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# INSIGHTS

DECEMBER 2025

## THE FUTURE OF DISASTER MANAGEMENT: Satellite-Powered Insights

Captives in Global Insurance Programmes: From Cost Control to Risk Intelligence

Technological Trends Shaping the Insurance Industry in 2026

Rethinking Insurance for Sustainable Renovation

# Editor's Note

Dear Readers,

It's hard to believe that 2025 has come to an end. I hope you had a wonderful holiday season. As we look ahead to 2026, the insurance world is poised for change, with technology, strategy, and sustainability shaping how risks are understood and managed every day.

This year, we're seeing insurance become faster, smarter, and more closely woven into how businesses operate. AI-driven underwriting and hybrid parametric solutions are giving companies tools to respond with precision and speed, making traditional processes feel almost slow by comparison.

Sustainability is also taking center stage. In Asia, the push to renovate older buildings with lower carbon impact brings unique challenges—from hidden structural defects to preserving heritage features. Early collaboration with insurers can make a real difference, influencing costs, timelines, and what's possible while ensuring these buildings are renewed safely.

Captives and global programmes are helping organisations shift from simply buying insurance to owning risk strategically. Growth in cyber, political, and supply chain coverage shows how these tools can transform risk from a reactive cost into a proactive asset.

Even disaster management is being reshaped. Satellite-powered insights and other technological tools are helping insurers anticipate events, triage claims, and respond with speed and clarity that was unthinkable just a few years ago.

All of this points to an industry in transition—one where smart technology, strategic thinking, and sustainable practices come together to create more resilient solutions. As 2026 begins, it's an exciting moment to explore these trends and see how they will shape the future of insurance.

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**Managing Editor**

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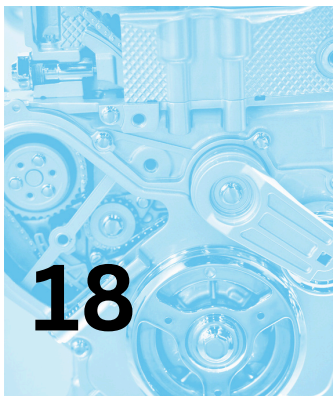





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# THE FUTURE OF DISASTER MANAGEMENT:

## Satellite-Powered Insights

In the aftermath of a major hurricane or typhoon, time is of the essence. The immediate response to catastrophic events can make the difference between fast recovery and prolonged hardship.

For decades, insurers have faced significant delays in assessing damages after major disasters. The process often involved waiting for skies to clear, aircraft to fly over impacted areas, and fragmented reports to come in from the ground—each step slowing down claims processing.

In an environment where speed and accuracy are critical, these delays are not just costly but also hinder the ability to provide timely support to those affected. Traditional disaster response methods, which rely heavily on ground teams, aerial surveys, and physical inspections, continue to be time-consuming and resource-intensive.

These factors contribute to delays in claims processing, leading to higher operational costs and prolonged recovery efforts for policyholders. As hurricane and typhoon seasons extend and the magnitude and frequency of these disasters rise, the conventional method of post-disaster claims assessment is quickly proving inadequate.

**Hurricanes Are Changing**

The effects of climate change are significantly influencing the behaviour of hurricanes and typhoons, making them more frequent, more intense, and less predictable.

Warmer ocean temperatures are leading to stronger and more destructive storms. With global temperatures continuing to rise, ocean surface temperatures follow suit; leading to more intense storms with stronger winds, heavier rainfall, and greater damage potential. Research indicates that hurricanes are reaching higher categories than before due to this warming trend.

**As hurricane and typhoon seasons grow longer, and the scale and frequency of these disasters increase; the traditional approach to post-disaster claims assessment is rapidly becoming insufficient.**

Rising temperatures also have an affect on atmospheric conditions, leading to more frequent and intense storms. Warmer air holds more moisture, which can cause heavier rainfall and increase the likelihood of storms becoming full-blown hurricanes or typhoons. The warming climate lowers the threshold for storm formation, boosting the frequency of tropical cyclones, including hurricanes and typhoons.

One of the most concerning impacts of climate change is the increased unpredictability of storm paths. Changes in atmospheric pressure patterns and wind currents, caused by warming temperatures, are altering how storms move across the globe. This makes it harder to predict their landfall or intensity in advance, leaving communities and insurers with less time to prepare and respond.

Climate change also contributes to rising sea levels, which exacerbates the impact of hurricanes and typhoons. Higher sea levels mean that storm surges can reach further inland, causing more widespread flooding. Coastal areas, which are already vulnerable, are at even greater risk as these storms become more powerful and storm surges grow in height and reach.

With warmer ocean temperatures, some storms are staying stronger for longer periods. This extended lifespan can cause more prolonged damage, with storm systems linger over areas for days, dumping heavy rain and causing flooding. Extended exposure to these elements increases the overall destruction and makes recovery efforts more difficult.

Together, these factors create a perfect storm of rising intensity, frequency, and unpredictability, pushing the limits of existing disaster response systems and placing enormous pressure on insurers to adapt. Rising volatility and complexity in storm behaviour make real-time, accurate data essential for the insurance industry.

**Need for Faster, More Accurate Disaster Response**

The effects of climate change on hurricanes are intensifying the pressure on insurers, governments, and aid organisations to respond more quickly and accurately. As disaster impacts grow, the need for rapid claims assessment becomes crucial. Insurers must balance speeding up the claims process with ensuring data accuracy and comprehensiveness.

While probabilistic models have become a key tool for predicting hurricane risks, they often fail to capture the complex, real-time behaviour of storms. These models rely on historical data and simulations, but they struggle to account for the unpredictable dynamics of hurricanes as they unfold.

Factors like sudden shifts in storm paths, intensity changes, and evolving atmospheric conditions can dramatically alter a storm's impact, making it challenging for insurers to rely solely on these models. This gap in predictive capabilities makes it even harder for insurers to respond efficiently in real time.

**The effects of climate change on hurricanes are intensifying the pressure on insurers, governments, and aid organisations to respond more quickly and accurately.**

Long-standing inefficiencies in the claims process can lead to significant financial losses. Slow assessments mean that claims are not paid out promptly, which strains policyholders already facing the consequences of the disaster.

Additionally, the need to deploy large teams to conduct on-the-ground assessments results in significant operational costs for insurers. Growing pressure for quicker payouts and better service requires insurers to embrace new technologies to meet these challenges.

**A New Layer of Intelligence**

One of the most promising technological advances in recent years has been the rise of satellite technology, particularly Synthetic Aperture Radar (SAR). SAR is a type of radar system that uses the movement of the satellite to create highly detailed, high-resolution images of the Earth's surface, regardless of weather conditions. This capability enables insurers to rapidly capture data along the entire track of a hurricane, from landfall to its final dissipation.

Unlike optical imagery, which is blocked by clouds or weather systems, SAR penetrates through clouds, rain, and even smoke, making it incredibly valuable for real-time disaster monitoring. SAR produces sharp, detailed images that can identify various forms of damage, including structural damage, flooding, debris accumulation, and changes in land elevation. This revolutionary approach is helping insurers gain a much clearer picture of the aftermath of disasters, in a way that is both fast and reliable.

SAR offers several advantages in post-disaster claims processing as outlined below:

*Comprehensive Data Capture:* SAR satellites can continuously capture data along the entire path of a storm. This capability means that insurers no longer have to wait for isolated post-event reports or rely on aerial surveys, which may only cover limited areas. With SAR, entire regions affected by a hurricane or typhoon can be captured in one seamless set of data, providing insurers with an all-encompassing view of the damage.

*Speed:* SAR satellites can provide critical information within hours, rather than waiting for days or even weeks for ground surveys to begin. This speed translates to quicker claims processing, which helps policyholders recover more rapidly.

*Accuracy:* By comparing pre- and post-disaster images, SAR data allows insurers to pinpoint the extent of damage to properties, roads, and infrastructure with unmatched precision. This accuracy is vital for proper damage assessment, which directly impacts the fairness and timeliness of claims payouts.

*Cost Reduction:* With SAR, insurers can rely on a single, continuous stream of satellite data to inform their claims processing. This not only reduces operational costs but also enables better resource allocation during disaster response efforts.

*Long-Term Monitoring:* Beyond initial damage assessments, SAR provides a valuable tool for long-term monitoring of the affected area. It can track the ongoing recovery process, the movement of floodwaters, or the rebuilding of infrastructure, offering insurers a continuous view of how the disaster's effects evolve over time.

**Real-World Applications of SAR Technology**

SAR technology has been used extensively to assess and monitor the impact of hurricanes, typhoons, and other natural disasters. For example, during Hurricane Harvey (2017) in the United States, SAR imagery allowed insurers to quickly evaluate widespread flooding and property damage, speeding up claims assessments.

In Typhoon Haiyan (2013) in the Philippines, SAR data helped map extensive destruction, including infrastructure and agricultural losses, enabling more accurate damage estimation. During Cyclone Idai (2019) in Mozambique, SAR imagery tracked flooding and changes in terrain, supporting faster decision-making for emergency response and insurance payouts.

Even beyond hurricanes, SAR proved essential during the Australian bushfires (2019–2020), delivering real-time insights into the spread of fires and the extent of property damage. SAR satellite , played a pivotal role in providing immediate information about the fire's impact, highlighting the devastation of extensive forest areas and properties.

These examples show how SAR technology transforms disaster response, turning satellite data into actionable intelligence, reducing operational costs, and allowing insurers to respond more quickly and accurately to large-scale catastrophes.

**Turning Data Into Action**

SAR satellite imagery is changing how insurers respond to storms. Instead of waiting for reports, claims can be triaged, adjusters assigned, and response strategies mapped even before a storm hits. As events unfold, plans can adapt in real time, giving insurers a clear, agile view of the situation.

For incidents involving wind, flood, or mixed damages, SAR imagery can differentiate between loss types, an essential factor for managing coverage questions, applying deductibles accurately, and coordinating reinsurance obligations. Claims that require specialised handling can be flagged early, ensuring that the right expertise and resources are matched to each case. This proactive approach not only speeds up claim resolution but also enhances customer trust by demonstrating preparedness and responsiveness.

SAR technology is highly scalable, offering a resolution fine enough to evaluate damage at the neighbourhood level while also encompassing the broader effects across entire cities, states, or regions. This capability allows insurers to grasp both localised and widespread impacts of a storm, aiding in strategic decisions related to resource allocation, underwriting, and risk modelling.

While SAR enhances insights, it complements rather than replaces human adjusters. It serves as an intelligence layer, providing insurers with actionable data that informs timely decisions, optimises operations, and improves policyholder service.

**While SAR enhances insights, it complements rather than replaces human adjusters.**

# Captives in Global Insurance Programmes: From Cost Control to Risk Intelligence

In today's interconnected economy, most companies operate across multiple countries. This expansion brings both opportunity and complexity. For many organisations, a centrally coordinated global insurance programme has become the most efficient way to manage risks across diverse territories. Within this framework, captives are emerging as powerful tools that allow companies not only to retain risk but also to gain clarity and control over their overall cost of risk.

**Why Captives Matter in Global Programmes**

A captive offers companies the ability to hold meaningful retentions at the parent level rather than at local subsidiaries. This centralisation provides a clearer picture of global exposures and costs. Rather than relying solely on traditional insurance purchased in fragmented markets, companies can use a captive to absorb certain risks themselves while supplementing coverage with local policies.

This strategy creates transparency, enabling executives to understand precisely where capital is deployed and where losses are occurring.

**Captives are emerging as powerful tools that allow companies not only to retain risk but also to gain clarity and control over their overall cost of risk.**

Yet captives cannot always operate alone. Many jurisdictions impose restrictions that prevent them from issuing policies directly. This is where insurers with a global presence become invaluable. By providing local admitted policies when necessary—either through their own offices or through a network of partners—and supporting these with a master policy, insurers empower companies to create a genuinely global and compliant insurance program.

**Expanding the Scope of Captives**

Captives are no longer confined to traditional property and casualty lines. Across industries, risk managers are exploring new ways to use their captives for emerging exposures. In Asia, captives have traditionally focused on core risks like property and liability.

Beyond conventional coverage, captives are increasingly being used for employee benefits, cyber risks, trade credit, environmental liabilities, and non-damage business interruption. Writing more business in a captive offers two clear benefits: it provides coverage for risks that may be underserved in traditional markets, and it strengthens the captive's financial capacity to absorb unexpected or large losses. In essence, the more diversified the captive's portfolio, the more resilient it becomes.

In Asia, interest in captive insurance has been growing steadily, with companies increasingly turning to captives not just for core risks but also for more specialised and emerging exposures such as cyber, directors and officers liability, environmental risks, and supply-chain disruption.

Recent industry data show that captives with Asia-based parent companies have seen a notable increase in premium volumes, indicating that firms are writing more diverse lines of business through their captives rather than only sticking with traditional coverages.

**Regulatory Pressures and Opportunities**

Regulators across Asia are playing an increasingly active role in shaping how captives are used, and that's creating both pressure and opportunity for companies in the region. In established jurisdictions like Labuan IBFC and emerging ones such as Hong Kong, authorities are fine-tuning frameworks to balance sound risk supervision with competitiveness for global and regional groups.

In Labuan IBCF, for instance, evolving omnibus guidelines have broadened the types of captives and risks that can be underwritten, and clarified structures such as external rent-a-captives for complex liabilities including cyber and product liability. These regulatory updates are a nod to the market's maturing capabilities while continuing to emphasise compliance with substance and governance requirements.

Hong Kong's Insurance Authority has also stepped up its regulatory game. A risk-based capital regime introduced in 2024 aligns solvency requirements more closely with the risk profiles of insurers, including captives, and the authority has streamlined licensing processes and reduced entry barriers to draw multinational captives to the city's financial centre.

As of 2025, approvals of new captives such as Wayfoong (Asia) under these modernised rules reflect growing confidence in the regulatory environment here.

Across Asia, the echoes of global tax guidance like the OECD's BEPS framework are unmistakable. While BEPS isn't aimed exclusively at captives, it reinforces that any cross-border insurance structure must have genuine business purposes and operational substance. Tax authorities require captives to demonstrate legitimate risk financing goals rather than mere tax optimisation, necessitating clear documentation of business objectives, local personnel, decision-making processes, and capital adequacy.

Taken together, these developments show captives in Asia are no longer lightly regulated backwaters. They're becoming serious, purpose-built risk management tools supported by regulators that want to grow their insurance centres, while still safeguarding financial stability and transparency.

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**Captives as a Platform for ART**

Beyond traditional insurance, captives can serve as an effective platform for exploring alternative risk transfer (ART) solutions. In global programmes, the centralisation that a captive provides is particularly valuable. By consolidating premiums and aggregating risks across multiple territories, captives create a single point of control and visibility.

This aggregation makes it easier for companies to access both traditional reinsurance markets and the growing range of ART instruments, including insurance-linked securities, parametric solutions, and other bespoke risk structures.

Hence, in an international programme, a captive serves as a central aggregator of both risk and premium. This consolidation allows the company to approach the reinsurance market—whether traditional or alternative—as a single, global entity. By bringing together exposures from multiple territories, the captive simplifies negotiations, strengthens placement options, and creates a more robust foundation for advanced risk-financing strategies.

The captive's aggregation function allows companies to take a holistic view of their exposures, identify correlations across territories, and optimize capital deployment. It enables them to participate in innovative risk-transfer structures that might be too complex or costly for individual subsidiaries to pursue independently.

In short, the captive does not simply retain risk, but becomes a strategic hub through which companies can access new markets, manage emerging exposures, and implement advanced solutions that enhance both resilience and cost efficiency.

**Conclusion**

Captives have evolved far beyond their traditional role as niche instruments for large multinational corporations. Today, they are strategic tools that enable companies to retain risk in a more informed and deliberate manner, while also providing the flexibility to expand coverage for emerging and evolving exposures.

By consolidating risk at the parent level, captives offer a global view of potential losses, giving organisations clarity and transparency over their total cost of risk. This centralised approach allows companies to make more confident decisions about retention levels, coverage scope, and capital allocation, turning risk management into a strategic business function rather than a purely defensive measure.

# TECHNOLOGICAL

## Trends Shaping the Insurance Industry in 2026

The insurance industry feels familiar and comfortable to many. Traditional underwriting, face-to-face agents, forms passed from desk to desk. But that world is shifting fast. By 2026, technology will not simply support insurance operations — it will reshape them. Some insurers are already living these changes. Others will have to catch up or fall behind.

**AI Moves Beyond Chatbots**

We've all seen automated chat tools answering simple questions. That was the start. In 2026, insurers will use much deeper forms of artificial intelligence (AI). Models that can reason with complex data, explain their choices, and help underwriters make better decisions will go into production.

These systems won't just speed things up. They will rewire workflows like claims and risk selection so humans and machines work in new patterns. Claims can settle faster, with less leakage and more accountability built in. Data standardisation, which was seen as a back-office task, now becomes essential to drive reliable AI results.

This is not hypothetical. Insurtech funding is actively directed towards AI technologies capable of impacting billions in premiums. Insurers are investing in LLM-powered tools that can automatically review policies, extract risk information, and update records efficiently.

Despite the advantages, there are risks involved. Automation has the potential to displace jobs, as evidenced by recent announcements of planned reductions at several major carriers. Meanwhile, other companies are leveraging AI to enhance productivity without resorting to staff cuts.

**Embedded Insurance and APIs Become Standard**

Insurance has historically been marketed through agents or brokers, but this is changing. A significant portion of personal and commercial insurance is expected to be purchased through platforms where customers already engage, such as e-commerce checkouts and mobility applications.

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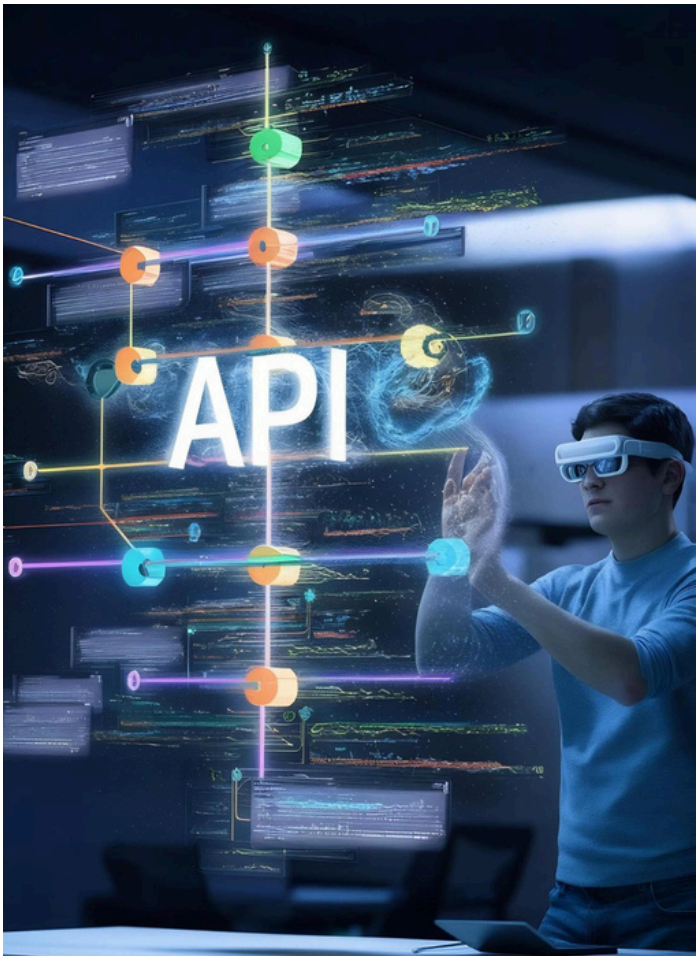
Embedded insurance, delivered through Application Programme Interfaces (APIs), means protection is offered right at the moment of need, without policyholders ever visiting a carrier's website. Some analysts project this shift could channel a significant portion of premiums through embedded systems in the next few years.

APIs play a crucial role beyond merely selling products. They integrate legacy systems and modern services. Quote, bind, issue and claims functions can talk to third-party risk data, credit bureaus or geographic sensors in real time, improving speed and accuracy across the value chain




**Data-Driven Underwriting**

The future is transforming. Real-time data from Internet of Things (IoTs) devices feeds dynamic risk profiles. This enables insurers to adjust pricing to reflect how people actually behave, not just what a historical model says they might do. Early examples indicate that when pricing mirrors real behaviour instead of broad demographic categories, it results in improved loss ratios and enhanced customer retention.

Today's connected vehicles, wearables, and smart building sensors do more than just gather data; they continuously transmit it. Insurers can now observe actual driver behaviour, monitor how a property's humidity or temperature changes over time, and analyse the daily operations of factory machinery. This wealth of information enables carriers to transcend general demographic categories and instead create risk profiles that accurately reflect genuine behaviours and real-world conditions.

Across the industry, usage-based insurance programmes now account for large portions of connected device deployments, with millions of vehicles transmitting telematics data and tens of millions of smart sensors installed in homes and commercial buildings. These real-time insights have enabled pilot programs to lower loss costs and enhance customer retention by ensuring that pricing reflects actual risk rather than mere assumptions.

The adoption curve is not consistent across the board. Many insurers continue to face obstacles such as legacy systems, data silos, and governance challenges. However, those who develop robust data infrastructures, combine IoT feeds with predictive models, and adopt continuous risk assessment will gain a clearer perspective on emerging threats and opportunities. With advancement in technology, we can expect to see underwriting shifting from speculation about potential events to a focus on current realities.

**Digital Ecosystems and Collaboration**

It's not just about smart underwriting or faster claims. The insurance sector itself is being reshaped by the idea of ecosystems — collaborative networks of partners that work together across industries, technology stacks, and customer journeys. According to Forbes, by 2028, analysts predict that over 30% of insurance transactions to take place within digital ecosystems rather than through traditional channels. That's not a small shift, it's a structural one

This trend is fuelled by two key motivations: reach and experience. Customers want insurance integrated into their existing environments, whether it's in the products they purchase, the travel arrangements they make, or the platforms they depend on.

Insurers aim to connect with those same customers while avoiding the complications of traditional distribution methods. Solutions like embedded insurance at the point of sale, bundled mobility services with risk protection, and health platforms offering coverage alongside care present promising options for both sides.

**With advancement in technology, we can expect to see underwriting shifting from speculation about potential events to a focus on current realities.**

In practical terms, carriers are experimenting with a wide range of models. Some build their own ecosystems, connecting services from health to housing to mobility around a core insurance offering. Others plug into existing platforms as partners. Across Asia and Europe, insurers are already integrating APIs, shared data environments, and real-time services to create fluid customer experiences.

Collaboration is rarely without its challenges. The technological obstacles are significant. Merging legacy systems with modern APIs, standardising data among partners, and creating seamless customer experiences require extensive technical expertise and considerable lead times. Many insurers find that these integration endeavours are more intricate and expensive than they initially expected.

**Composable Architectures Replace Monoliths**

Many carriers continue to rely on outdated systems that lack interoperability. We can expect to see many leading carriers adopt modern core platforms constructed from modular components. These "composable cores" allow for the seamless integration of new capabilities without the need for extensive modifications. Consequently, new products can be introduced more swiftly, partners can integrate with increased efficiency, and systems can achieve improved stability.

That matters for growth and competitiveness. Companies that cling to monolithic platforms risk being outpaced by rivals who can adapt products, distribution, and workflows in weeks instead of quarters.

**Fraud and Security Will Become More Intense and Complex**

Fraud and security are no longer back-office concerns. They are central to the insurer's value proposition. Policyholders expect protection not only from physical and financial risks but also from threats to their data and trust.

At the same time, the rise of digital ecosystems, connected devices, and cloud-based platforms increases exposure to cyber threats. Data breaches can compromise sensitive policyholder information, disrupt operations, and lead to regulatory penalties.

The response from insurers extends well beyond mere compliance checklists. Leading carriers are dedicating resources to comprehensive cybersecurity strategies that include encrypting data both in transit and at rest, implementing AI-driven intrusion detection systems, and performing ongoing security audits.

Additionally, they are embracing "zero trust" architectures, which operate under the assumption that no user or device can be trusted by default. This strategy is vital in a landscape where a single vulnerability in a partner within the ecosystem can jeopardise the entire chain.

**Climate Risk and Parametric**

Climate change is a present reality, evident in insurance claims. Floods are now more frequent, and heatwaves stress infrastructure unexpectedly. For insurers, this results in longer claims cycles, increased loss volatility, and more disputes over damage and coverage.

Parametric insurance provides rapid payouts based on predefined events, like rainfall or earthquake intensity, without inspections. This automatic process is essential for businesses requiring immediate funds after a disaster.

Pure parametric insurance faces limitations due to basis risk, where triggers may activate without actual damage. Emerging hybrid parametric structures combine parametric triggers with traditional indemnity, offering immediate payouts followed by compensation based on actual losses after assessments.

**Market Signals Are Clear**

The insurtech market is poised for substantial growth in the next decade, driven by AI, analytics, automation, and new distribution models. This growth is important for enhancing economic resilience, enabling faster claims, better personalisation, and greater accessibility for those at risk.

# RETHINKING INSURANCE FOR SUSTAINABLE RENOVATION

Walk through the older parts of Singapore, Shanghai, Mumbai, or Kuala Lumpur and the signs are everywhere. Power stations turned into lifestyle precincts. Warehouses reborn as offices. Colonial-era buildings quietly fitted with modern systems, still carrying the marks of another time. Adaptive reuse has moved from niche ambition to mainstream strategy.

The push for change is rooted in structure rather than aesthetics. Buildings and construction contribute approximately 37% of global greenhouse gas emissions, with Asia bearing a significant portion of that burden.

The International Energy Agency (IEA) reports that over half of the world's existing building stock is located in Asia, much of which is outdated, energy-inefficient, and unlikely to see replacement in the near future. For emissions to decrease significantly, renovation must take centre stage in the solution.

Yet renovation is not simply “construction, but smaller.” From a risk and insurance perspective, it is a different animal entirely. And too often, insurance partners are invited into the conversation after the most consequential decisions have already been made. That delay comes at a cost.

**Renovation is a Realm of Uncertainty.**
New constructions adhere to a recognisable pattern: familiar materials, predictable sequences, and clear drawings that usually align with reality. In contrast, renovations swiftly break that comfort zone.

In today's sustainable refurbishment projects, deep intervention is a common practice. This often includes opening up walls, re-engineering roofs, strengthening foundations, and integrating mechanical and electrical systems into structures that were not originally designed for them. Meanwhile, many initiatives strive to maintain historical elements such as facades, beams, finishes, and occasionally even original pipework. It is in this blend of old and new where the potential for risk significantly increases.

**Buildings and construction contribute approximately 37% of global greenhouse gas emissions, with Asia bearing a significant portion of that burden.**

In Hong Kong, insurers have flagged water damage as one of the most frequent loss drivers in refurbishment projects, especially where new plumbing connects to decades-old systems. In parts of Southeast Asia, retained facades and heritage elements have suffered irreversible damage during excavation or vibration works nearby. These instances are not isolated; they reflect a broader trend.

The issue at hand is not negligence; rather, it stems from uncertainty. Drawings often fail to capture the complete narrative of a building that has undergone various transformations. There are hidden voids, undocumented modifications, and materials that no longer align with contemporary standards. Renovation reveals what was once concealed.

Insurance pricing, coverage structure, and risk controls need to reflect that reality. But they can only do so if insurers are brought in early enough to understand the scope before it hardens.

**Urban Density Raises the Stakes**

Many refurbishment projects in Asia take place in bustling, densely populated urban settings. Historic city centers like Bangkok, Seoul, and Penang continue their vibrant activity even as scaffolding is erected. Traffic continues to flow, businesses operate right next door, and pedestrians walk just meters away from significant construction efforts.

These conditions introduce exposures that rarely exist on greenfield sites. These include limited access routes, constrained storage, higher third-party liability, and greater sensitivity to noise, dust, vibration, and accidental damage. In cities like Tokyo and Singapore, even minor incidents can escalate quickly due to regulatory scrutiny and public response.

From an insurance perspective, this shifts everything—from policy limits and deductibles to considerations for business interruptions and recommendations for construction sequencing. However, these changes yield the best results when they are integrated into the project rather than merely added on later.

**Sustainability Brings New Questions, Not Fewer**

Sustainable renovation is frequently associated with a perception of reduced risk, which stems from the use of fewer new materials, less demolition, and a diminished environmental footprint. While the intention is commendable, the implementation can be quite intricate. Green materials might perform differently when subjected to stress. Innovative insulation systems could trap moisture if not properly integrated with older walls.


Energy upgrades run the risk of overloading existing electrical systems. Additionally, striving for carbon reduction may introduce new and unfamiliar failure modes. Understanding these complexities is vital for successful sustainable renovations.

Across Asia, insurers are observing an increase in claims associated with sustainability upgrades that, while well-intentioned, were not entirely compatible with the building's original design. The key takeaway is not to hinder innovation but to approach it with awareness. Involving insurers early on facilitates discussions about these risks while alternatives are still available. This may require adjusting materials, incorporating monitoring systems, or even completely rethinking the renovation sequence.

**A Strategic Role, Not Transactional**

Top renovation projects involve insurers early, not just for coverage but to address risks like structural failures, hidden defects, and phased occupancy. Early engagement shapes cost, timing, and feasibility, helping projects in Asia navigate shifting risks as the region pursues lower-carbon buildings.