fossil fuel premiums by company in 2023-2024, in USD billions
Companies with at least 0.1 billion USD of primary renewable premium volume in 2024 shown



Other insurers to net a volume of at least $25 million in growth of direct renewable premiums written included **Allianz**, **Zurich**, **Tokio Marine**, **AEGIS**, **Fairfax Financial**, and **Munich Re**.[9]

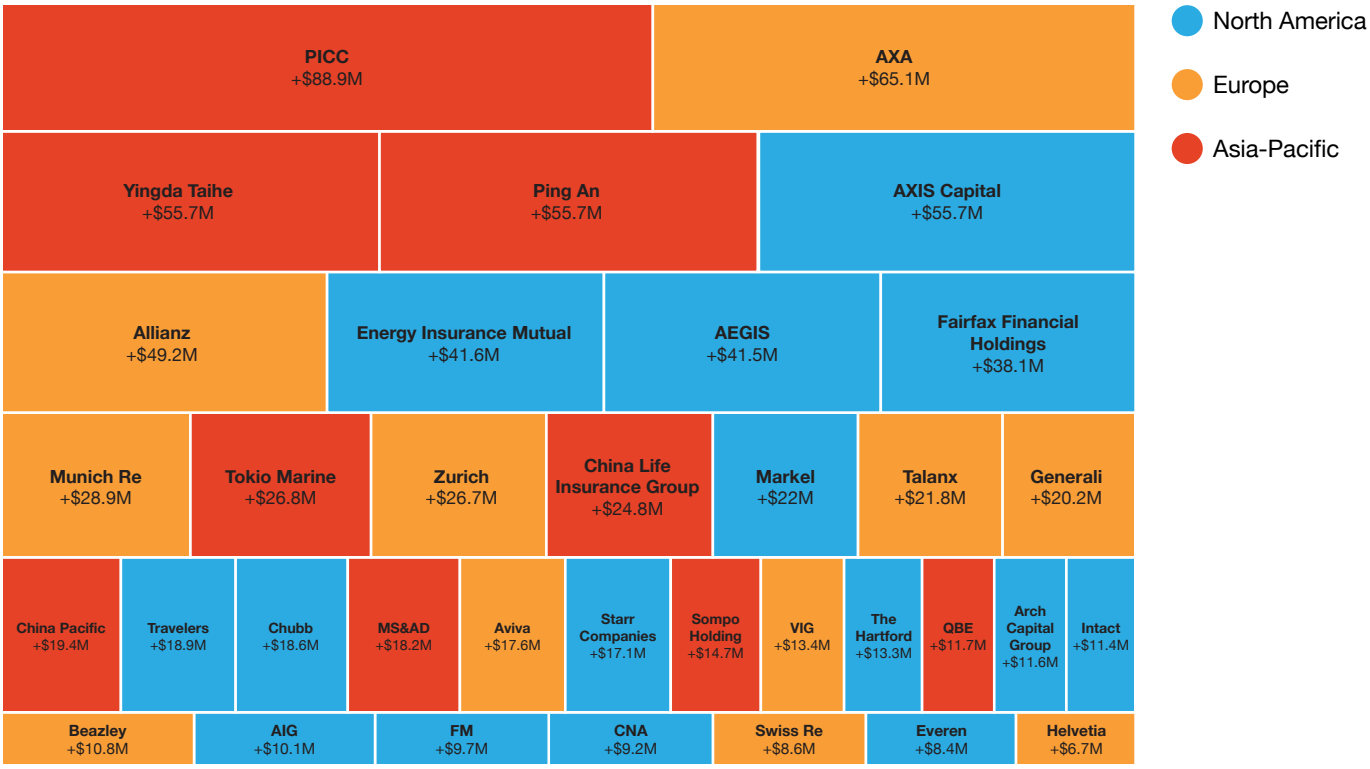
No US-based insurer reached this benchmark.

In terms of percentage growth, **AIG**, **Chubb**, **Liberty Mutual**, **Helvetia**, **MAPFRE**, **QBE**, **Samsung Fire & Marine**, and **Zurich** were each in the single digits. At the bottom of the pack, **W.R. Berkley Corporation**, **Berkshire Hathaway Insurance**, **SCOR**, and **SOGAZ** were the only companies whose primary renewable insurance business shrank or stayed mostly the same from 2023 to 2024 among analyzed companies, according to Insuramore estimates.

Fossil fuel premiums, by comparison, shrank by a few percentage points between 2023 and 2024 for most companies—though far exceeding the renewable business in volume. **Energy Insurance Mutual**, **MS&AD**, and **Aviva** were the only ones with a notable increase in fossil fuel underwriting. For **Aviva**, the nearly 300% increase from $15 million to $60 million reflected its acquisition of **Probitas**.[10]

The stark contrast in trendlines between renewables and fossil fuels reveals that the energy transition is gathering momentum, and is only likely to accelerate as the UN notes a global tipping point has been reached for renewable energy costs. Solar and wind are now the cheapest electricity in most places and new renewables are often more cost-effective than even existing fossil fuel power generation. In 2024, renewables already made up 92.5% of all new electricity capacity additions.[11]

Estimated inflation-adjusted increase in primary renewable premium volumes, in USD millions, from 2023 to 2024



Source: Insuramore

LNG expansion—a source of unmanageable risk?

Despite the transformed landscape in energy economics, the contradiction at the heart of the industry persists: this year started with the LA fires marking the costliest wildfire losses in history for the reinsurance industry, where Munich Re's chief climate scientist Tobias Grimm noted the 'threat multiplier' role of climate change.[12] Despite recognising that fossil fuels are driving climate risks to new extremes, the industry's ongoing underwriting of LNG expansion continues to pose long-term risks to profitability across other lines of business and exacerbates correlated systemic climate risk for reinsurers.

A growing body of evidence suggests that underwriting LNG expansion is fiscally unsound and risky for the insurance industry. Analysis by IEEFA of Shell's latest LNG outlook reveals "increasingly fragile" demand growth assumptions, with the oil giant forced to abandon previous claims about LNG displacing coal in Asia and instead "grasping at straws" by invoking speculative AI demand without supporting evidence.[13]

LNG demand faces structural challenges. Half of Europe's LNG terminals operate below 40% capacity despite 19% import declines,[14] while in Asia—the supposed growth engine—more than half of proposed import terminal capacity has been cancelled over the past decade.[15]

Meanwhile, Global Energy Monitor data shows over a dozen major LNG projects across Indonesia, Malaysia, Vietnam, and Myanmar are facing years-long delays to final investment decisions,[16] while Bloomberg reports significant demand slumps in China leading to project cutbacks.[17] In key markets like India and China where LNG was expected to displace coal, gas represents just 2-3% of electricity generation as renewables leapfrog both fossil fuels on cost.[18]

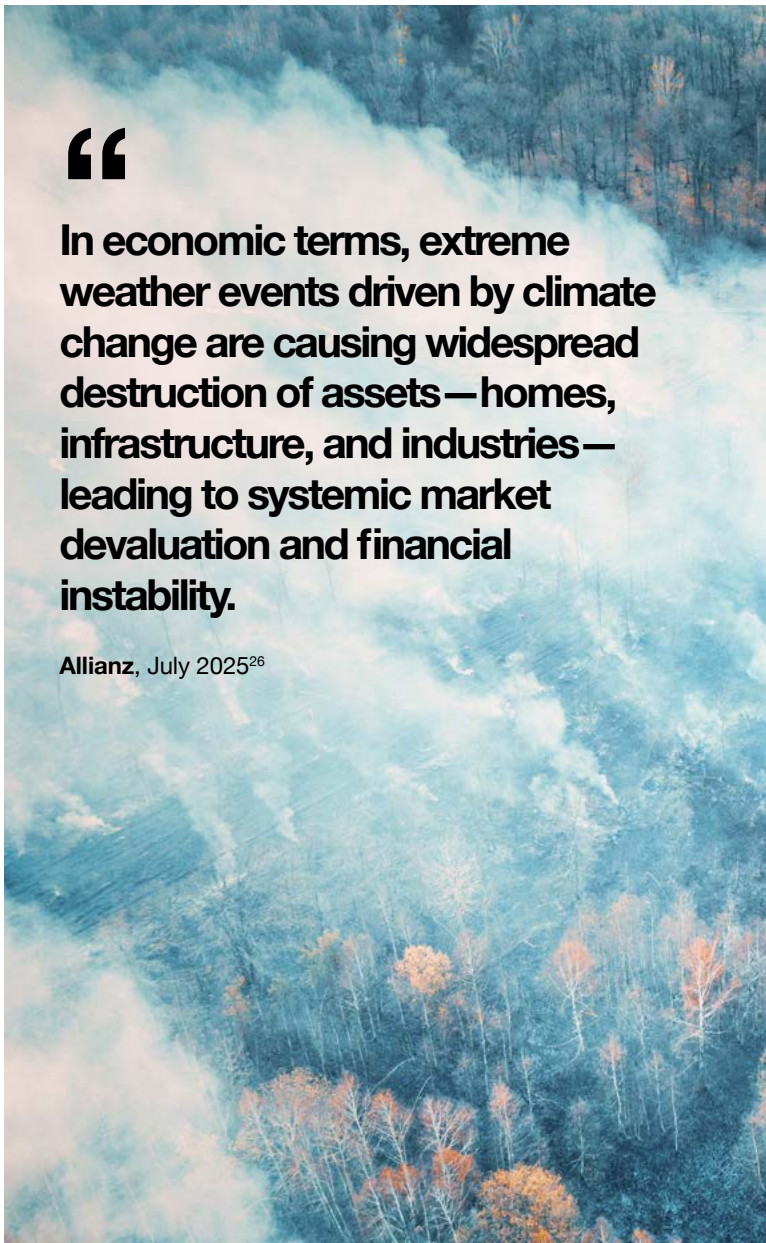
Despite mounting evidence of fragile demand growth, the gas industry is doubling down on new supply—with global LNG capacity set to reach 667 million tons per annum (mtpa) by 2028, exceeding IEA's 2050 demand projection of 482 mtpa even under stated government policies, let alone under a net zero pathway.[19] This aggressive buildout is incompatible with Paris Agreement goals and exposes insurers to substantial long-term financial risks and climate shocks.

LNG markets face significant supply glut risk, expected to depress prices and create substantial financial risks, particularly for new projects and their financiers.[20] This poses significant risks for insurers of default on large-scale, capital-intensive LNG projects. Projects may be underutilized or sell at prices too low to cover costs, jeopardizing long-term financing agreements.

LNG expansion is misaligned with climate goals and represents poor investment strategy, diverting capital, resources, and capacity from the burgeoning clean energy economy and exposing insurers to escalating physical and transition risks that threaten their business model.

Even as the renewable race heats up, **Generali** remains the only major insurer with an explicit policy to limit LNG expansion. **SCOR** has established a sustainability committee that assesses new business on a case by case basis on sustainability grounds, and reports not having insured any new LNG greenfield projects in 2025. Meanwhile, **Munich Re** is expected to update its policy by the end of the year following exits from multiple climate alliances, representing an opportunity to demonstrate continued commitment to climate science by limiting LNG risks.[21] As a whole, nearly all companies pursuing renewable expansion continue to underwrite fossil fuel expansion that conflicts with a credible 1.5°C climate pathway that would minimize non-linear tail risks from ecological tipping points.[22]

Already, climate-attributable losses exceed fossil fuel premiums for 15 out of 28 major companies analyzed by Insure Our Future.[23] As climate-exacerbated claims reach record highs,[24] insurers and reinsurers at Monte Carlo need to reconsider the strategic orientation to fossil fuel expansion, with LNG at its epicenter. In July, the Science Based Targets initiative published new guidance urging re/insurance companies to cease support for new oil and gas expansion activities, including LNG.[25]



> "In economic terms, extreme weather events driven by climate change are causing widespread destruction of assets—homes, infrastructure, and industries—leading to systemic market devaluation and financial instability.
>
> **Allianz**, July 2025[26]

The bigger stakes

In May, the Network for Greening the Financial System (NGFS) projected that climate disasters could hit global GDP by up to 3% this decade,[27] with 2070-2090 projections by actuaries running up to 50% of GDP.[28] The chair of NGFS, German central banker Dr. Sabine Mauderer stated that physical climate risks were clearly underestimated by central banks.[29] The updated scenarios that project double digit impacts to the economy by 2050 continue to exclude the most extreme risks such as compound events and tipping points that scientists, and even the insurance sector, have long warned about.

As 2024 became the first year to exceed the global temperature threshold of 1.5°C, climate damages are already straining private insurance markets from Australia to the US, driving challenges of insurance affordability and access, and sparking discussions of public reinsurance at the highest levels, including in the EU.[30]

So far, insurers and reinsurers have largely responded to fossil-fueled weather extremes by withdrawing from high risk markets, tightening terms, and raising rates. The effects of this response are now visible as the 'insurability crisis', raising alarm bells in town halls, boardrooms, and capitals, and inspiring a suite of new laws and regulations.[31] The insurance industry has rightly pointed out the need for climate resilience—and yet, this can only succeed if it goes hand in hand with rapid decarbonization that prevents avoidable future impacts that cannot be adapted to.[32]

Ongoing LNG expansion is a major source of long-lived climate risk lock-in that poses a threat to private insurance markets of tomorrow, and increasingly to the industry's reputation and social license today.

Yet, the industry has the tools to act decisively. New academic research from the University of Zurich demonstrates that insurers' underwriting restrictions can directly constrain coal operations,[33] suggesting that similar, strategic exits from LNG expansion could help steer the global energy economy towards a pathway that keeps private insurance markets functioning, by preventing the extreme tail risks of climate breakdown.

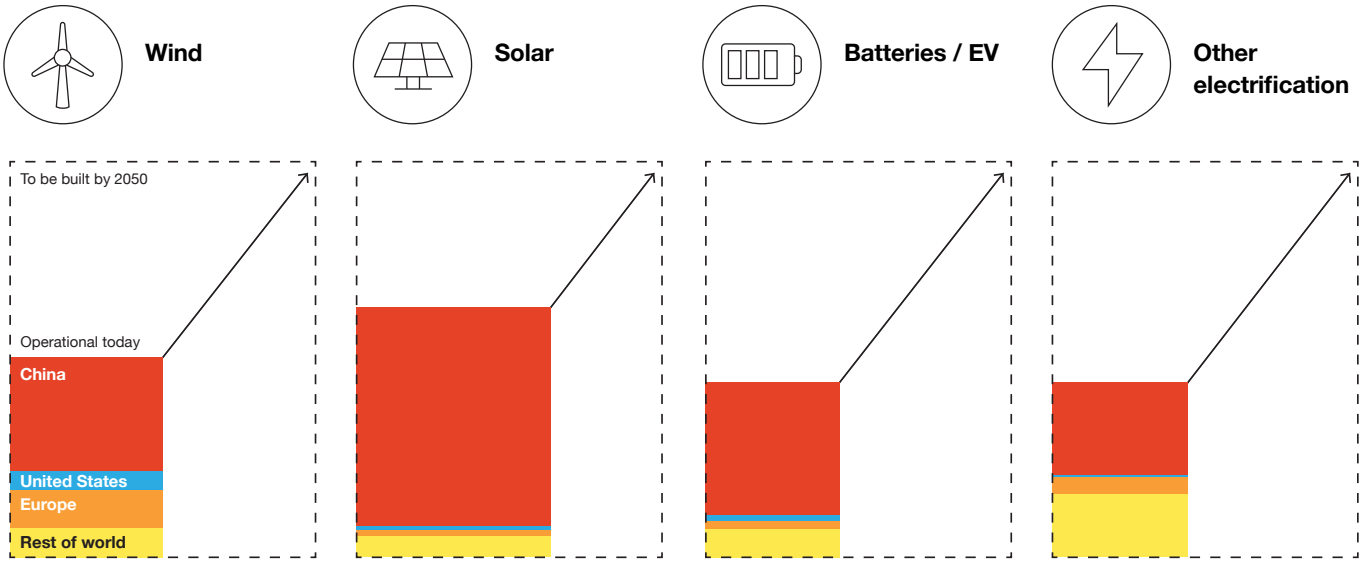
At the same time, the rapid growth of renewable energy could offer decisive advantages to the companies that are already moving early and fast to innovate and scale up C-suite and Board level expertise, offer new products and services to de-risk the transition, and secure renewable revenue streams that have a long growth runway.

Ultimately, the speed of the global transition from fossil fuels to renewable energy will determine the scale of the climate-driven financial instability to materialize, and the share of the growing climate cost pie that governments will require the private sector to pay as public budgets break and appetites wane.

Forward-looking reinsurers and insurers will find it in their interest to speed up the energy transition by curtailing the expansion of fossil fuels and in particular LNG expansion, redouble support for renewable energy expansion to win competitive advantages, and lean into the opportunity of one of the fastest and largest economic transformations in human history—and insure our future.

> **"Voters blame insurance executives most intensely for rate hikes … with 85% of respondents saying they are at least somewhat responsible.**
>
> **Data For Progress US Polling**, March 2025[34]

Share of total production capacity by region today versus total final market size in zero-carbon economy



Source: BNEF, IEA, RMI. For more see X-Change: The Race to the Top

> **The global demand for insurance to support the climate transition is set to increase dramatically. More than $19 trillion has already been committed to finance decarbonisation across clean energy, mobility, and the built environment by 2030.**
>
> **Howden & BCG Report: The role of insurance in mobilising the climate transition,** June 2024[35]

Definitions and Methodology

The analysis uses gross direct premiums written (GDPW) estimates for fossil fuel and renewable energy insurance between 2020 and 2024, provided by Insuramore, a recognized insurance market intelligence provider. Figures are adjusted to constant 2024 dollars using IMF inflation data to enable meaningful year-over-year comparisons.

Renewable energy includes power generation (primarily solar, wind, and hydro under certain conditions), power storage (batteries), and transmission/distribution infrastructure, excluding bioenergy, carbon capture and storage, nuclear power, and hydrogen variants. Fossil fuel activities encompass coal mining, oil and gas exploration/production/distribution/refining, and power generation.

Given limited public disclosure of energy-specific insurance data, the data represents mid-point estimates by Insuramore. While their methodology incorporates market intelligence, public company statements, and direct industry engagement, significant uncertainties remain due to inherent data limitations. This analysis is published for informational purposes in the public interest.

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How companies can insure our future

1 **Immediately stop** insuring new and expanded coal, oil, and gas projects across the entire value chain, including LNG infrastructure, and stop supporting companies expanding fossil fuels.

2 **Immediately adopt** underwriting and investment targets that align with a global 6:1 ratio of Clean and Sustainable Energy supply relative to fossil fuels by 2030.

3 **Immediately align** lobbying, political spending, fossil fuel customer stewardship, trade associations and public positions as a shareholder to limit warming to 1.5°C with minimal overshoot, under board oversight, transparent metrics, reporting and escalation protocols.

See full list of Insure Our Future demands for re/insurers at **https://global.insure-our-future.com/about/#demands**

Insure OUR FUTURE

Published by **Insure Our Future**, an international campaign network of 20+ organizations calling on re/insurance companies to exit coal, oil and gas and accelerate a just clean energy transition—in line with a science-based pathway limiting global warming to 1.5°C.*

**2024 was the first calendar year to breach the danger threshold of 1.5°C global temperature rise. Every effort must be made to reduce the extent and length of any 'overshoot' beyond 1.5°C given unacceptable risks of triggering irreversible tipping points between 1.5°C and 2°C, and the extreme financial risks they pose to communities, businesses, and the economy.*