Reuters Insights

FUTURE ENERGY INSURANCE INSIGHTS REPORT 2026

Charting the developing role of insurance in the future energy mix

Produced in partnership

AXA XL Insurance

CONTENTS

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FOREWORD

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As the Global Head of Energy Transition at AXA XL, I am pleased to present this insightful survey, which captures the evolving landscape of the energy sector and the vital role that insurance plays in supporting the development of the energy mix of the future. Our industry is at a pivotal point, driven by increasing global demand for electricity, rapid technological advancements, and an urgent need to enhance energy security.

The survey highlights how energy leaders view insurance as essential to their businesses. Three quarters of respondents say it offers vitally important support for their projects, and this importance is expected to grow. Notably, their perception of insurers has shifted dramatically, with 85% now seeing insurers as strategic partners and advisers, a testament to our expanding role in managing risks related to cybersecurity, resilience to extreme weather and operational safety.

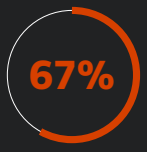
The complex task of reshaping global energy systems is also front of mind. While renewables can offer speed of deployment and energy independence, traditional power sources remain crucial to maintaining reliable electricity supply. Our commitment is to support our clients in facilitating safe, resilient energy infrastructure.

At AXA XL, we believe that collaboration, innovation, and risk management across asset lifecycles are the keys to unlocking the potential of the future energy mix. This report reflects our dedication to understanding our clients' need for a trusted global adviser in shaping the future of energy.

ACTIONABLE INSIGHTS

Insurers are now widely seen as partners and advisers across the energy project lifecycle

A significant majority of respondents said their organization considers their insurer a partner or adviser at some stage, with 34% considering this engagement starting at the initial financing or design stage. Just nine percent described their insurer as a service provider only, down from 43% a year ago.



The strategic importance of insurance is set to grow

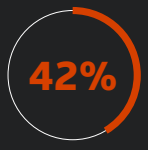
Two-thirds of respondents expect the importance of insurance to their organization to increase over the next two years. Rising climate-related risks and growing regulatory requirements are the primary drivers, with renewables developers particularly focused on the regulatory dimension.

Oil and gas has re-entered the demand-meeting strategy for the majority of the sector

More than half of respondents expect growing energy demand to be met through oil and gas, nearly double the 28% recorded in our previous survey. Renewables remain the most commonly cited strategy (62%), but the energy planning horizon has broadened considerably as demand for energy stays strong.

Cybersecurity is the most prevalent transition risk facing the industry

Half of all respondents ranked cybersecurity among their top three transition risks, making it the single most widely cited risk category, ahead of operational, regulatory, climate, and financial risks, representing a significant increase in prominence from our previous survey.



Policy and regulatory barriers remain prominent for renewables growth

Policy and regulatory obstacles remain the most commonly cited barrier to renewables growth over the next five years, identified by 42% of respondents. Technological barriers have risen sharply compared with previous reports, signaling a shift in where the sector perceives the harder constraints to lie.

A fair transition remains a near-universal business priority with nature risk at its core

Four in five respondents consider a fair transition to future energy sources important to their business. Among the specific risks a fair transition poses, nature and environment risks - including extreme weather, protected species, decommissioning, and waste management - are by far the most prominent concern.

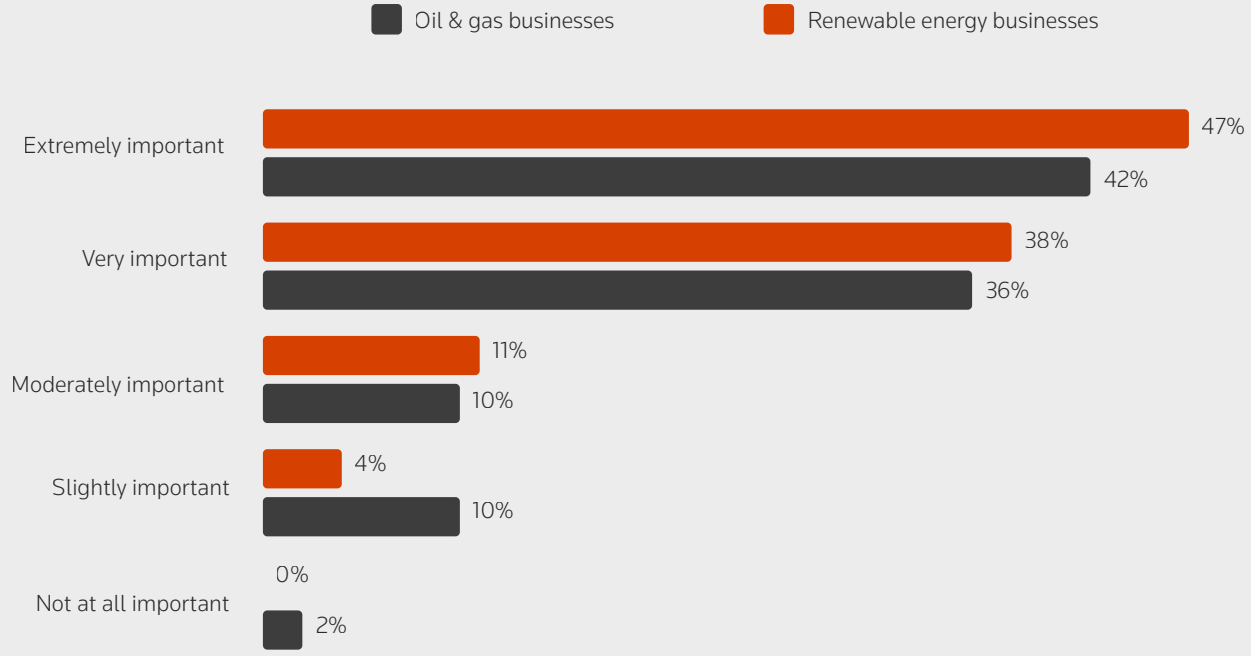
UNDERSTANDING THE ENERGY RISK LANDSCAPE

Insurance is no longer a back-office consideration for energy sector organizations, but strategically significant across operations and projects. Three in four respondents (76%) rate insurance as either 'very important' or 'extremely important', with more than a third (37%) stating it to be very important. That seems logical, when set against the risk environment energy companies currently face, simultaneously managing exposure to extreme weather, potential digital and cybersecurity vulnerability and a technology portfolio that grows more complex with time.

FIGURE 1

Insurance rated highly important by the vast majority of energy professionals

How important is insurance in supporting your organization's operations and energy projects?



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Source: Reuters Insights' AXA XL Energy Transition Insurance Insights Report (2026)

This feeling may be heightened by how these risks are both varied and converging. When asked to identify the transition risks their organization faces today, respondents produced a notably compressed picture: cybersecurity risk ranked first overall, cited as a top-three concern by 50% of respondents, but operational risk (49%), regulatory risk (46%), climate risk (44%) and financial risk (43%) all clustered within seven percentage points.

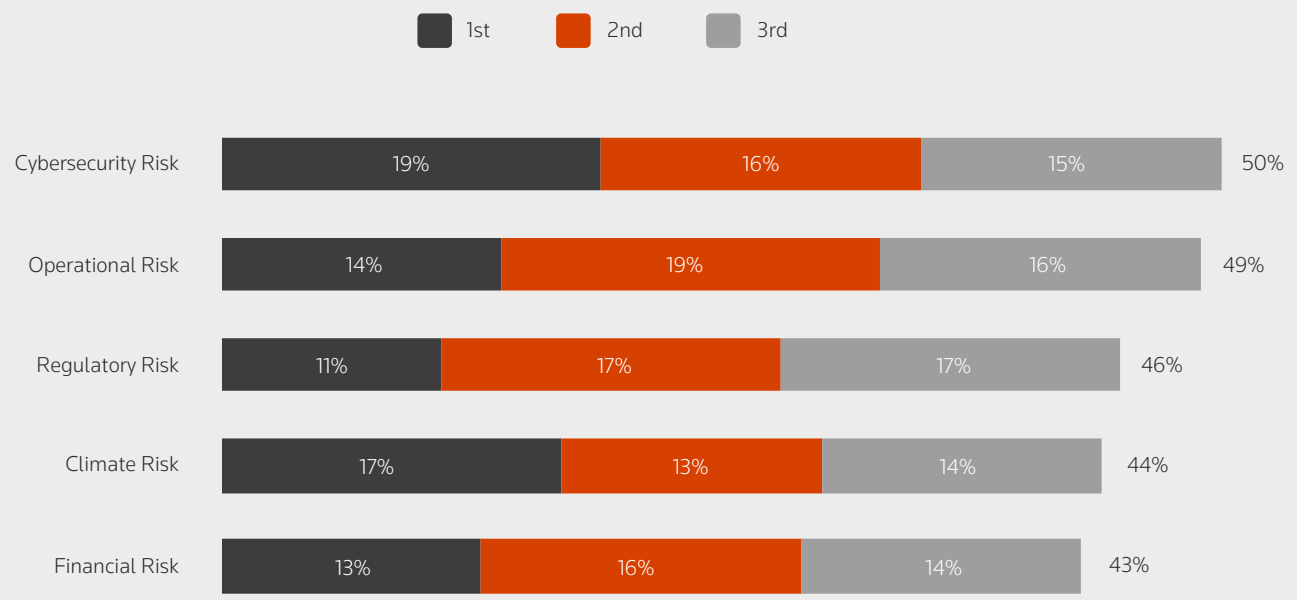
The breadth of this distribution suggests that energy organizations are not managing a single dominant risk, but navigating a compound risk environment in which threats can interact and amplify one another. A cybersecurity incident can trigger operational failure, or a regulatory shift can reshape the financial viability of a project already exposed to extremes of weather. Insurance, when understood as management of risk rather than simple financial protection, can mitigate all these threats simultaneously.

Cybersecurity has shifted to the top of this risk hierarchy, compared to last year's study. As energy infrastructure becomes more digitally integrated - particularly in renewables, where distributed generation and grid connectivity depend on interconnected systems - vulnerabilities become easier to expose, particularly in an intensifying geopolitical environment. Internal risk teams and insurers alike are having to develop expertise in a risk category that was far less prominent in the energy sector even two years ago.

FIGURE 2

Cybersecurity leads a compressed risk hierarchy across the energy sector

What kinds of transition risks is your organization facing today?



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Source: Reuters Insights' AXA XL Energy Transition Insurance Insights Report (2026)

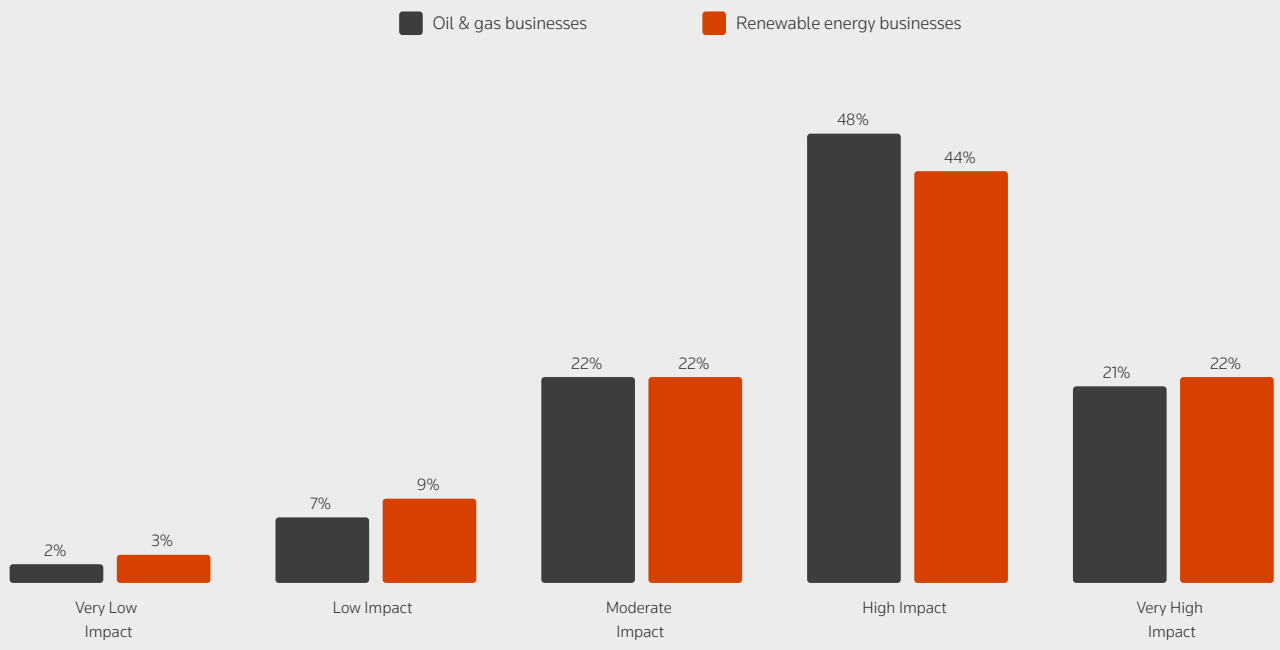
Climate risk, though slightly lower in overall ranking than cybersecurity, remains acutely felt. More than half (57%) of respondents consider extreme weather events to have a high or very high risk impact, a figure consistent with the 57% recorded in our 2025 survey, suggesting that elevated climate risk perception has stabilized.

Within this overall picture, exposures differ. Oil and gas respondents show greater combined high or very high impact scores (69%) than the overall average, while renewables developers are only slightly below the mean. The gap that was visible in the previous report's data, with O&G respondents significantly less likely to perceive very high impact, has narrowed considerably, indicating a growing consensus on climate as a material risk.

FIGURE 3

Climate risk perception remained broadly stable in 2026, with convergence across sectors

What level of impact do you believe climate change and extreme weather events have on the risk landscape for your organization?"



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Source: Reuters Insights' AXA XL Energy Transition Insurance Insights Report (2026)

Against this backdrop, the expectation that insurance will become more important is firmly established. Two thirds (67%) of respondents expect the importance of insurance to their organization to increase over the next two years, with just 6% expecting it to decrease. That balance of expectation reflects both the growing complexity of the risks described above and the increasingly active role that insurers play in managing them.

THE DEVELOPING ROLE OF THE INSURER IN THE FUTURE ENERGY MIX

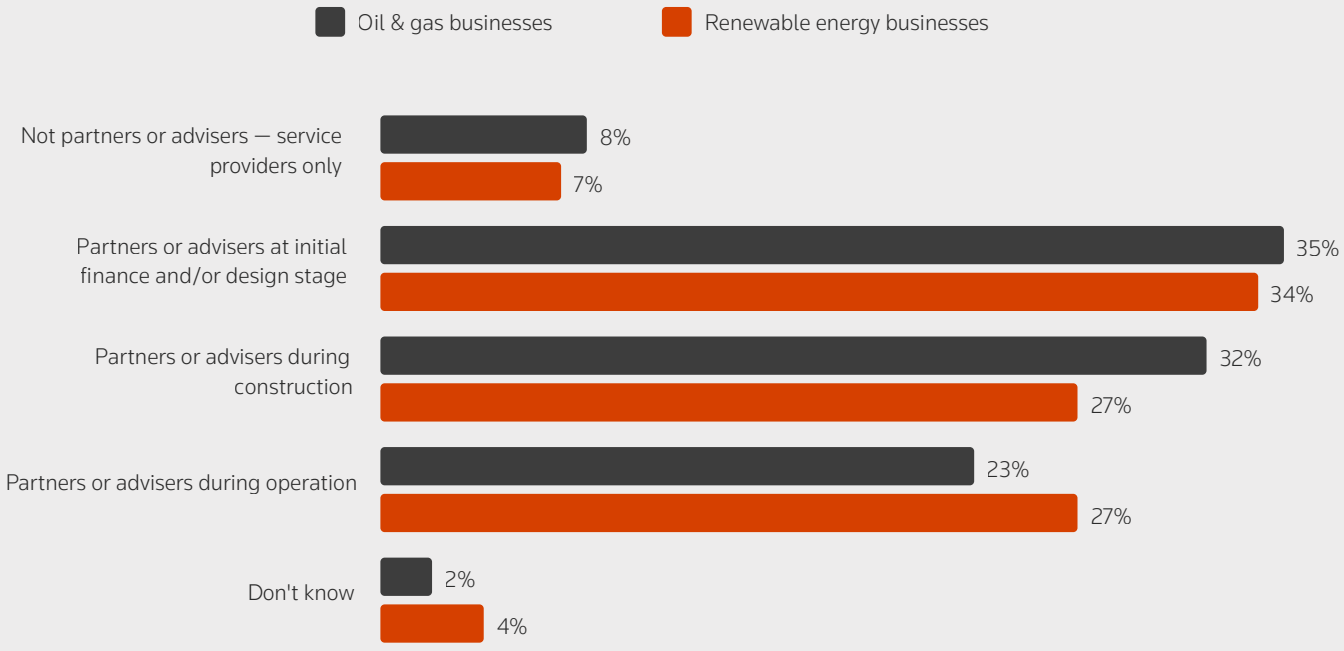
Not only is the risk landscape changing for energy organizations, but also the way in which they involve and include their insurer and, as a result, what they expect from them. In last year's study, 43% of respondents described their insurer as a service provider only, indicating a transactional relationship in which insurance functions as a commodity purchased at a fixed point in a project cycle.

In this year's study, that figure has fallen to just nine percent. In its place, a significant majority (86%) now describe their insurer as a partner or adviser at some stage of the project lifecycle. Just over a third (34%) engage them as partners at the initial financing or design stage, 30% through construction, and 21% during operation.

FIGURE 4

Insurers moved from transactional service providers to lifecycle partners in 2026

How does your business work with your insurer today?



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Source: Reuters Insights' AXA XL Energy Transition Insurance Insights Report (2026)

Not only is the relationship between insurer and energy organization changing, but the timing of the engagement is changing too. When asked whether the point at which insurance and risk teams become involved in project development has changed over the past year, 75% of respondents said yes, with 39% reporting that involvement had moved earlier in the project lifecycle, and 37% that it had moved later.

Of the 37% who moved engagement to a later stage, teams were now engaging at the construction or operation stage instead of the research and development phase. This shift may reflect project-specific financing triggers or the maturing of risk management practices from exploratory to operational stages.

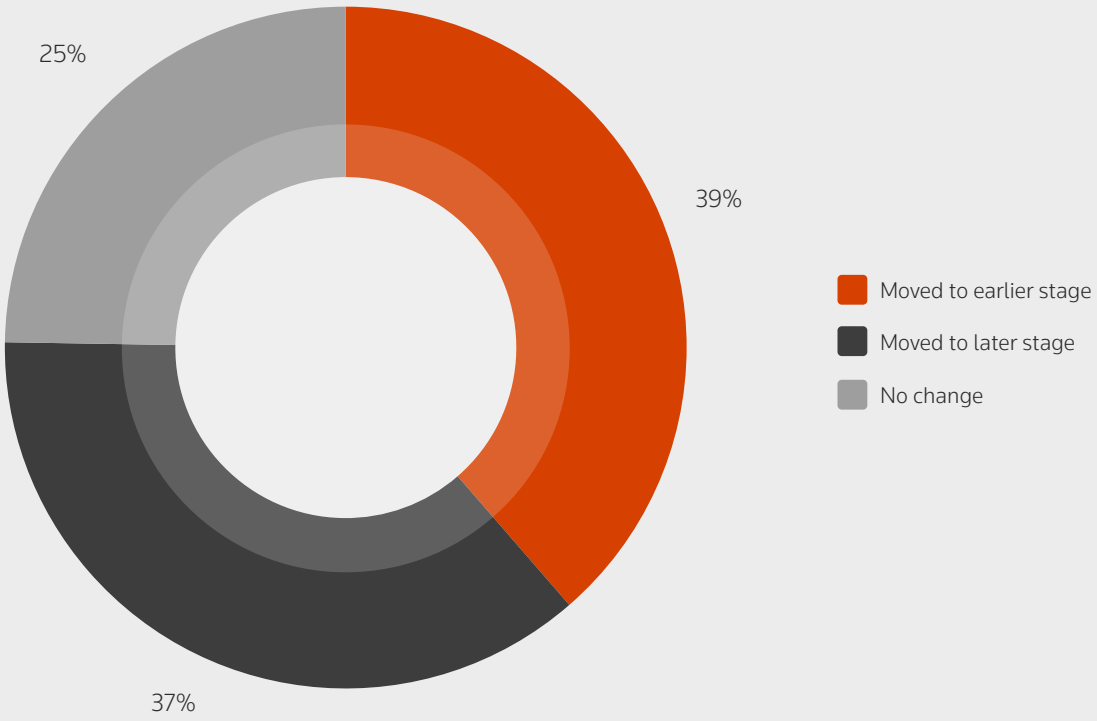
Among those who shifted to earlier involvement, the movement was predominantly into the research, development, and design phases, bringing specific insurance expertise in at the earliest stages of a project.

When timings changed, it was the internal insurance and risk teams that moved first and most frequently. Among those who reported a change, 70% identified the internal team as the locus of shift, against 48% who identified the external team. Renewables developers were slightly more likely than their oil and gas counterparts to report internal team changes, perhaps a reflection of the sector's tendency to build internal risk capacity as project volumes and complexity grow.

FIGURE 5

Internal risk teams drove the shift in insurance engagement timing

Over the past year, has the timing of involving the insurance and risk team changed? / Was it for the internal or external team that timing changed?



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Source: Reuters Insights' AXA XL Energy Transition Insurance Insights Report (2026)

This is further supported by the value energy organizations are placing in this expertise, and how it is incorporated more broadly across the project lifecycle. A substantial majority (78%) of respondents confirm their insurer provides expertise and advice throughout the project development cycle, not only at the point of policy issuance. This figure holds almost equally across oil and gas (85%) and renewables (84%) operators, suggesting that advisory depth is now a sector-wide expectation.

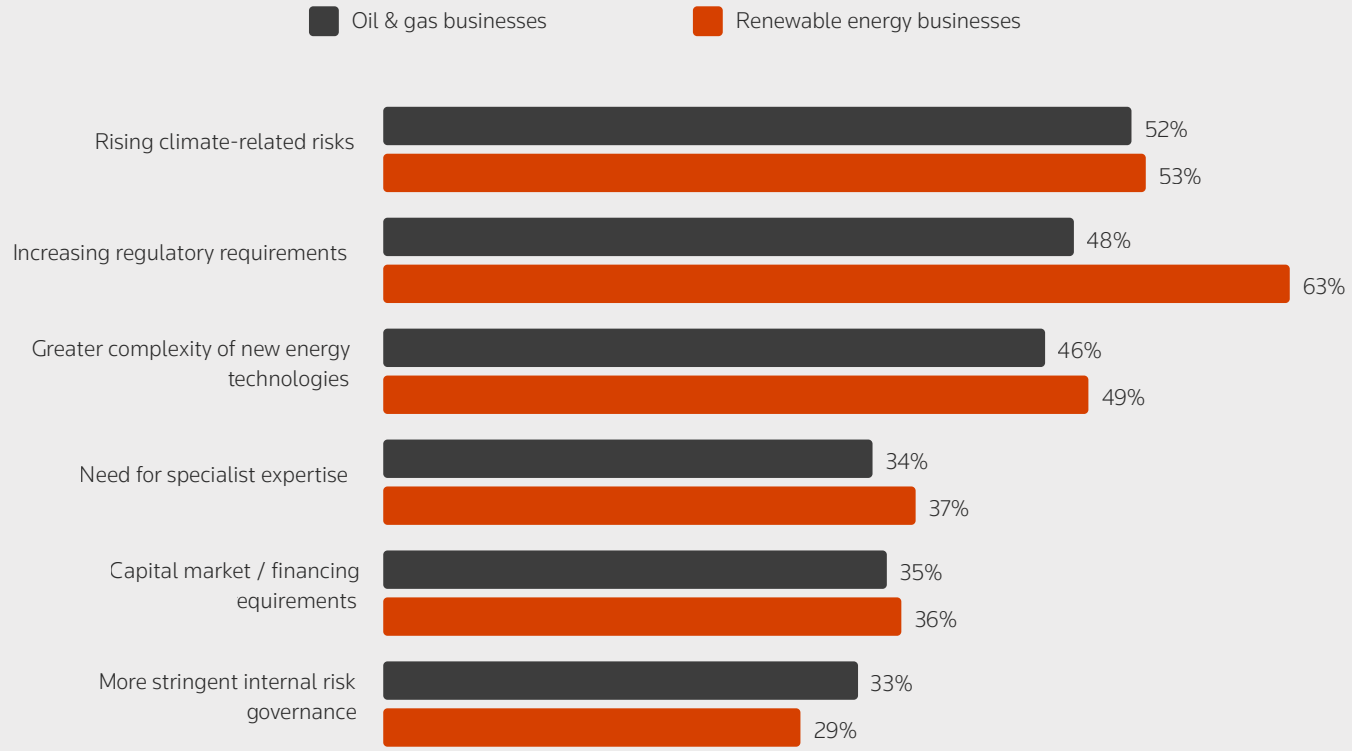
Looking forward, almost half (49%) of respondents expect the role of insurers in supporting their organization's projects to increase over the next three years, with just 10% anticipating this engagement to become more limited.

The increase in expectation of support from insurers is being driven by three key factors: rising climate-related risks (48% of those expecting an increase) and increasing regulatory requirements (48%), with the greater complexity of new energy technologies a close third (44%). The regulatory dimension is particularly acute for renewables developers, almost two-thirds (63%) of whom cite regulatory requirements as a driver, which is significantly higher than the 48% among O&G respondents. As renewable energy faces a more toughly contested policy environment globally, the insurer's ability to navigate regulatory risk has become a differentiating capability.

FIGURE 6

Rising climate risks and regulatory complexity drive the expanding insurer role

Which factors are driving the increasing role of insurers in your organization's projects



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Source: Reuters Insights' AXA XL Energy Transition Insurance Insights Report (2026)

TRENDS SHAPING THE FUTURE ENERGY MIX

The growth of renewable energy sources has always faced challenges, and they continued through 2025. Our survey points to a sector recalibrating across three areas: the barriers to renewables growth, the energy mix meeting increasing electricity demand, and whether change can be achieved on terms that are equitable for all stakeholders.

Barriers to the growth of renewables: policy recedes, technology rises

Policy and regulatory barriers retain their position as the most commonly cited obstacle to renewable energy growth over the next five years, with 42% of respondents identifying them as a primary blocker. That figure represents a decline from last year's survey, particularly among renewables developers.

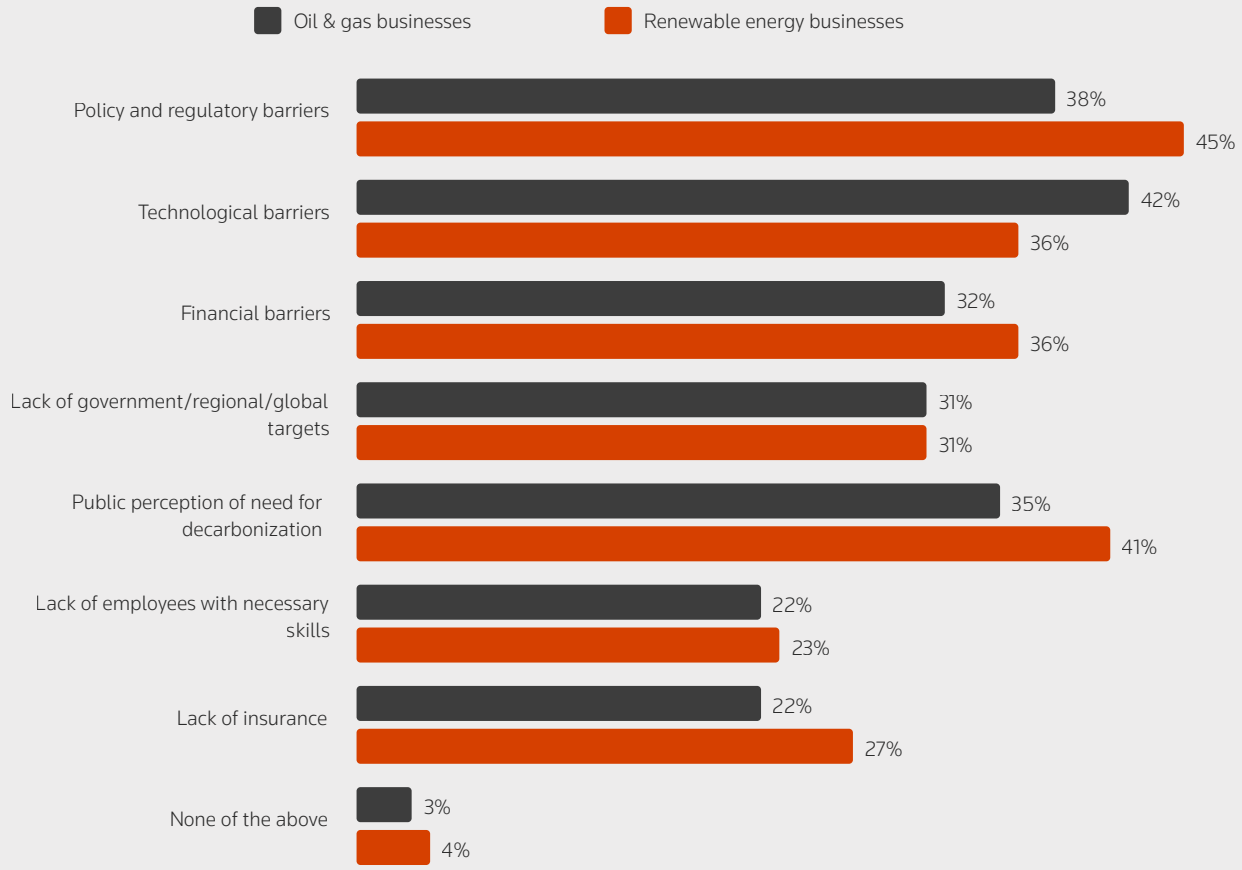
The gap between our two key cohorts also narrowed: O&G respondents now cite policy barriers at 38%, compared with renewables developers at 45%. The direction of travel suggests that while the regulatory environment remains uncertain, energy organizations appear to have learned to operate within it, rather than waiting for it to stabilize.

What has grown is technological risk. Technological barriers ranked second overall in this survey, cited by 34% of respondents, increasing from lower figures in our previous year's study and notably driven by the O&G segment (42%), whose exposure to novel technology adoption in transition projects may be creating unfamiliar risk profiles.

FIGURE 7

Technological barriers grew as the second-largest constraint to renewable growth in 2026

What do you see as the biggest barrier(s) to renewable energy growth over the next 5 years?



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Source: Reuters Insights' AXA XL Energy Transition Insurance Insights Report (2026)

Meeting growing demand: a broader energy mix

The impacts of a more turbulent policy environment are clearly being felt and recorded. In last year's report, 28% of respondents expected oil and gas to play a role in meeting any surge in energy demand. This year, that figure has almost doubled to 52%, an increase that is almost certainly reflective of a recalibration of medium-term expectations across the sector. While renewables remain the most widely cited strategy for meeting demand growth, identified by almost two-thirds (62%) of respondents, the rise in those anticipating a major role for oil and gas indicates a perception that the future of energy generation will involve a mix of sources for the foreseeable future.

Oil and gas respondents are more likely to predict increasing demand will be met through oil and gas (67% vs 49% of renewables developers), while renewables developers are

more likely to lead with decarbonized energy sources (73% vs 58% of O&G respondents). Yet among renewables developers, nearly half anticipate oil and gas will be part of the mix, suggesting that even the sector most invested in the transition to decarbonized energy sources now considers the reality of a mixed-source system.

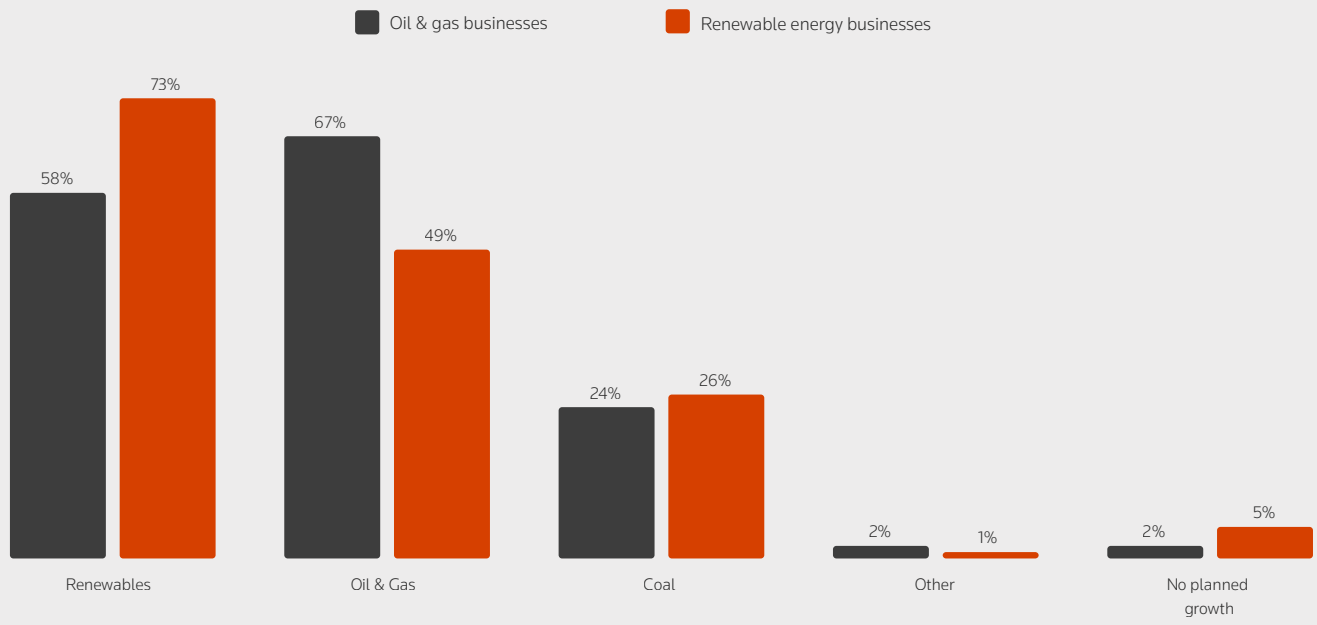
Coal, by contrast, is largely abandoned as a demand-meeting strategy by both cohorts, cited by just 19% of respondents overall.

There is, however, general optimism and confidence that any surge in demand will be met adequately. Three in four respondents (76%) believe energy supply in their operating markets will keep pace with predicted demand growth over the next decade. Furthermore, confidence is virtually identical across O&G (82%) and renewables (83%) segments.

FIGURE 8

Oil and gas re-entered the demand-meeting strategy for the majority of the sector in 2026

How does your organization plan on meeting growing energy demand?



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A fair transition: an enduring commitment with sharper risk definition

The principle of a fair transition for all involved continues to command consensus across the energy sector: 81% of respondents consider it important to their business, a figure consistent with the 82% recorded in last year's survey and one that holds across the industry. Oil and gas stakeholders (84%) and renewables developers (87%) are equally supportive of a fair transition. In an industry in which commercial priorities can cause significant divergence in strategy and approach, it's significant that there is near-universal acknowledgement of the importance of navigating the societal implications of the transition.

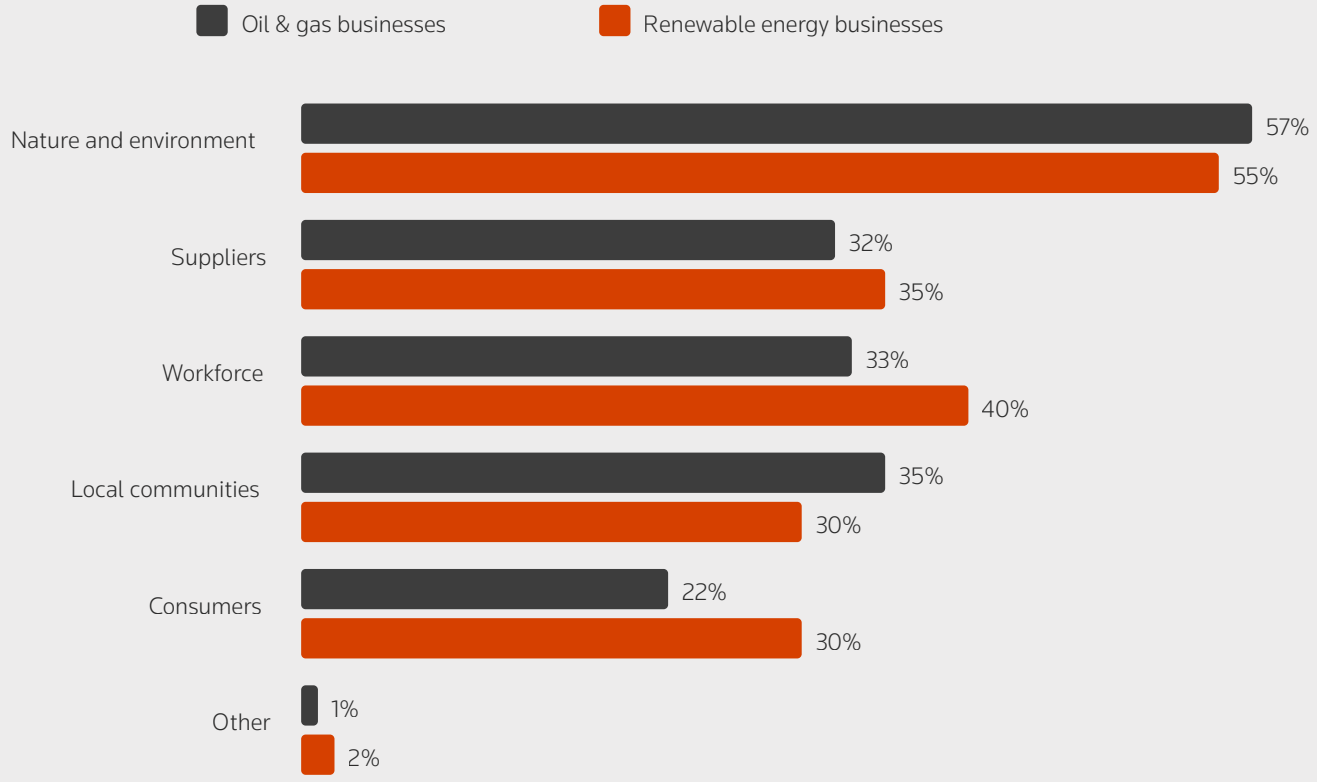
What has sharpened in our latest study is the industry's articulation of the associated risks. Among those who consider the transition important, nature and environment - including extreme weather, protected species, decommissioning impacts, and waste management - are by far the most prominent risk category, cited by 50% of respondents.

Supplier risks, including rare earth mineral supply chains and modern slavery exposure, follow at 35%, with workforce risks (33%), local community impacts, including permitting and land use conflicts (31%), and consumer risks, including price sensitivity and public perception (28%), completing the picture. For insurance providers, the breadth and interconnection of these risks underlines the scope of the advisory relationship that energy sector clients are increasingly seeking.

FIGURE 9

Nature and environment risks led fair transition concerns across both sectors

What aspects of a fair transition are the biggest risks for your business?



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METHODOLOGY

The findings in this report are based on the AXA XL Insurance in Energy Infrastructure Survey, conducted by Reuters Insights in Q1 2026. The survey was fielded online in early 2026 and gathered responses from 374 energy transition professionals and practitioners across the global energy value chain.

Respondents were drawn from organizations active in renewables development, upstream, midstream, and downstream oil and gas, utilities, integrated energy companies, independent power producers (IPPs), petrochemicals, mining, and grid ownership and operation. The largest single cohort was renewables developers (30% of respondents), followed by upstream oil and gas (26%) and midstream oil and gas (26%). Respondents could indicate engagement in multiple parts of the value chain.

For year-on-year comparisons, data from the Reuters Events Energy Transition Survey 2025, conducted in Q1 2025 (n=497), is referenced where directly comparable questions were fielded. Where survey questions have been modified or added in the 2026 edition, year-on-year comparison is not possible and this is noted in the relevant analysis. Cross-tabulated breakdowns by organization type — specifically, oil and gas operators (upstream, midstream, and downstream combined) versus renewables developers — are drawn from a separate crosstab workbook prepared by the research team. Where crosstab sub-samples are referenced, the relevant base size is noted.

As with any survey research, findings reflect the views of participating respondents and should not be taken as a complete representation of the broader energy transition industry. Representativeness may be limited in certain geographies. All percentages are rounded and may not sum to 100%.

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