



# 2024 Q1 Energy Market Update Twists, Turns, and Going Green

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## THE 2023 OIL AND GAS SCENE

The oil and gas scene saw some wild twists in 2023. First off, we saw a bounce-back from the COVID-19 slump that hit demand and prices. As economies picked up, so did the demand for energy, sending up West Texas Intermediate (WTI) prices on a roller coaster ride. Geopolitical turmoil in key oil spots added to the chaos, disrupting supply chains and making prices fluctuate.

In addition, oil and gas companies pursued clean-energy projects, putting money into solar, wind, and all things renewable. Some also used technology to cut down on carbon emissions. Why? Because suddenly environmental sustainability wasn't just an idea; it was what consumers and investors wanted. So 2023 wasn't just business as usual for the oil and gas crew; it was a year of change.

Amidst all the shake-ups, 2023 also witnessed a push for energy independence. Countries started eyeing ways to rely less on foreign oil, exploring domestic sources and alternative energy solutions. This quest for self-sufficiency became a major force, with governments implementing policies to boost local energy production and reduce reliance on imported fuel. The race was on to diversify energy portfolios and secure a more stable and resilient energy future.

As a result, the oil and gas landscape saw a jumble of changes — from new drilling sites to investments in homegrown renewables — in the pursuit of keeping the lights on without depending too much on the global energy chessboard, overcoming challenges, and adding a dash of sustainability.

## THE OIL AND GAS EFFECT ON ENERGY INSURANCE

2023 was an amazing year for both the energy and insurance sector. While the energy space twisted and turned, our lives in the insurance world seemed very steady. As brokers in the wholesale space, we welcomed this stability with open arms.

The rate environment provided some challenges in certain classes of business, but wasn't so dramatic that it caused the widespread panic we saw in past years.

As we look for opportunity moving forward, our focus is the excess insurance marketplace. For 2024 renewals, we're expecting more restrictive terms from our friends in the admitted space. With capacity cuts and the ever-growing contractual requirements for more limits, our opportunity is exponential in this arena. Excess insurance on energy-related operations is one of our strengths here at RPS Energy, and we're looking forward to providing our agents with capacity at a moment's notice.

Thanks for reading, and let's see how this first quarter of 2024 shakes out.

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