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Marine War Risks 2025: Event-Driven Pricing and Route Re-Ordering

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The marine war risks market in 2025 was defined by sudden pricing spikes, stricter underwriting, and highly dynamic "additional premium" decisions driven by geopolitical flashpoints. As we move into 2026, the core expectation is continuity: event-led volatility, greater scrutiny of voyage specifics (flag, ownership links, cargo, port calls, routing), and continuing focus on the main conflict-adjacent corridors—particularly the Red Sea/Gulf of Aden and Middle East choke points—alongside renewed sensitivity in the Black Sea.

What Happened in 2025: The Market Became "Real-Time"

In practical terms, 2025 showed that war risk is no longer a background line item—it's a profitability variable that can reshape routing and charter economics. Premiums moved quickly in response to incidents, and underwriters increasingly assessed risk voyage-by-voyage rather than relying solely on broad regional assumptions.

1) Red Sea / Gulf of Aden: The Benchmark for Volatility

Attacks and escalations linked to the Houthi campaign kept the Red Sea and approaches in sharp focus. In July 2025, war risk insurance costs for Red Sea transits more than doubled, with premiums reported rising from around 0.3% to ~0.7% of hull value and

quotations reaching ~1% in some cases—particularly as some underwriters paused cover for vessels with perceived high-risk links.

This sustained volatility also reinforced the market importance of Listed Area designations and the need for timely voyage declarations when trading into enhanced-risk zones.

2) Middle East Escalation Risk: Hormuz Became the "Next Swing Factor"

In June 2025, rising tensions around the Strait of Hormuz drove reported war risk premiums from approximately 0.2–0.3% up to ~0.5% in a week, and separate reporting referenced Israeli port premiums rising as high as ~1%—underscoring how quickly pricing can re-rate during periods of acute escalation.

3) Black Sea: Risk Sensitivity Returned Late in the Year

By December 2025, renewed attacks and broader insecurity concerns pushed reported Black Sea rates upward—war risk premiums for Ukrainian ports reportedly moving 0.4% → 0.5%, and Russian port rates 0.6% → ~0.65–0.8% (depending on the risk), again highlighting how quickly pricing re-adjusts after incidents.

4) Listed Areas: The Underwriting "Map" Stayed Central

The London market's Joint War Committee (JWC) maintains the Listed Areas framework for hull war, strikes, terrorism and related perils—an essential reference point for trading warranties and additional premium triggers. In the Red Sea/Gulf of Aden context, the

JWC's JWLA-032 boundaries remain widely referenced as the operative definition for that Listed Area.

Key Drivers Behind 2025 Pricing (And Why They Still Matter in 2026)

A) "Additional Premium" Became the Default Tool

War risk pricing increasingly behaved like an event-driven surcharge (AP) rather than a stable annualised cost—especially for Listed Areas. The reported July and June spikes (Red Sea / Hormuz) illustrate how quickly AP can move, and why charters increasingly treat war risk as a changeable voyage cost.

B) Underwriters Priced "Linkage Risk" and Targeting Logic

Market reporting highlighted underwriter caution around vessels linked—directly or indirectly—to targeted parties in conflict zones (e.g., perceived Israel-linked shipping in the Red Sea theatre). This made ownership structure, trading history, port-call pattern and charter chain transparency more important in underwriting engagement.

C) Route Substitution Changed Exposure Maps

Diversions around the Cape reduced Red Sea exposure for many operators, but increased:

- voyage duration and total time at sea,
- fuel and operational cost inflation,
- and secondary exposures (crew fatigue, mechanical stress, weather seasons, piracy interfaces depending on routing).

The result: a more complex risk picture than "avoid one corridor, problem solved."

D) War P&I / Reinsurance Considerations Sat in the Background

While hull war and AP dominated headlines, the industry's wider war-related risk stack (including excess war P&I arrangements in the IG ecosystem) remained relevant to programme design and total-cost-of-risk conversations.

What to Expect in 2026: Scenarios and Market Behaviour

1) Continued Volatility in the "Triangle": Red Sea / Hormuz / Wider Middle East

Unless there is durable de-escalation, 2026 is likely to continue the 2025 pattern:

- fast repricing after incidents,
- heightened focus on voyage particulars,
- and intermittent constraints in capacity appetite for specific vessel profiles or linkages.

2) Listed Area Discipline Remains — Even If Boundaries Don't Change

Even where Listed Area wording remains stable, the rate applied within those geographies can swing sharply (as 2025 showed). In other words: unchanged map ≠ unchanged price.

3) Black Sea Sensitivity Likely Persists

Given late-2025 changes, we expect continued underwriting caution around the Black Sea in 2026, with pricing and cover availability remaining highly dependent on incident patterns and perceived escalation risk.

4) Underwriting Will Continue to Sharpen Around "Risk Quality"

2026 renewals will likely differentiate more strongly based on:

- voyage planning and security protocols,
- AIS/track discipline and routing decisions,
- crew protection and incident response readiness,
- and the insured's ability to provide clean documentation and credible risk controls.

Key Numbers: 2025 Signals That Shape 2026 Expectations

- **Red Sea war risk premiums:** reported ~0.3% → ~0.7% (quotes up to ~1%) after July 2025 escalation.
- **Hormuz region premiums:** reported ~0.2–0.3% → ~0.5% during June 2025 escalation.
- **Black Sea (late 2025):** Ukrainian ports 0.4% → 0.5%; Russian ports 0.6% → ~0.65–0.8% (reported range).
- **Listed Areas framework:** maintained by the Joint War Committee; Red Sea/GoA defined in JWLA-032.

Orion View: How to Approach War Risks in 2026

- **Plan war risks early in the voyage economics.**

Build AP sensitivity into fixture discussions and freight negotiations—don't leave it to the last 48 hours.

- **Treat documentation as a coverage tool**

Ownership chain clarity, charter chain transparency, routing rationale, and security measures can materially affect underwriting response.

- **Align war cover with contracts**

Ensure charterparty clauses, deviation rights, and war risk allocation are consistent with the insurance structure.

- **Use a layered approach where appropriate**

For higher-risk transits, structured layers can protect availability and price stability when the market reprices quickly.

Disclaimer: This commentary reflects Orion Insurance Group's general market view based on publicly available market and industry sources as at June–December 2025 and is subject to change as geopolitical conditions and insurer appetite evolve through 2026. It is provided for general information only and does not constitute advice.