MARSH

Global maritime, cargo, and logistics insurance market trends

Our assessment and capabilities
Q2 2026

Contents

Methodology: observing and operating in international insurance markets

Marsh's Marine, Cargo & Logistics specialty leaders and brokers convene quarterly to review the current state of the marine, cargo, and transportation insurance markets compared to the same period the previous year. This analysis is conducted regionally and focuses on four key metrics:

- Capacity
- Rate change
- Commerciality
- Policy wordings and clauses

These themes provide a framework to evaluate market conditions by assessing insurance capacity availability, year-on-year rate movements, shifts in insurers' willingness to provide coverage and terms (commerciality), and changes in policy wording and clauses. Together, they offer insights into pricing, risk appetite, and policy conditions across various regions and insurance lines.

Market summary, Q2 2026

Marine, cargo, and logistics insurance market trends in the second quarter of 2026 were impacted by war risks related to the Black Sea, Arabian Gulf, Red Sea, Eastern Mediterranean, and northern parts of the Indian Ocean.

Stripping away war risk premiums, which are arguably influencing underwriting approaches throughout marine insurance, we see a continued decline in hull and machinery (H&M), cargo/STP, and logistics rates, driven by continued inflows of capital seeking investment returns and impacting insurance supply. We discuss capital inflows and underwriting approaches in the Spotlight Section.

Cargo insurance

In Q2 2026, cargo insurance rates declined -10% to -15%, with Latin America and the Caribbean (LAC) and particularly Asia experiencing steeper declines in pricing. In regional terms, these pricing decreases did not correspond directly to reports of exposure decreases. Only Canada showed a slight decrease in perceived exposures, with pricing trends driven by greater levels of competition and additional capacity.

Most clients held their retentions steady, but four regions showed a tendency to buy increased limits, taking advantage of affordability at times of claim inflation, rising commodity prices, and supply chain shocks.

Commercial terms

Commercial terms are the other key negotiating lever. Only in Europe and the United Kingdom has there been a greater willingness to open up coverage for H&M and ancillary covers. The rest of the world offers, in the main, similar contractual terms and conditions as were being offered at this time last year.

For cargo/STP, there is a willingness to consider expanding coverage features that were withdrawn under different market conditions in prior years, except in LAC, IMEA, and Pacific. Logistics has its own story: terms remain tight due to several key legal case outcomes and changes to laws in some regions in recent years.

Marine hull market

Similar to cargo/STP, every region saw H&M pricing decreases of up to -20%, but mainly in the -5% to -10% or -10% to -15% ranges, with all regions except IMEA reporting stable or increased exposures (these do not include war risks). In the marine liability markets, some past (not yet settled) potentially very large losses continued to influence pricing as the rest of the marine market saw falling rates, until very recently. However, we now see falling rates in marine liability as well.

All regions reported flat retention levels, except for LAC, which reported increases. All regions reported flat limit purchases, except for Canada and LAC, which showed increases.

Q2 2026

-10% to -15%

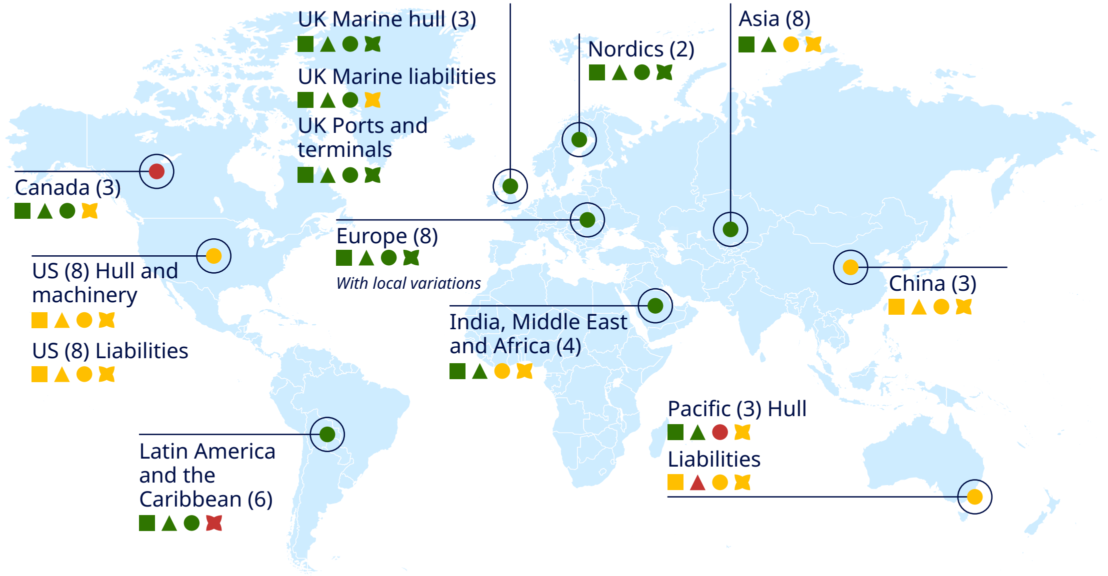
Median cargo/STP rates declined by 10% to 15%, with steeper decreases in LAC and Asia amid increased levels of competition.

-5% to -10%

Median marine hull rates were generally flat to down by 5% to 10%, while exposures were stable or increasing in most regions.

Global maritime market snapshot (June 2026 vs. June 2025)

The map illustrates regional market conditions for hull and machinery, marine liabilities, and port risks. It is color-coded to show changes compared to the same period last year.



Numbers in brackets indicate the number of Marsh Marine, Cargo & Logistics offices in each region.

Symbol guide

Capacity (in aggregate or deployed line sizes by insurers)	**Rate change** (on prior year)	**Commerciality** (placement negotiation process)	**Policy wordings and clauses** (coverage)
Decrease: insurers limiting or existing	Rising premiums	Very difficult with little or no negotiation	Wide exclusionary clauses are added and/or are either not fit for purpose or not contract certain
No change in capacity	Flat/marginal change	Placement challenging, requiring clear, negotiation prioritization with insurers	Restrictive clauses are sometimes added dependent on type of risk
Increase: new capacity entering or existing insurers offering more capacity	Falling premiums	Considerable negotiating flexibility	Coverages remain broad

Little or no insurer appetite for non-domestic risks

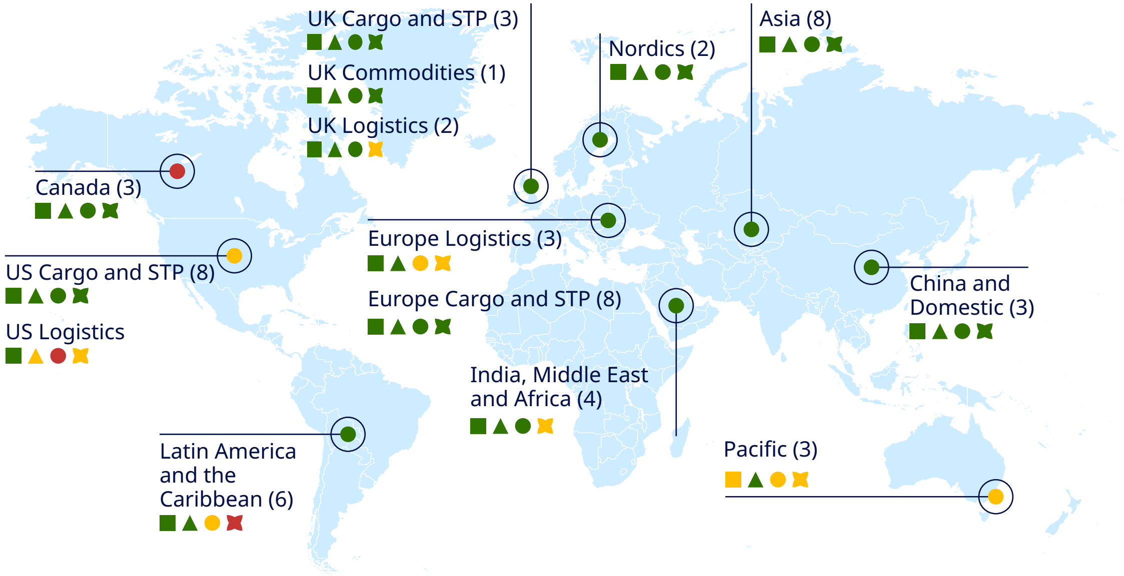
Established market with insurer appetite for non-domestic risks

Some insurer appetite for some non-domestic risks

These directional indicators are based on observations by Marsh's senior brokers in each market.

Global cargo and logistics market snapshot (June 2026 vs. June 2025)

The map illustrates the regional market conditions for marine cargo, stock throughput, delay in start-up, and logistics. It is color-coded to compare against the same period one year ago.



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Spotlight on the UK's Prudential Regulation Authority's concerns

The Prudential Regulation Authority (PRA), part of the Bank of England, is a UK financial regulator. Its core mandate is to promote the **safety and soundness** of the firms it regulates (such as banks, building societies, credit unions, and insurers) and to ensure an appropriate degree of protection for insurance policyholders. While the PRA ensures the financial stability of individual firms, it works alongside the Financial Conduct Authority (FCA), which regulates market conduct and ensures consumers are treated fairly. Other countries often model their regulations on the PRA and FCA — it is unknown at the time of publication whether they will follow suit with what we explore below.

The PRA considers the impact that a "softening underwriting cycle" may have on reserve levels, internal modeling that is optimistic compared to underwriting track records, and heightened cyber risks in the geopolitical environment to be areas of concern for the London insurance market.

More specifically, these areas of concern include:

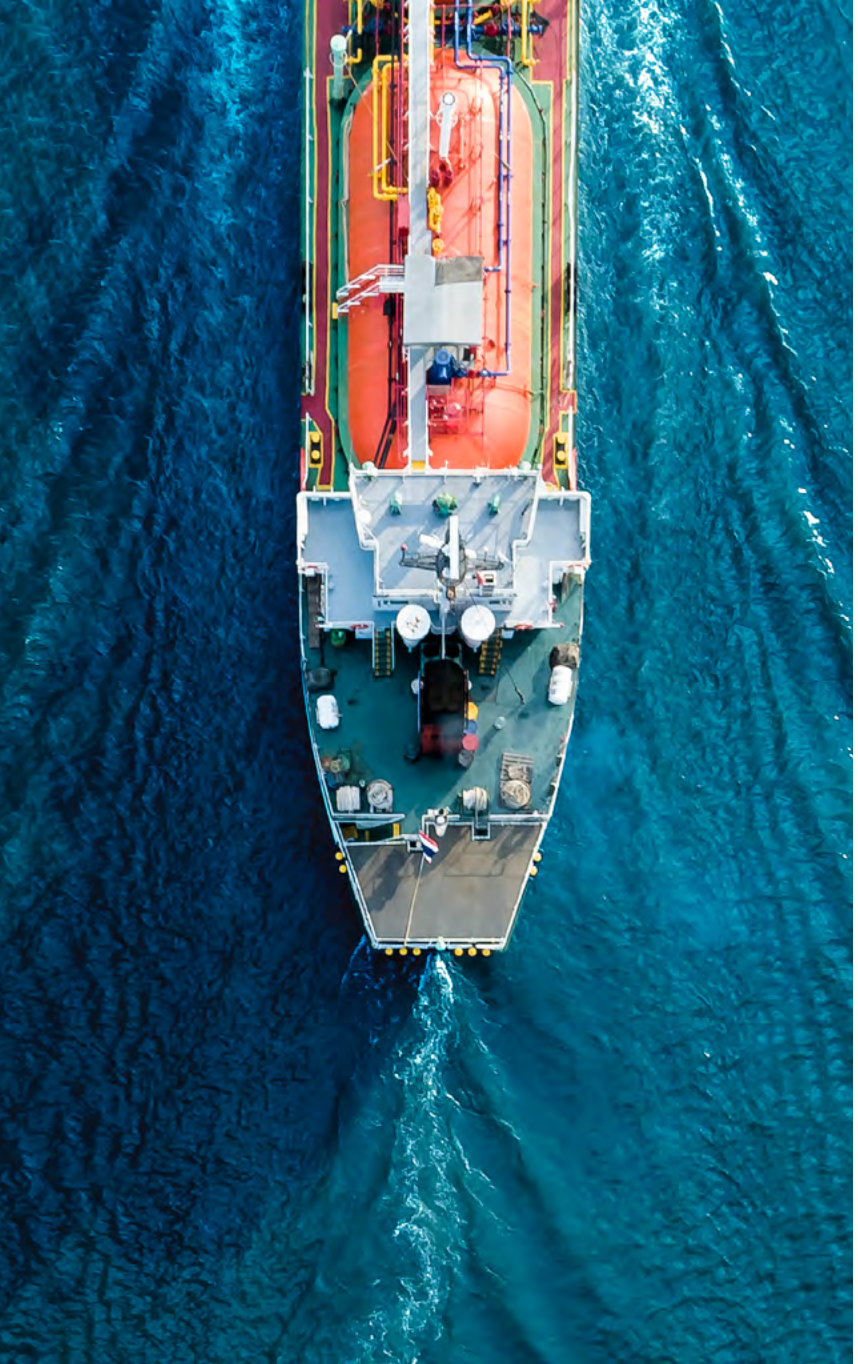
- **Underwriting discipline:** The PRA expects firms to maintain "robust underwriting discipline in this weakening environment" to price and reserve adequately.
- **Optimistic modeling:** The PRA has a concern about the potential understatement of solvency capital requirements (SCRs) using models with future underwriting performance that is optimistic given past performance.
- **Delegated authority:** The PRA expects firms to oversee their delegated authority arrangements to mitigate risks of inadequate pricing and reserving.

The PRA's 2026/27 Business Plan pinpoints, as a strategic priority, the identification and monitoring of emerging risks from geopolitical trends. Such efforts could include attention to heightened risks from regional conflicts, state-sponsored cyberattacks, and shifting trade routes, which can simultaneously trigger severe supply chain and marine interruptions and have specific impacts for marine underwriters and marine insurance.

In the same vein, the PRA integrated parameters into its Dynamic General Insurance Stress Test (DyGIST), which simulates various crises, including those affecting marine and cyber exposures, to test market participants' operational resilience and capital stability against concurrent, systemic market shocks.

Severe "new era" risks for the marine industry and marine insurance

- **Catastrophic ship fires:** The sharp increase in severe cargo fires on mega-containerships and roll-on/roll-off car carriers is giving rise to concerns.
- **The EV factor:** The transport of electric vehicles (EVs) introduces fire hazards that exceed 1,000°C (compared to 600°C for traditional engines), releasing explosive gases that are exceptionally difficult for ship crews to contain. This is compounded by an aging global merchant fleet that is structurally more prone to breakdown.



Additional underwriting scrutiny in a stagnant market

Following the combination of the PRA's DyGIST and Solvency UK reforms, we observe a bifurcated market.

	Cargo	Hull
Pricing trend	Driven by port accumulation and supply chain re-routing costs.	Driven by asset values, claims inflation,and localized war risks.
Capacity	Broadly available, but restricted at high-density ports.	Highly selective — restricted for aging fleets and specific geographic zones.
Areas of focus	Third-party broker data and delegated authority.	Engineering risk, salvage costs, and sanctions screening.

The marine cargo insurance market

The cargo market is vulnerable to rapid accumulation risk, where large sums of insured goods become concentrated in a single geographic bottleneck. Three elements are in sharpest focus:

- Accumulation mapping
- "Non-natural catastrophe" limits
- "Silent cyber" exclusions

The marine hull insurance market

Marine hull insurance faces the inflation of repair costs and expanding geopolitical war perils, as seen in:

- SST (stress and scenario testing) for war deviations
- Factoring in claims inflation
- The EV risk premium

In light of the heightened risk environment, the PRA's identified concerns, and the current market conditions, we expect there may be further developments that will merit close monitoring.

Global markets: How we operate

Our purpose is to help customers avoid, manage, or mitigate the impact of off-strategy risks, minimize disruptions to the maritime and logistics ecosystem, and stabilize trading volatility through tailored insurance solutions and specialized risk consultancy.

We maintain consistent processes, ethical standards, and transparency across all our offices located in the major marine, cargo, and transportation insurance markets worldwide.

This approach enables us to:

1. Use local colleagues in key markets to broker risks directly with insurers using a unified set of standards, including those related to data integrity and compensation transparency.

2. Identify and consider the impacts of facultative reinsurance arrangements, including in fronting scenarios, where data integrity considerations and additional costs may arise.

3. Draw on multiple insurers across different marketplaces and generate competition among underwriters to design a cost-effective program to cover your risks.

4. Draw on emerging capacity to better serve your evolving need.

Additional tools:

- **Sentrisk™:** Marsh's proprietary platform that helps clients aim to understand risk accumulations and future-proof their supply chains.
- **P&I Rating Engine:** An actuarial analysis tool allowing insights into claims reserving and abatement cost allocations during renewal negotiations.
- **P&I Deductible Explorer:** A tool that models different deductible scenarios against loss record.
- **P&I and Hull and Machinery Benchmarking:** Structured around vessel data, tailored to fleet composition.
- **We publish an annual P&I market review.**
- **Marsh Market Information (MMI):** Provides detailed financial information, ratings, news, and analysis on global insurers.
- **Cyber self-assessment:** This tool allows companies to assess their cybersecurity posture and plan risk management improvements across 12 essential controls.

About Marsh's global Marine, Cargo and Logistics practice

Marsh's Marine, Cargo and Logistics practice has over 650 colleagues in 36 offices in six regions of the world, offering an international service in risk management and placement. In 2025, we brokered in excess of US$4 billion in premium.

The breadth and diversity of our clients and their risks are attractive to a broad range of global insurers.

Our team works with ship owners, contractors, ports, shipbuilders, financiers, logistics firms, and cargo policies for all types of exports of manufactured goods or commodities.

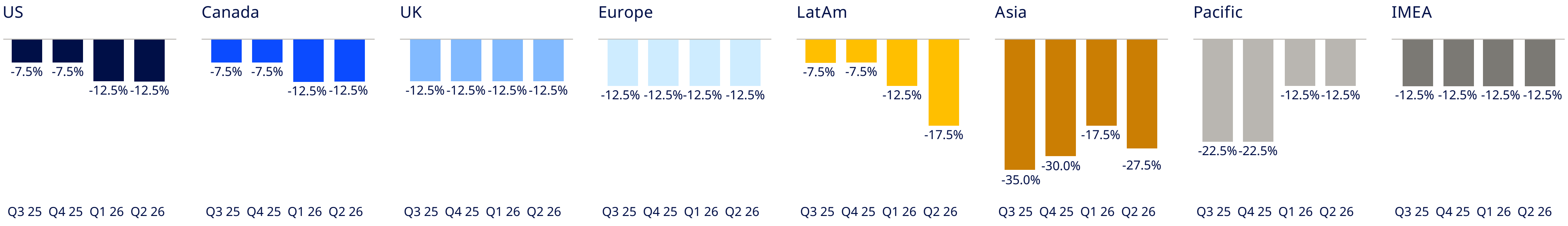
We can draw on our experience across the entire maritime and logistics ecosystem to provide our clients with insights, knowledge, and advice that go beyond the insurance transaction.

Appendix

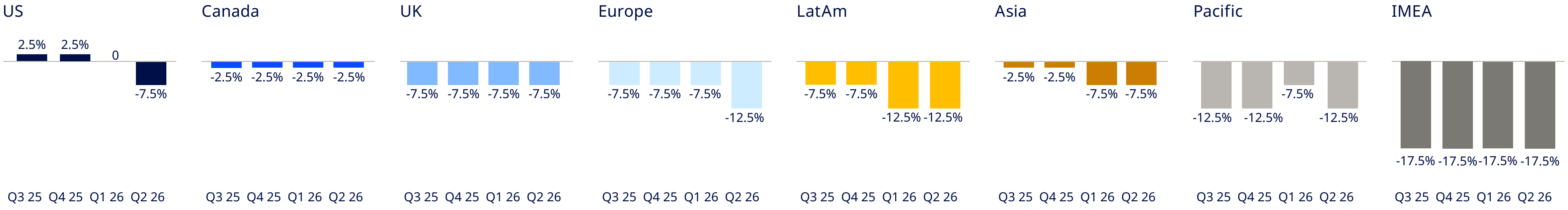
Rate change refers to typical (average) rate movement on a year-on-year, not a quarter-over-quarter basis.

Rates

Composite cargo insurance rate change by region 2025 and 2026



Composite hull and machinery insurance rate change by region 2025 and 2026

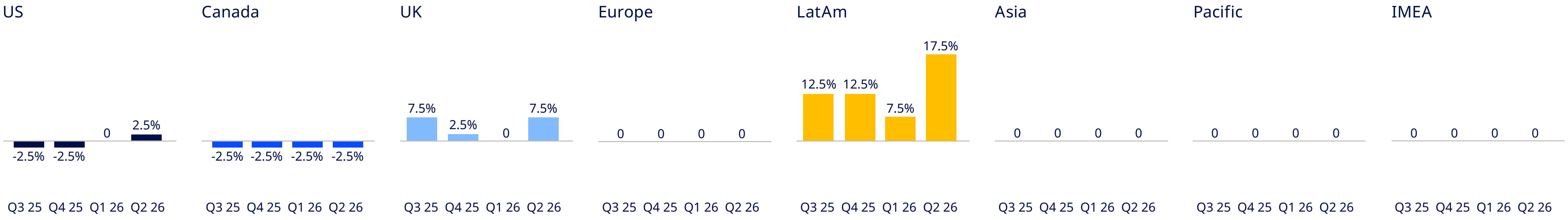


0% - stable

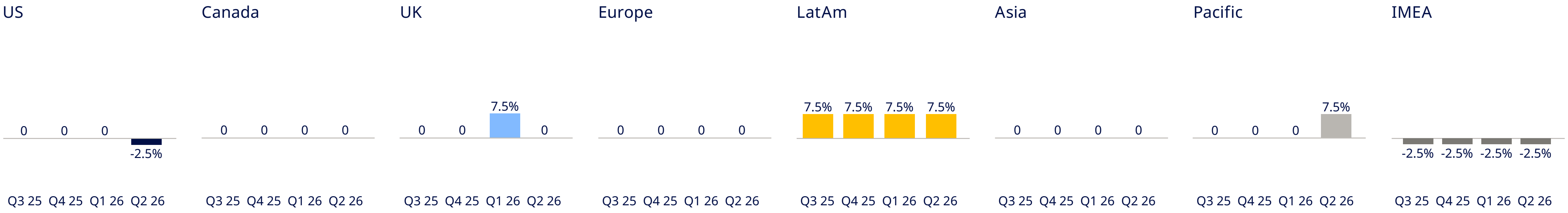
Exposure

Exposure is rating basis (e.g., TIV for ports' property, vehicle fleet size for auto liability, values for cargo, fleet value estimates for marine).

Composite cargo insurance exposure change by region 2025 and 2026



Composite hull and machinery insurance exposure change by region 2025 and 2026

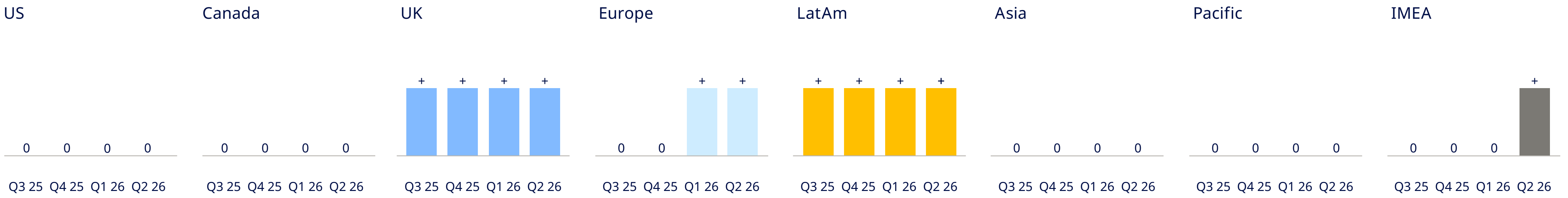


0% - stable

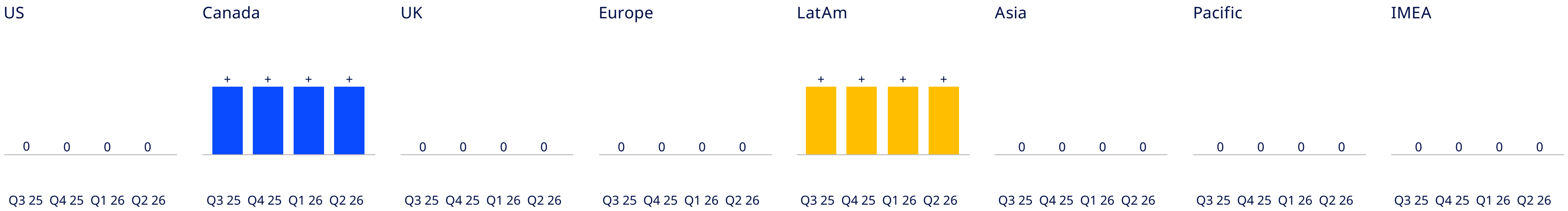
Limits

Limit refers only to the main program limit. Clients may opt to use changing premium rates to increase or decrease limits, holding premiums steady.

Composite cargo insurance limit change by region 2025 and 2026



Composite hull and machinery insurance limit change by region 2025 and 2026



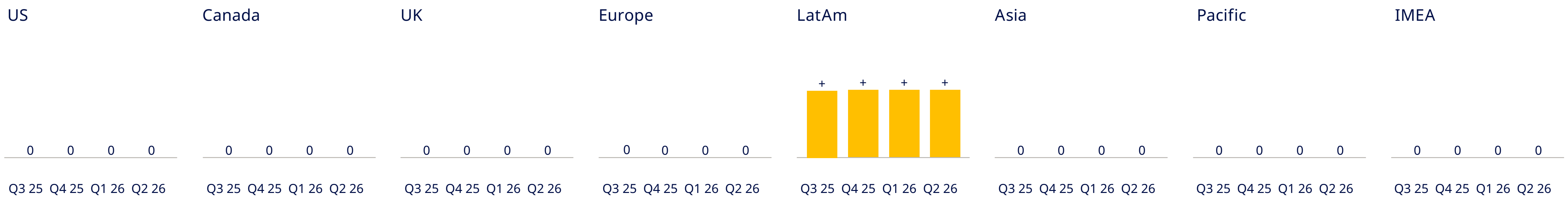
Limits (annual change).

(+) Increase, (0) Flat and (-) Decrease

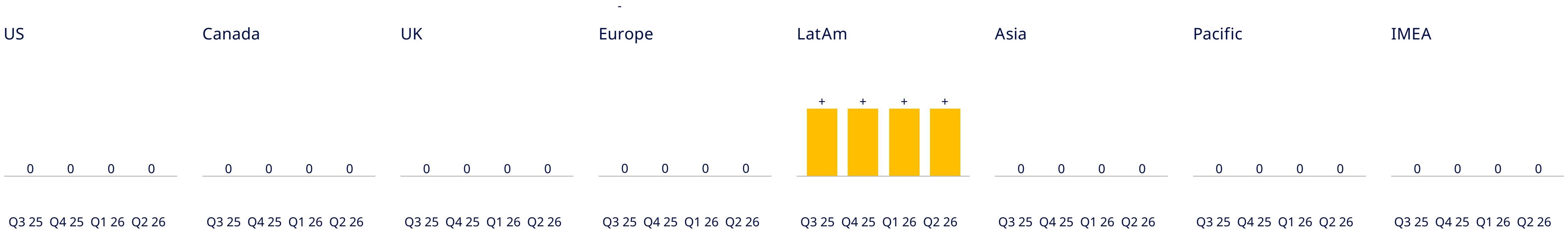
Retentions

Retentions refer only to the main program deductible. Marsh is able to model the limit and deductible according to risk appetite.

Composite cargo insurance retention change by region 2025 and 2026



Composite hull and machinery insurance retention change by region 2025 and 2026



Retentions (annual change).

(+) Increase, (0) Flat and (-) Decrease

About Marsh

Marsh Risk is a business of Marsh (NYSE: MRSH), a global leader in risk, reinsurance and capital, people and investments, and management consulting, advising clients in 130 countries. With annual revenue of $27 billion and more than 95,000 colleagues, Marsh helps build the confidence to thrive through the power of perspective. For more information about Marsh Risk, visit marsh.com, or follow us on LinkedIn and X.

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