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Gulf Maritime Security Update Insurance Market Response - 11/3/2026

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Recent events in the Strait of Hormuz and wider Gulf region highlight the continuing escalation of maritime security risks affecting commercial shipping. As we highlighted in [our recent briefing update](#) multiple commercial vessels have been struck or damaged across the Gulf region in recent days.

This latest briefing reviews the insurance market response to the recent escalation in the Strait of Hormuz region and outlines the war risk cover options currently available for vessels transiting to or from the Arabian Gulf.

War Risk Insurance in the Strait of Hormuz Region: Current Market Conditions

The recent escalation of attacks on commercial shipping has resulted in a rapid reassessment of risk by marine war risk underwriters. While war risk cover for vessels

transiting the Strait of Hormuz and wider Gulf region remains available, insurers are closely monitoring developments and reviewing their exposure to potential accumulation losses.

Additional War Risk Premiums (AWRP) for transits through the area have shown significant volatility, with some insurers temporarily restricting capacity or requiring enhanced disclosure prior to confirming cover. In parallel, a number of shipowners and charterers have adopted a cautious approach to transits while the security situation remains uncertain.

Against this backdrop, market participants have been actively exploring mechanisms to ensure the continued availability of war risk insurance capacity for vessels operating in this strategically important region.

From One Breach to Multiple Risk Zones

Prior to the attacks that began on 28 February 2026, the insurance market generally treated a vessel's transit from the Pakistan–Iran border through the Gulf of Oman, the Strait of Hormuz, and into the Persian Gulf as a single breach call under a typical marine war risks policy.

For ship operators unfamiliar with the insurance terminology, a “**breach**” refers to the moment when a vessel enters an area designated by insurers as presenting elevated war risk. Entry into such an area triggers the application of an **Additional War Risk Premium (AWRP)** for the transit or stay.

Historically, the entire route from the Gulf of Oman into the Persian Gulf was treated as one continuous exposure, meaning that the AWRP applied once for the overall passage.

Following the February attacks, however, the market has begun to treat the region as **three distinct risk segments**:

1. **Persian Gulf (PG)** – from Iraq down to the Strait of Hormuz (SOH)
2. **Strait of Hormuz (SOH)** – the narrow chokepoint itself
3. **Gulf of Oman** – from the Strait of Hormuz to the Pakistan–Iran border

This segmentation reflects underwriters' efforts to more precisely manage their exposure to risk concentrations in different parts of the region.

Specifically:

1. Pricing Developments in the Persian Gulf

In the **Persian Gulf**, insurers are currently charging approximately three to four times the AWRP rates that were in place prior to the attacks.

The increase reflects both:

- The direct security concerns following recent incidents, and
- The high concentration of vessels operating within Gulf ports and anchorages.

Underwriters are particularly focused on accumulation risk—the possibility that multiple insured vessels could be affected by a single event in a geographically concentrated area.

2. Gulf of Oman: Lower Rates but Persistent Concerns

In contrast, rates for the Gulf of Oman have generally been quoted at lower levels than those for the Persian Gulf.

However, the difference is narrower than might otherwise be expected.

One reason is the continued instability in the area, particularly given that Fujairah has been identified as a potential target in the recent wave of attacks. As a result, the perceived risk for vessels calling at or transiting near Fujairah is keeping AWRP levels closer to those applied within the Persian Gulf itself.

For operators, this means that while the Gulf of Oman may technically fall into a separate insurance zone, the pricing differential remains limited due to the evolving threat environment.

3. Strait of Hormuz: Capacity Constraints

The **Strait of Hormuz** itself has become the most challenging segment from an insurance perspective.

A number of developments have emerged in the underwriting market:

- Some insurers are declining to quote entirely for transits through the Strait.
- Others are quoting premiums several multiples higher than those charged only a week earlier.
- In many cases, insurers are imposing strict warranties and operational conditions.

These may include requirements relating to:

- transit timing
- reporting procedures, or
- enhanced voyage disclosures.

War P&I Considerations

In addition to the changes affecting War Hull & Machinery coverage, insurers and shipowners are also focusing closely on the implications for Protection & Indemnity war cover.

In practice, the P&I market provides excess protection that attaches only after the vessel's insured value under the primary War Hull & Machinery (War H&M) policy has been exhausted. This means that if War H&M cover is not in place, there is technically no excess War P&I layer operating above the vessel's value within the P&I market. As a result, shipowners need to ensure that both the primary War H&M layer and the associated excess War P&I protection remain properly in place, as the absence of the underlying cover may leave a gap in the overall war risk liability structure.

Outlook

The current insurance market response reflects the challenge of maintaining coverage availability for one of the world's most critical maritime trade routes while managing a rapidly evolving risk environment.

As the situation develops, the market may see:

- further adjustments in AWRP pricing
- greater complexity in coverage structures
- evolving definitions of regional war risk zones.

The situation continues to be closely monitored by Orion Insurance Group and our strategic partners Cambiaso Riso, a leading war risk producer to the mainstream war markets including Generali, Swiss Re, Norwegian Hull Club, Travelers, Markel, Brit, Vessel Protect, Garex and Gard.

Cambiaso Riso currently places war risk cover for over USD 10 billion of vessel values worldwide.