

Global Energy and Power Insurance

**Series prospectus for an overview
plus ten territory-specific reports**

**BRAZIL, CANADA, CHINA, FRANCE, GCC COUNTRIES,
GERMANY, JAPAN, NIGERIA, UK, USA**

September 2015

Prospectus contents

	Page
What is the research?	3-4
What is the rationale?	5
What is the methodology?	6
What is the structure of the overview report?	7
What are the key features of the research?	8
How can the research be used?	9
Who can use the research?	10
What are some of the key findings?	11-14
What are the costs and format?	15
How can the research be purchased?	16

What is the research?

Finaccord's research series about global energy and power insurance, composed of an overview study covering all ten territories plus ten individual territory-specific reports (which are sub-sets of the overview), is about the current and future outlook for the insurance of risks associated with the fast-evolving energy (oil and gas) and power sectors worldwide. Territories in scope are Brazil, Canada, China, France, the GCC countries (i.e. Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE), Germany, Japan, Nigeria, the UK and the US, with the rest of the world expressed as a residual balance in the overview report for both energy and power insurance.

In addition to showing how its value has changed since 2010, analysis of energy insurance markets sub-divides them both by type of operation (i.e. upstream, midstream and downstream) and by type of risk (i.e. business interruption, construction, control of well / OEE, environmental liability, general liability, property and other) with these two splits then cross-tabulated against each other to identify the most valuable market segments. In addition, the values of these markets (split by type of operation) are forecast to 2018 and estimates for the market shares of energy insurance underwriters are provided, expressed as percentage ranges (e.g. 5.0% to 7.5%).

continued overleaf

What is the research? (cont.)

Market value data spanning 2010 to 2014 (with a forecast to 2018) is also provided for power insurance with segmentations in this case provided by power source at both a high level (i.e. conventional, renewable, other) and a detailed level (i.e. coal, gas, nuclear and oil in the conventional segment, and biomass, hydro, solar and wind in the renewable segment), as well as by type of risk (i.e. business interruption, construction, liability, property and other). Once again, these splits are cross-tabulated against each other and market shares for underwriters of power insurance are estimated as percentage ranges.

Over and above this unique market data, the research also examines the market drivers for both energy and power insurance in each territory (e.g. trends in oil and natural gas production and imports, trends in power generation segmented by source) plus the role played by captive and mutual underwriters (including the approximate percentage of the respective market values that they insure). In addition, it identifies the brokers with the most significant involvement in these two sectors, and considers how changes in the underlying energy and power sectors are likely to impact the associated insurance markets in future.

Such changes include on one hand the growth of hydraulic fracturing (fracking), deepwater drilling, solar power and wind power, all of which are conducive to growth and innovation, and on the other, persistent underwriting over-capacity, which depresses premiums, especially in mature markets, plus volatility in the price of oil, which impacts upstream energy insurance, in particular.

What is the rationale?

Finaccord has developed research about energy and power insurance for several reasons. First, this is the most comprehensive study of the subject ever published at a worldwide level in spite of the fact that the combined market was worth over USD 23.5 billion in gross written premiums in 2014. Secondly, it is a market about which little information is readily available as a consequence of the fact that data pertaining to energy and power insurance is usually subsumed in publicly accessible statistics within the much wider and less meaningful categories of construction, general liability, pecuniary loss and property insurance. Thirdly, it is a market that unlike many other commercial lines is comparatively developed in both emerging and mature territories alike due to the very significant risks being insured. Finally, it is a market that is likely to grow and evolve further at the global level due to the ever-increasing demand for energy and power, and the development and expansion of new technologies in areas such as hydraulic fracturing (fracking), deepwater drilling, solar power and wind power.

What is the methodology?

This series of reports is based on an extensive program of primary and secondary research conducted during the first half of 2015. Finaccord began by conducting a comprehensive review of existing published material about energy and power insurance markets, including information published by major insurance providers themselves and specialist trade publications. This included utilisation of numerous national sources plus generic ones yielding international data (e.g. the US Energy Information Administration). It then supplemented this with over 130 interviews carried out with significant brokers and underwriters of energy and / or power insurance across the ten territories covered.

What is the structure of the overview report?

Executive Summary: provides a concise evaluation of the report's principal findings.

Introduction: discusses rationale, research methodology and definitions.

Global Overview: this chapter is composed of the following sections: trends in underlying oil and natural gas production and imports from 2010 to 2014, segmented by territory; trends in the energy insurance market from 2010 to 2014 segmented by territory, by type of risk and between upstream, midstream and downstream operations; analysis of the importance of captive and mutual underwriters in energy insurance; forecasts for the underlying oil and natural gas production and imports in 2018; forecasts for the energy insurance market in 2018 with segmentation by territory and between upstream, midstream and downstream operations; trends in the underlying power sector from 2010 to 2014, including changes in the composition of power generation between conventional, renewable and other sources; trends in the power insurance market from 2010 to 2014 with segmentations by territory, by type of risk and between conventional, renewable and other sources; analysis of the importance of captive and mutual underwriters in power insurance; forecasts for the underlying power sector in 2018 including changes in the composition of power generation between conventional, renewable and other sources; and forecasts for the power insurance market in 2018 with segmentation by territory, by type of risk and between conventional, renewable and other sources.

Brazil, Canada, China etc.: the structure is similar to that outlined above but with analysis and commentary specific to the territory in question.

What are the key features of the research?

Key features of these reports include:

- quantification of the value and growth of the markets for energy and power insurance across ten key territories which collectively account for over 70% of the worldwide market value;
- segmentation of the former market by type of operation (i.e. upstream, midstream and downstream) and of the latter market by power source at both a high level (i.e. conventional, renewable, other) and a detailed level (i.e. coal, gas, nuclear and oil in the conventional segment, and biomass, hydro, solar and wind in the renewable segment);
- segmentation of both markets by type of risk (e.g. business interruption, construction, control of well / OEE, environmental liability, general liability, property and other for energy insurance);
- estimates for the market shares of leading energy and power insurance underwriters expressed as percentage ranges (e.g. 5.0% to 7.5%), plus those of captive and mutual insurers combined;
- forecasts for the future value and segmentation of the energy and power insurance sectors: what are these sectors likely to look like by 2018 and what impact are variations in the price of oil likely to have on the evolution of the former market?

How can the research be used?

You may be able to use these reports plus the accompanying market data annexes in one or more of the following ways:

- to compare the size, growth and segmentation of energy and power insurance markets both across ten major territories – Brazil, Canada, China, France, the GCC countries, Germany, Japan, Nigeria, the UK and the US – and at a worldwide level;
- to identify the leading underwriters and brokers in each of energy and power insurance in each territory and to appreciate approximately how much business is dealt with by captive or mutual insurers (such as AEGIS, EIM and OIL);
- to appreciate the likely future direction of worldwide energy and power insurance markets including the potential opportunities presented by growth of hydraulic fracturing (fracking), deepwater drilling, solar power and wind power, plus the risks presented by persistent underwriting over-capacity and volatility in the price of oil.

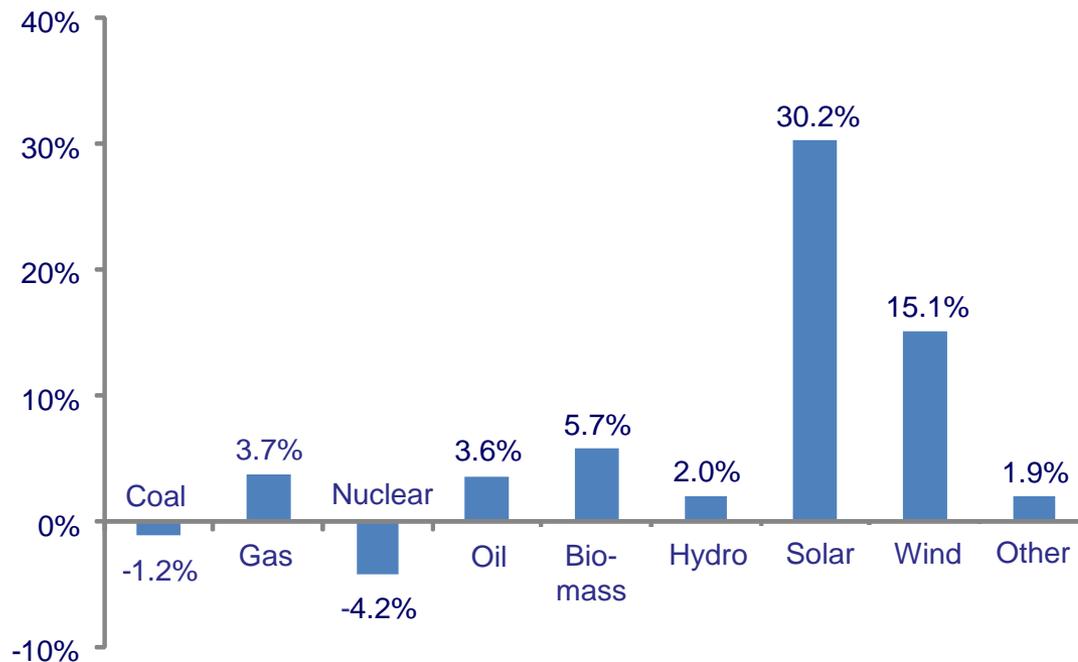
Who can use the research?

1. *Insurance underwriters:* tailor your company's strategy armed with the most in-depth research ever published about energy and power insurance at a worldwide level with in-depth coverage of ten key territories for one or both of these types of cover;
2. *Insurance brokers:* for each of energy and power insurance, identify the segments that are likely to deliver the most growth in broking revenues;
3. *Management consultancies:* are you helping a client firm to understand its own strategy with respect to energy or power insurance worldwide? These studies will provide you with rapid insight into the subject, saving time and effort on researching the subject yourself.

What are some of the key findings?

1. Within the global power insurance market, premiums linked to solar and wind power are likely to have been growing most rapidly

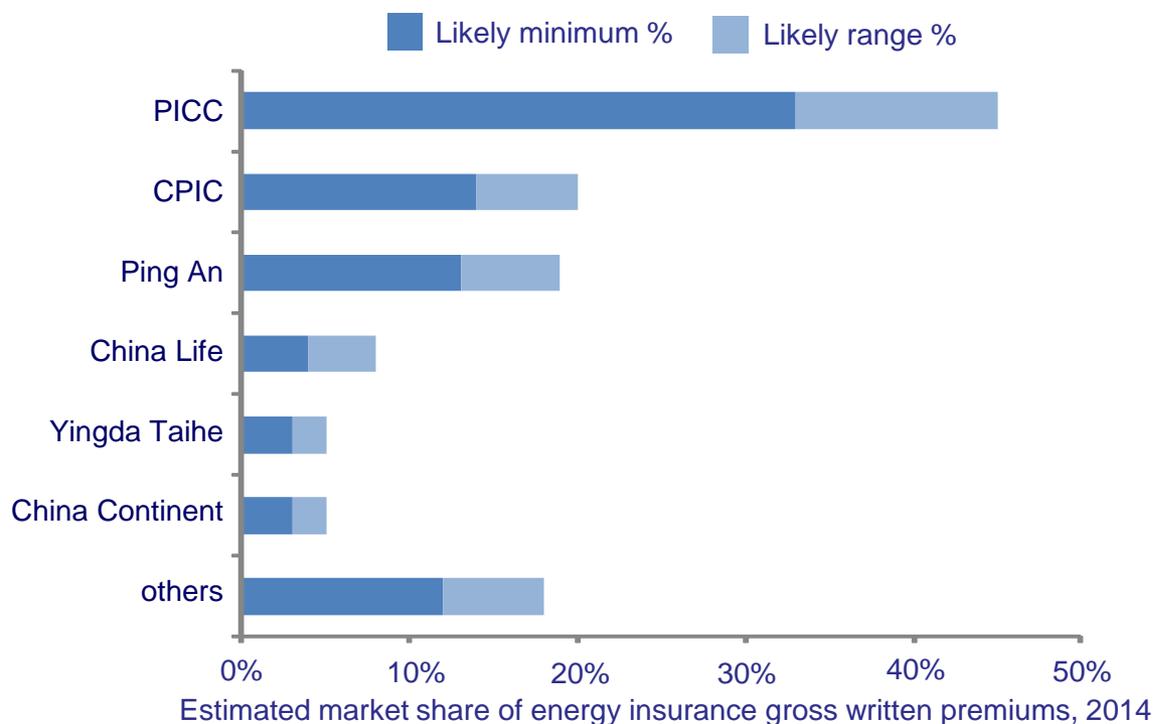
Estimated CAGR of gross written premiums, 2010 to 2014



Source: Finaccord Global Energy and Power Insurance Database

What are some of the key findings? (cont.)

2. PICC is comfortably the market leader in the Chinese energy insurance market and is likely to be followed by CPIC and Ping An

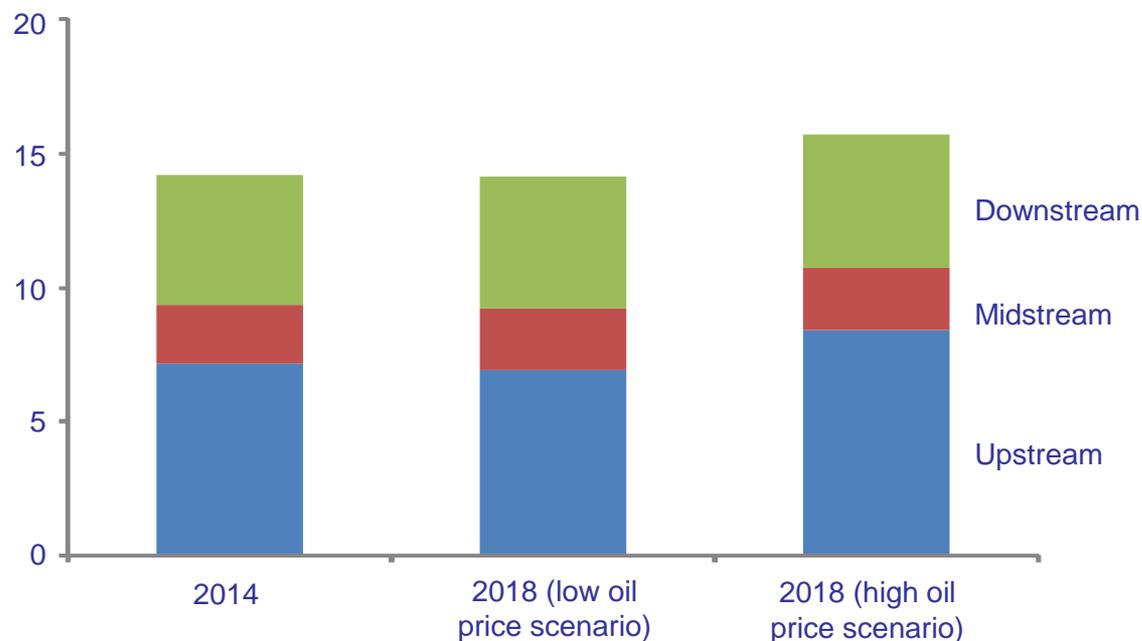


Source: Finaccord interviews and analysis

What are some of the key findings? (cont.)

3. Under Finaccord's low oil price scenario, worldwide premiums for energy insurance will stagnate up to 2018 but in the event of a significant recovery in oil prices they could rise to around USD 15.70 billion

Gross written premiums (USD billion)



Source: Finaccord Global Energy and Power Insurance Database

What are some of the key findings? (cont.)

4. Key findings from the executive summary include:

- energy and power insurance premiums worldwide, including business handled by captive and mutual insurers, amounted to around USD 23.56 billion in 2014 having increased from around USD 21.48 billion in 2010, which was equivalent to a compound annual growth rate in nominal terms of 2.3%;
- in 2014, the three largest energy insurance markets were the US, Canada and the GCC countries (counted as a single unit) with combined premiums of around USD 7.23 billion, while the three most valuable power insurance markets, with a combined value of around USD 4.83 billion, were the US, Japan and China;
- the future trajectory of the global energy insurance market depends in part on the future direction of the price of oil because the price of oil can have a major impact on the upstream sector as it makes different types of exploration and production either more or less profitable;
- meanwhile, the key worldwide trend in the power insurance sector is the increasing importance of renewable power within total power generation albeit the policy of different governments within this field is often inconsistent and uncertain.

What are the costs and format?

These reports about energy and power insurance in different territories are available as standard PDF documents. The market data annexes that accompany them at no further charge are in *Excel* format. Noting that the ten territory-specific studies are subsets within the global overview, prices are as follows:

REPORT	COST *
Global Energy and Power Insurance: A Worldwide Review	USD 5,595
Energy and Power Insurance in Brazil	USD 1,195
Energy and Power Insurance in Canada	USD 1,195
Energy and Power Insurance in China	USD 1,195
Energy and Power Insurance in France	USD 1,195
Energy and Power Insurance in the GCC Countries	USD 1,195
Energy and Power Insurance in Germany	USD 1,195
Energy and Power Insurance in Japan	USD 1,195
Energy and Power Insurance in Nigeria	USD 1,195
Energy and Power Insurance in the UK	USD 1,195
Energy and Power Insurance in the USA	USD 1,195

* GST at the prevailing rate will be added to the basic price for Singapore-based buyers. Costs quoted are for a single office, single country licence only. For corporate user licence options, please see the next slide for further details. Invoices can be paid in EUR or GBP, at the prevailing exchange rate, if preferred.

How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord website, create your account (if you do not have one already) and place your order online. Products paid for online by card will be delivered immediately by e-mail but please allow up to one working day for delivery by e-mail if you choose to pay on receipt of invoice.

With regards to the **corporate user licence**, you will be asked to choose one of the following options:

1. One office, one country: no supplement over and above basic cost of reports ordered
2. Multiple offices, one country: additional 20% over and above basic cost of reports ordered
3. Multiple offices, two to ten countries: additional 50% over and above basic cost of reports ordered
4. Global (unlimited offices in unlimited countries): additional 100% over and above basic cost of reports ordered

Alternatively, you can place an order by sending your request to order@finaccord.com, clearly stating the product(s) required, associated price(s) and billing details for eventual invoice or card payment receipt.