



# **Risk transfer solutions supporting the energy transition**

Westminster Energy Forum

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Private & Confidential

# Risks and Opportunities of the transition Key Facts

**\$380Bn**

Economic Losses  
22% above the 21<sup>st</sup>  
Century average

**\$118Bn**

Insured Losses  
31% above the 21<sup>st</sup>  
Century average

**69%**

Protection Gap

**90%**

Of the global economy is  
committed to  
decarbonisation towards  
net-zero

**\$200tn**

Potential cumulative cost of  
the global energy transition  
through to 2050

**\$20bn**

Potential premium growth  
by 2030 related to  
environmental megatrends

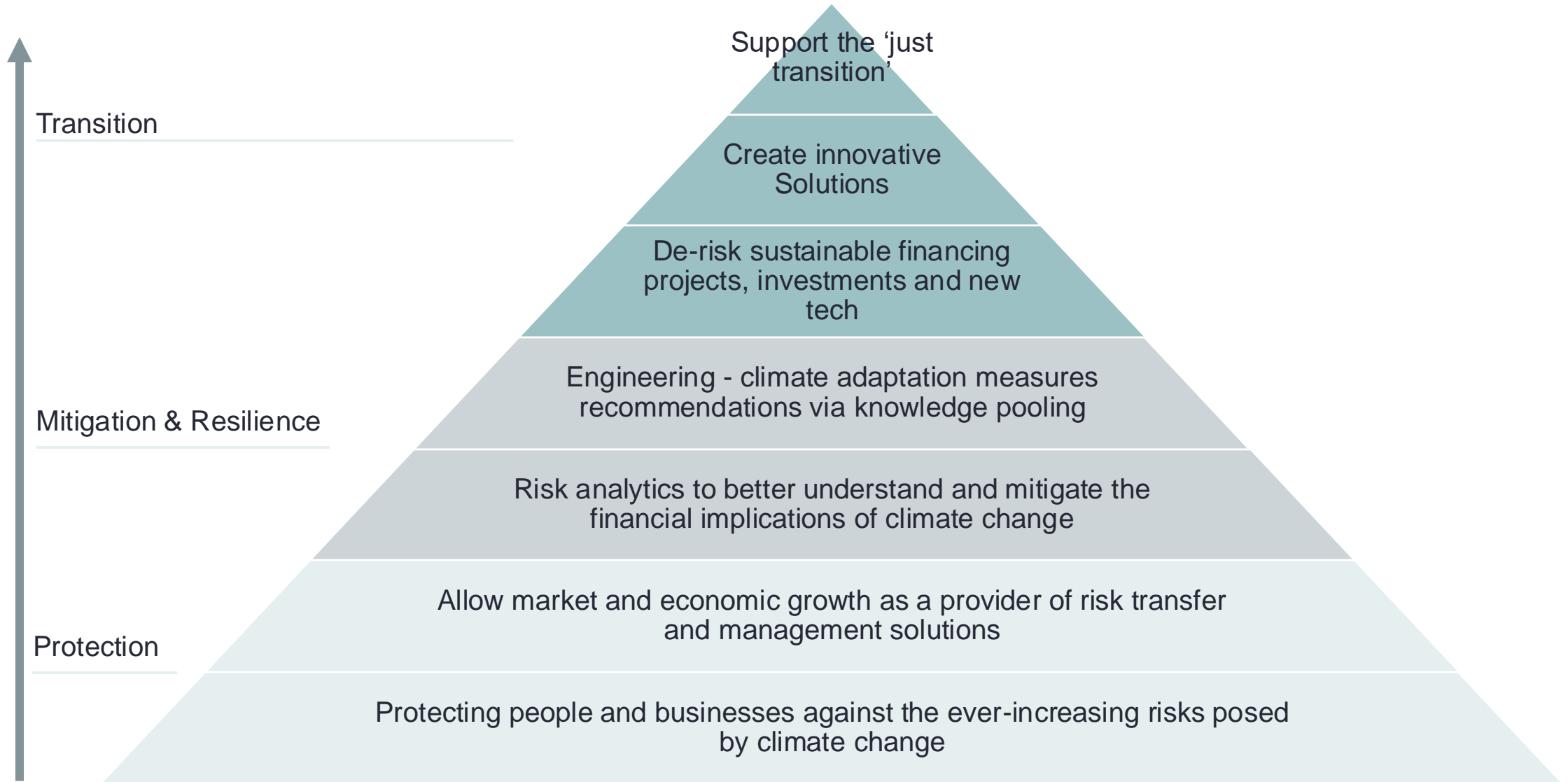


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# Insurance has a key role in supporting the transition to net-zero





# Macro Trends Driving Change for Energy Organisations - Increasing Opportunity for Insurers



## Supply Chain

Challenges for major development projects, aging facilities / new technology spare parts



## Rising Inflation

Inflation has impacted the energy industry– project economics, materials, supply chain etc



## Energy Transition/ Sustainable Energy

Pressure from stakeholders has pushed but also held back the movement for sustainable energy methods: EVS, sustainable aviation fuel etc Green hydrogen.



## Geo-political situation/ or Political Risks

War in Ukraine causing issues around energy security, interruption of supplies in oil and gas as well as supply chain complications; EU/ China tensions



## Commodity Price Changes/ Pricing Movements

le; Gas price / carbon market fluctuation and impact on existing and alternative investment



## ESG/Sustainability

Most Investors and debt finance is attracted to companies with strong ESG credentials Continued focus on CO2 reduction and energy efficiency measures



## Digital Disruption/ or Cyber Risks

Cyber; digitalisation; key infrastructure targets



## Capital attraction / Liquidity Risks

Connection with Energy transition, investors looking for 'green investment'. Significant growth opportunities and potential divestment require significant capital



## Talent / Human Capital

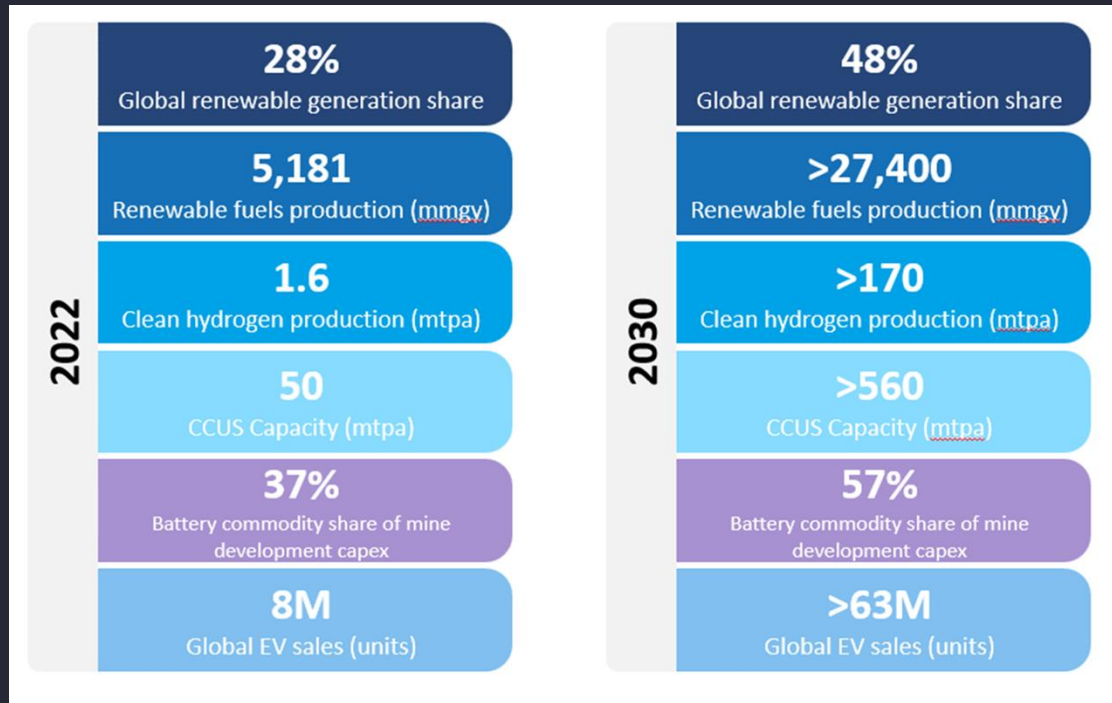
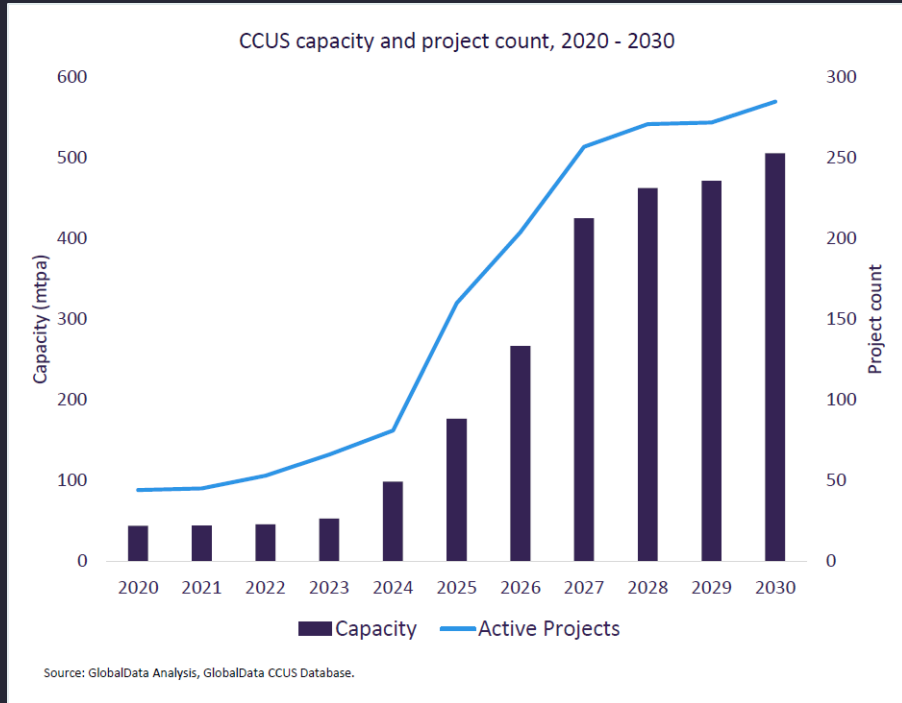
Low attraction of talent to emissions intensive industries; New skill sets required and increased emphasis on talent strategies



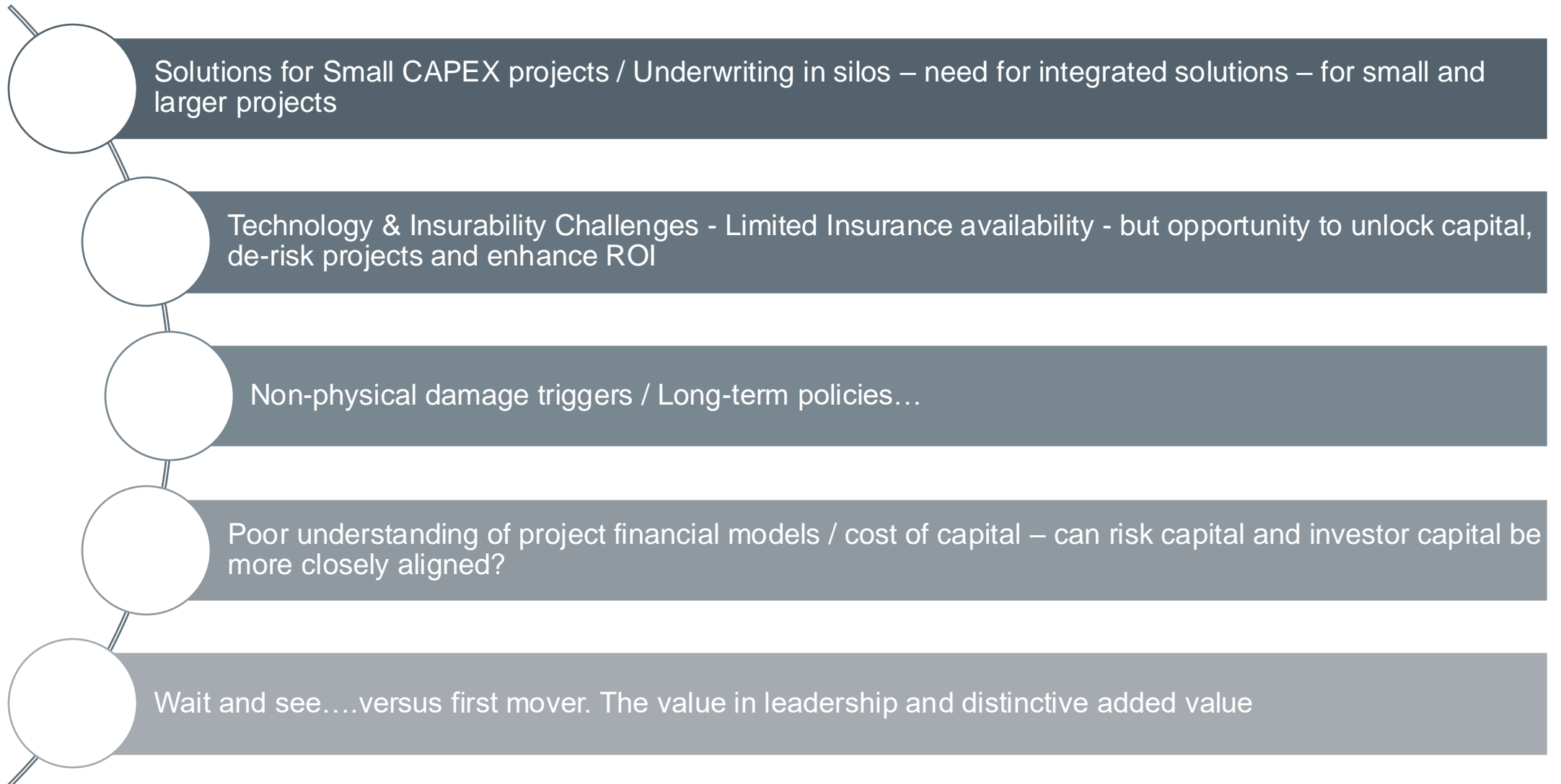
## Decommissioning

Many refineries and O&G assets living on overtime, when margins will stabilise closures are expected

# Acceleration of opportunities for carriers through 2030 and beyond



# Protection gaps & the opportunity for an enhanced role for the insurance industry



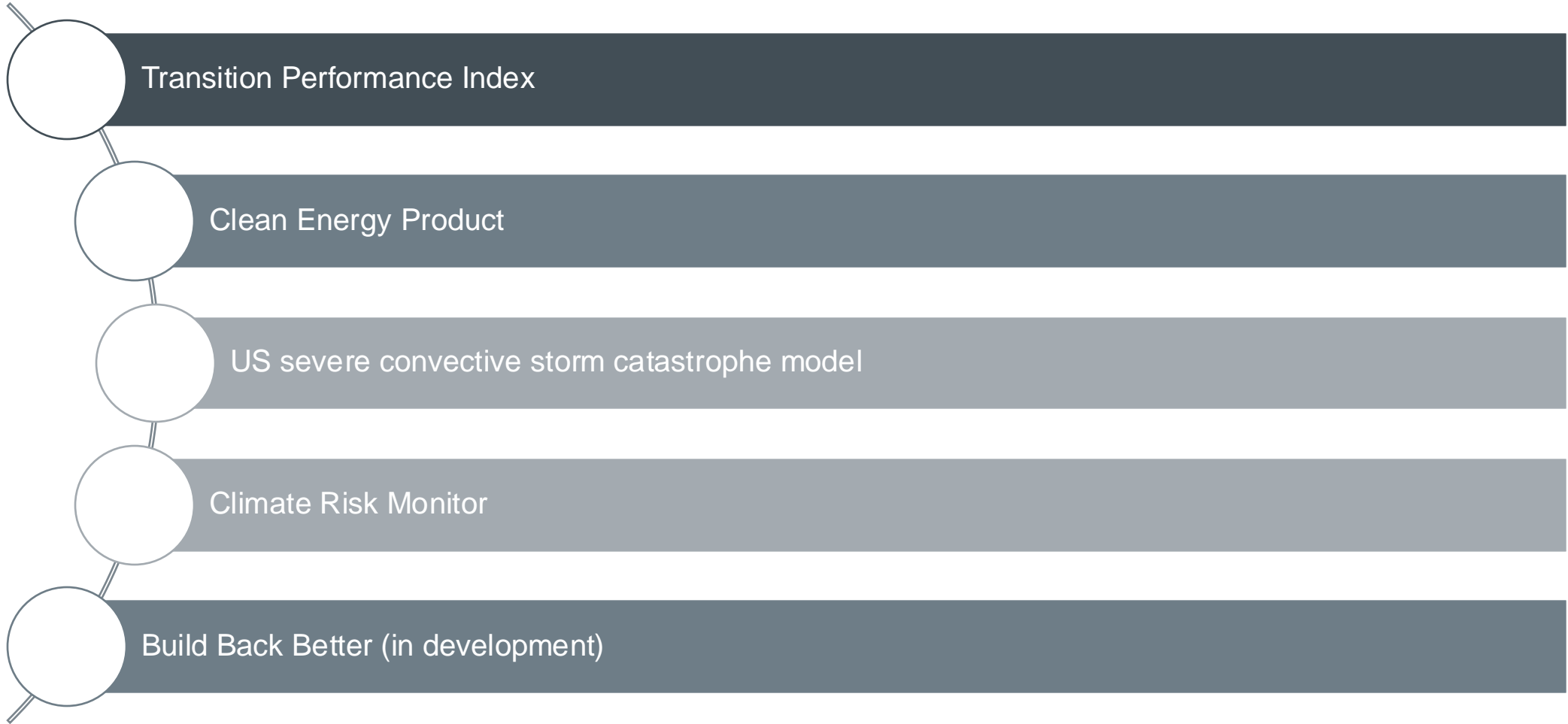
# An example of new insurance solutions - Aon Integrated Solution CO2 Transport & Storage

Construction		Operational			
Business As Usual		New Covers			
<ul style="list-style-type: none"> <li>• Property</li> <li>• Liability</li> <li>• Well Control</li> <li>• DSU</li> </ul>	<ul style="list-style-type: none"> <li>• Property</li> <li>• Liability</li> <li>• Well Control</li> <li>• Business Interruption</li> </ul>	Leak investigation Monitoring & repair costs	CO2 Emission Indemnity	Reservoir BI	Early Abandonment

Additional de-risking solutions available via Performance Guarantee Insurance



# An overview of some Aon and insurer latest new solutions







# THANK YOU

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