

Powered by Marsh FINPRO

Episode 5

Enabling energy infrastructure investment through insurance

Welcome to the *Powered by Marsh FINPRO* podcast. Through a series of interviews with experts from across the energy and power industry, host Grace Brighter will examine key challenges and opportunities brought by the energy transition, and how to approach and manage the evolving management liability risks this transformation brings.

Sarah Baldys:

Welcome to the Marsh *Powered by FINPRO* podcast. Through a series of interviews with experts from across the energy and power industry, this podcast will examine key challenges and opportunities brought by the energy transition, and how to approach and manage the evolving management liability risks this transformation brings.

I am Sarah Baldys, US power and renewables leader at Marsh's financial and professional liability practice, and I am pleased to introduce the host of the *Powered by Marsh FINPRO* podcast, Grace Brighter.

Grace Brighter:

Hello and welcome to *Powered by Marsh FINPRO*. I am your host, Grace Brighter.

For our discussion today, I am joined by Mike Kolodner, Managing Director, US Energy & Power Practice Leader within Marsh's specialty energy and power practice.

In today's episode, we are discussing Marsh's role in the energy transition.

Hey, Mike, thanks for joining us today.

Mike Kolodner:

I'm so pumped to be here. Thank you for having me.

Grace Brighter:

So Mike, there's a few topics we want to pick your brain on today, the first one being how does Marsh view the energy transition? What are our priorities for our clients and for our company?

Mike Kolodner:

Yeah, I think it's a loaded question. Also, it depends on who you ask. I mean, I think when we look across Marsh McLennan, there's so many different folks that are really aligned to support folks.

I'll say just kind of across the energy power spectrum around, not just transition, but whether you think about it in terms of transition or addition, or, you know any other thing. The reality is, it's just, I like to think about it more around the importance of energy right now, it's never been more critical. We've never seen or had more projected change in the underlying infrastructure, so that's really what's driving it.

That's my first comment: it's less about transition and more about: my gosh, there's an enormous amount of time, energy, resource material going into our energy infrastructure.

So when Marsh looks at that, I think we just kind of say, well, all our clients are affected. They're all affected in different ways. They're all part of that. It might be Microsoft trying to deal with where they're going to come up with carbon-free energy to power their data centers, or it might be a traditional investor-owned utility trying to figure out how they're going to transition to different sources of generation.

It might be a traditional oil and gas player saying look this transition thing is just, you know, baloney. And the reality is the demand for our products isn't going away anytime soon.

You know, that's our job, is really just helping all of our clients and whatever their mission is, be successful. So that's really kind of the way I think about it, and I think Marsh tries to walk a fine line. Obviously, there are some things where, you know, we may have policies, but generally speaking, we're here to support our clients.

Grace Brighter:

That's great, thanks Mike. And I think that kind of leads us to our next question. You touched on you know Marsh's view of the energy transition but, what is the role of insurance in the energy transition?

Mike Kolodner:

I mean, the role of insurance is essentially, you know, no insurance, no finance. No finance, no project. So insurance is really the thing that makes taking risk possible, and so we play a really, really critical role and I think around, you know, energy infrastructure investment, we've never seen more new technologies, more new use cases, new revenue models. Different approaches to how we manage energy infrastructure and insurance is critical to that because ultimately what we're doing is moving risk around, centralizing it and then distributing it back out. Ultimately, there's an enormous amount of feedback that the industry gets through insurance too.

It's not just the enabling of finance - it's also, frankly, a critical feedback loop for an industry that's going to spend a lot of money, probably make some mistakes along the way, and really need to accelerate that feedback loop. Insurance is critical.

Grace Brighter:

OK, great. You know, it's evident that the landscape of the energy and power sector is evolving, particularly as we are transforming to renewable energy sources. So, with that in mind, what is the opportunity for growth at Marsh? And also what is the opportunity for our carrier partners during this time of transition?

Mike Kolodner:

Yeah, I mean the opportunity for growth is the same as it ever was, which is, you know, as long as we follow our North Star, which is supporting our clients and their ambitions, our energy and power clients have really big problems and really big projects ahead of them over the next, really, decades.

I mean this is, to put it in perspective, we haven't seen this kind of investment in this space since the last energy transition, you know which was really, really significant and involved essentially all of the infrastructure that we look at today, whether it's the molecule side or the electron side. You know, how we think about energy.

Infrastructure was basically largely influenced by decisions and investments that were made about 100 years ago, so this is a really significant...like no one has seen this. No one alive today has really seen this kind of investment, so the opportunity for us is huge in this space.

It's about making sure that we optimize the resources that Marsh has, which is people, and making sure that we're giving our clients the best advice. If we do that correctly, then we'll grow with our clients and we'll succeed with our clients. And I think from our partners' perspective, you know a lot of projects means a lot of premium, you know, in the end, that's really what our market partners are looking for, you know. That's the engine driver, but for them it's really the same thing. If they don't align their appetite to where the puck is actually going, as opposed to where it is right now, you know they're going to miss out. And so I think, you know, the smart ones are engaging with us pretty regularly.

You know we're closer to the client, we're closer to an understanding where that's going to be. And I think we're already seeing that those that are taking the time to really work with us are being really well positioned and they're already, I mean, I think of our top trading partners, some of them have experienced unbelievable growth and I think others are still trying to figure out where that puck is, let alone where it's going.

Grace Brighter:

Thanks, Mike. I think we've done a really good job of kind of getting a general perspective of Marsh during the energy transition. But if we could kind of switch gears and think about things from an executive liability perspective, that would be great. You know, what do you think executive should be really taking into consideration?

Mike Kolodner:

Oh, I mean, I think you know, any industry when it comes to executive liability, any industry that's facing

massive change and big decisions that involve large amounts of capital is incredibly fraught with risk.

I think we spend a lot of time talking to clients about those front-end risks, but the reality is, yeah, the risk of these, the players, I think we're going to see...we've already seen companies rise and fall, and it's unbelievable. Thousands of companies that didn't exist five years ago now exist today, and others that existed five years ago are irrelevant today and irrelevant already to the transition.

When you think about that from an executive liability perspective, it's a very risky time to be in the energy space. There's no kind of one foot in, one foot out. You are either all in, fully focused on it there to succeed and grow and win and be there on the other side of this, or you're probably in a rough spot.

Grace Brighter:

Great. Well, thank you, Mike, for joining us today live from Marsh's Energy and Power Symposium in Houston, Texas.

Mike Kolodner:

Yeah, oh my gosh, thanks so much for having me, this was awesome.

Grace Brighter:

That's all for this edition of *Powered* by Marsh FINPRO. We hope you enjoyed our discussion and thank you for listening. You can rate, review, and subscribe to *Powered* by Marsh FINPRO on Spotify, Apple Podcasts, or any other app you're using. You can also follow Marsh on LinkedIn or X.

In addition to your podcast feed, you can find more episodes of *Powered* by Marsh FINPRO at marsh.com/poweredbymarshpod, and more insights from Marsh on our website marsh.com. Until next time, thanks again for listening.

This document and any recommendations, analysis, or advice provided by Marsh (collectively, the "Marsh Analysis") are not intended to be taken as advice regarding any individual situation and should not be relied upon as such. The information contained herein is based on sources we believe reliable, but we make no representation or warranty as to its accuracy. Marsh shall have no obligation to update the Marsh Analysis and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting, or legal matters are based solely on our experience as insurance brokers and risk consultants and are not to be relied upon as actuarial, tax, accounting, or legal advice, for which you should consult your own professional advisors. Any modeling, analytics, or projections are subject to inherent uncertainty,

and the Marsh Analysis could be materially affected if any underlying assumptions, conditions, information, or factors are inaccurate or incomplete or should change. Marsh makes no representation or warranty concerning the application of policy wording or the financial condition or solvency of insurers or reinsurers. Marsh makes no assurances regarding the availability, cost, or terms of insurance coverage. Although Marsh may provide advice and recommendations, all decisions regarding the amount, type or terms of coverage are the ultimate responsibility of the insurance purchaser, who must decide on the specific coverage that is appropriate to its particular circumstances and financial position.

Copyright © 2025 Marsh LLC. All rights reserved.