

## **Willis Energy Market Review - June 2001**

The spate of serious claims and losses within the energy sector continues unabated and many insurers are questioning the viability of energy insurance as a business. The energy insurance market is in a state of turmoil, a fact recorded in the latest Willis Energy Market Review which reports on the six months to June 2001.

The review updates the position in individual markets for example:

Onshore property - where continuation of the rapid hardening of the market that began in the last quarter of 2000 has been coupled with an horrific loss ratio.

Upstream energy - where losses are continuing to roll in, fuelling the momentum of rate increases and the likelihood of an extremely difficult treaty renewal season at year-end.

Utilities - in which rates are rising dramatically with 25 per cent minimum rate increases being applied to clean accounts with standard risks. Some more complex exposures have seen rates more than double.

In addition, the review contains the latest data extracted from the unique Willis Energy Loss Database and details of the capacity available through the worldwide specialist Energy insurance underwriters. It also contains the views of three senior underwriters on the current market and its probable development

Please feel free to quote from the Willis Energy Review if you wish, although we would appreciate attribution.

Willis Group Limited is one of three global insurance brokers. It provides specialized risk management advisory and other services on a global basis to clients in various industries, including the construction, aerospace, marine and energy industries.

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For further information contact:

Tony Jeeves telephone +44 (0)20 7481 7133

email: [jeevest@willis.com](mailto:jeevest@willis.com)