Beacon®

Insurance Brokers Pvt. Ltd.

We ensure happiness

IRDAI License No.: 320 CRISIL Rated

THE RISK RADIUS

Connecting
Global Risk
with Practical
Risk Management

Edition 1

TABLE OF CONTENTS

A MESSAGE FROM THE LEADERSHIP

WHAT'S SHAPING BUSINESS RISK AROUND THE WORLD

The business environment is being reshaped by risks that are increasingly interconnected, fast-moving and difficult to isolate. Geopolitical tensions can disrupt trade routes and energy markets within hours. Extreme weather can damage physical assets, interrupt operations and place additional pressure on supply chains. At the same time, cyber threats, regulatory developments and financial uncertainty continue to test the resilience of organisations across sectors.

For business leaders, this means that risk management can no longer remain a periodic insurance exercise. It must become a continuous strategic process-one that identifies emerging exposures, evaluates their financial impact and aligns insurance protection with the organisation's wider continuity and growth objectives.

At Beacon Insurance Brokers, we believe effective risk management begins with understanding how external events translate into operational, financial and liability exposures. The right insurance programme should not merely respond after a loss. It should support preparedness, protect cash flow, preserve balance-sheet strength and help businesses recover with confidence.

This edition of The Risk Radius examines some of the most significant developments shaping the current risk landscape. It explores the implications of geopolitical disruption, supply-chain volatility, extreme climate conditions, trade-credit exposures and evolving insurance-market capacity.

It also highlights how carefully structured covers-supported by sound risk engineering, accurate policy interpretation and proactive claims advocacy-can strengthen business resilience.

Our role as an insurance broker extends beyond arranging policies. It is to challenge assumptions, identify gaps, improve programme design and stand beside our clients when a claim occurs. Through informed advice, technical expertise and market access, we remain committed to helping businesses navigate uncertainty with greater clarity.

S.K. RUSTAGI
Managing Director

SANJAY AGRAWAL
Director

> **Risk may continue to evolve, but preparedness, protection and informed decision-making can ensure that uncertainty does not become vulnerability.**

THE GLOBAL RISK LANDSCAPE

EVENTS FROM THE LAST 90 DAYS SHAPING BUSINESS DECISIONS

The last quarter demonstrated how quickly risks can compound. Geopolitical conflict, energy-market disruption, extreme heat, cyber threats and economic uncertainty increasingly interact across supply chains. Organisations must be prepared not only to respond to disruption, but also to identify critical dependencies before an event occurs.

THE US - IRAN CONFLICT: A GLOBAL TRADE AND ENERGY SHOCK

The conflict involving the United States, Israel and Iran caused severe restrictions on tanker movements through the Strait of Hormuz and disrupted global energy and shipping markets. Freight rates, marine war-risk pricing and voyage planning became more volatile, while businesses reassessed route concentration, supply-chain dependencies and working-capital needs.

In the first half of 2025, the Strait carried about one-quarter of global maritime oil trade, equivalent to roughly one-fifth of global petroleum-liquids consumption. India is among the major Asian destinations for crude oil transiting the Strait, making Indian businesses sensitive to disruptions in the corridor.

BUSINESS IMPACT

- Volatile energy and bunker costs
- Higher freight and war-risk costs
- Longer and less predictable transit times
- Higher inventory and working-capital requirements
- Heightened geopolitical and counterparty uncertainty

INDIA'S SUMMER FIRE RISK HEAT, ELECTRICAL LOAD AND BUSINESS CONTINUITY

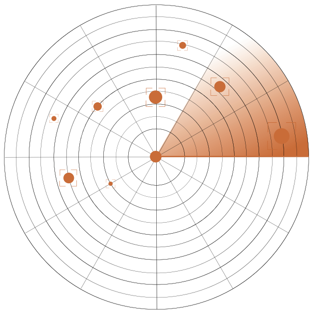
India's 2026 heatwaves pushed electricity demand to record levels, increasing the stress on electrical systems and Vcooling infrastructure. High ambient temperatures, overloaded circuits, ageing installations, poor maintenance and inadequate fire protection can materially increase the probability and severity of electrical and fire losses.

For businesses, the financial impact can extend beyond physical damage. Production stoppages, loss of gross profit, additional operating costs, supply-chain delays, employee-safety concerns and reputational harm may exceed the cost of repairing the damaged property.

BUSINESS IMPACT

- Operational and manufacturing downtime
- Damage to stock,plant and equipment
- Supply-chain and customer-delivery delays
- Employee and visitor safety concerns
- Business interruption and extra-expense losses

THE RISK RADAR



5 KEY BUSINESS RISKS TRIGGERED BY LAST QUARTER'S EVENTS

Geopolitical events are no longer distant from day-to-day operations. Restrictions in the Strait of Hormuz can affect freight, fuel costs, delivery schedules, supplier availability and working capital for businesses in India.

The following risks illustrate how global disruption can affect specific industries-and how insurance and risk-management structures may be used to reduce the financial impact.

01 Geopolitical & Maritime Transit Risk

- Restricted or rerouted shipping lanes
- Longer and less predictable voyages
- Higher freight and war-risk costs
- Limited insurance capacity for affected regions

Beacon Insight

War and strikes perils are not automatically covered under Marine Cargo Insurance, even when the policy is written on an all-risks basis. Cover must be specifically included and may be restricted or cancelled in accordance with the policy terms.

The Bharat Maritime Insurance Pool may support eligible India-linked maritime risks, subject to underwriting guidelines, eligibility and approval.

02 Trade Credit Non-Payment Risk

- Buyer insolvency
- Protracted payment default
- Political restrictions on fund transfers
- Excessive exposure to a few customers

Beacon Insight

Trade Credit Insurance can protect approved receivables against specified commercial and political risks. The amount payable depends on approved credit limits, waiting periods, reporting obligations, overdue-account controls and the policy wording.

03 Extreme Climate & Asset Risk

- Electrical overloading and short circuits
- Failure of cooling and power-distribution systems
- Damage to plant, stock and equipment
- Loss of income following physical damage

Beacon Insight

The insurance programme may include:

- Property or Fire Insurance
- Industrial All Risks
- Machinery Breakdown
- Electronic Equipment Insurance
- Business Interruption Insurance

Asset values, gross-profit declarations and indemnity periods should reflect the actual exposure. Risk inspections, preventive maintenance and accurate equipment scheduling are equally important.

04 Supply Chain & Contingent Disruption

- Physical damage at a critical supplier
- Production stoppages and project delays
- Increased operating costs
- Lost revenue despite no damage at the insured's premises

Beacon Insight

Contingent Business Interruption cover may respond when an insured supplier or customer suffers physical damage from a covered peril. Named suppliers, lower-tier suppliers, utilities, ports and prevention-of-access exposures may require specific extensions and sub-limits.

General delays, insolvency, sanctions and shortages are not automatically covered.

05 Reinsurance & Capacity Constraints

- Reduced underwriting capacity
- Higher premiums and deductibles
- Narrower policy terms
- Greater scrutiny at renewal

Beacon Insight

Insurance decisions should consider more than price. Insurer financial strength, claims capability, reinsurance security, concentration of capacity and alternative placement options should also be assessed.

A clear risk presentation supported by accurate data and risk-improvement measures can strengthen renewal negotiations.

REAL CLAIM, REAL RECOVERY: HOW EXPERTISE MADE THE DIFFERENCE

The Case

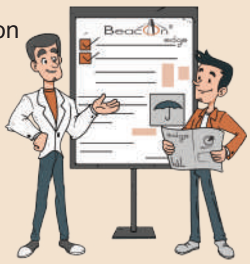
A short circuit in a String Combiner Box at a ground-mounted solar power plant resulted in damage to the SCB, inverter, electrical cables and underground cabling. The reported claim amount was INR 30 lakh.

The Challenge

The insurer initially questioned whether the Electronic Equipment Insurance policy applied, citing possible rainwater ingress. The relevant fire policy exclusion for electrical apparatus also created a potential coverage issue for damage confined to equipment affected by short-circuiting or arcing.

Beacon’s Approach

Beacon reviewed the policy schedule, cause-of-loss evidence, survey findings and applicable exclusions. The claim presentation focused on the proximate cause and on whether each damaged item was scheduled and insured under the Electronic Equipment Insurance policy.



The Outcome

Subject to documentary confirmation, the insurer accepted the claim under the Electronic Equipment Insurance policy and settled the claim for INR 30 lakh.

Key Takeaway

Claim outcomes depend on evidence, proximate cause, accurate asset scheduling and the precise policy wording.

Early notification, preservation of damaged components, technical investigation and a coordinated claim presentation can materially improve the resolution process.

THE INSURANCE EXPLAINER

EVERY QUARTER. ONE TOPIC. CLEARLY EXPLAINED

D&O Insurance: Protecting the people who lead the business

Every day, directors and senior executives make decisions involving investments, acquisitions, financing, hiring, compliance, and business strategy. While these decisions are made with the company's best interests in mind, not every outcome is successful. A dissatisfied shareholder, regulator, creditor, employee, or customer may allege that a decision caused them financial loss, exposing the directors to legal action and potentially putting their personal assets at risk.

Directors & Officers (D&O) Liability Insurance provides financial protection against claims arising from alleged wrongful acts committed while managing the affairs of the company. It covers defence costs and other covered liabilities, allowing business leaders to make informed decisions without bearing the financial burden of defending such claims personally.

What is D&O Insurance?

Directors and Officers Liability Insurance can respond to claims alleging wrongful acts by directors, officers and other insured persons in their managerial capacity is generally written on a claims-made and reported basis. The cover commonly includes:

Side A - Protection for insured persons when the company cannot lawfully or financially indemnify them

Side B - Reimbursement to the company when it indemnifies insured persons

Side C - Entity cover for specified claims, often securities claims, where included under the policy

What may be covered?

- ✓ Defence costs, usually subject to insurer consent and the aggregate limit
- ✓ Damages, settlements and compensation where legally insurable
- ✓ Regulatory investigations or formal enquiries, where covered by the policy definition or an extension
- ✓ Allegations of breach of duty, neglect, error, misstatement or misleading statement
- ✓ Certain employment-practices allegations, where included or separately insured
- ✓ Crisis-management, extradition or asset-and-liberty costs, where specifically extended

Common exclusions and limitations

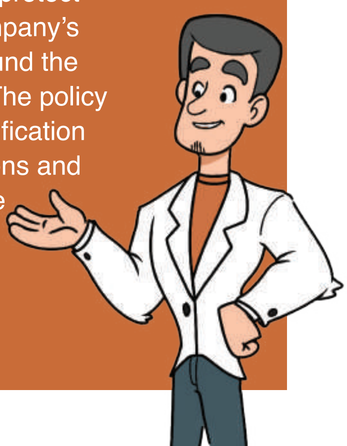
- ⊗ Fraud, dishonesty, intentional misconduct or personal profit, often subject to final adjudication or other wording specified in the policy
- ⊗ Prior or known claims, circumstances or investigations, and matters arising before the continuity date
- ⊗ Bodily injury and property damage, subject to any defence-cost or other carve-backs
- ⊗ Insured-versus-insured claims, subject to stated exceptions
- ⊗ Fines, penalties and taxes to the extent they are uninsurable by law
- ⊗ Claims notified outside the policy period or any applicable extended reporting period

Why D&O matters?

Leadership decisions are being scrutinised by investors, regulators, employees, customers and other stakeholders. ESG disclosures, Cyber incidents, data-protection duties, insolvency risk and transactions can all generate management-liability exposures.

The Beacon Take

D&O insurance is not a guarantee against every management dispute. It is a carefully structured liability cover that can protect personal assets, support the company's indemnification obligations and fund the defence of covered allegations. The policy limit, Side A structure, claims-notification process, continuity date, exclusions and defence-cost treatment should be reviewed before an incident occurs.



INSURANCE MARKET PULSE

CAPITAL, CAPACITY AND CONSOLIDATION: RESHAPING THE SECTOR

Insurance markets are entering a new phase of expansion. Regulatory liberalisation in India, the entry of global capacity and strategic international transactions are reshaping competition, underwriting capabilities and access to specialised insurance solutions.

INDIA OPENS INSURANCE TO 100% FDI

A New Chapter for Global Participation

India has raised the foreign investment limit in insurance companies from 74% to 100%, subject to the applicable regulatory framework and prescribed conditions.

Why it matters:

The reform can attract long-term capital, strengthen solvency and technology capabilities, and encourage greater competition across India's insurance market.

ALLIANZ–JIO EXPAND THEIR INDIA AMBITION

Reinsurance Operations Begin; Primary Insurance JV Announced

Allianz Jio Reinsurance commenced operations after receiving final IRDAI approval. Jio Financial Services and Allianz subsequently signed a binding agreement to establish a 50:50 joint venture for general and health insurance.

Why it matters:

The partnership combines Allianz's underwriting expertise with Jio's technology, distribution capabilities and domestic reach.

SWISS RE STRENGTHENS CREDIT AND SURETY CAPABILITIES

Agreement to Acquire QBE's Global Portfolio

Swiss Re Corporate Solutions agreed to acquire QBE's Global Trade Credit and Surety business, subject to regulatory approvals..

Why it matters:

The transaction would expand Swiss Re's primary credit and surety offering and strengthen its ability to support businesses facing insolven-cy,non-payment and contractual-performance risks.

MITSUI SUMITOMO DEEPENS ITS W. R. BERKLEY INVESTMENT

Strategic Stake in a Global Specialty Insurer

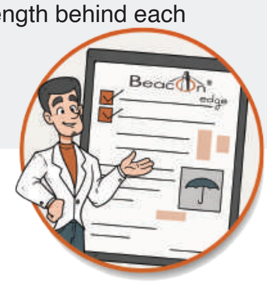
Mitsui Sumitomo Insurance completed its strategic investment in W. R. Berkley, acquiring approximately 15% of the insurer's voting shares.

Why it matters:

The investment reflects growing cross-border interest in specialist underwriting platforms and long-term exposure to profitable commercial insurance markets..

THE BEACON VIEW

These developments point to a market defined by greater capital availability, stronger global participation and deeper specialist capacity. For businesses, this may create broader... placement options - but policy structure, insurer selection, claims capability and the financial strength behind each programme will remain critical.



BEACON AT A GLANCE

ADVANCING KNOWLEDGE. STRENGTHENING RELATIONSHIPS.CREATING VALUE.

At Beacon, our role extends beyond arranging insurance. Through industry participation, strategic partnerships, knowledge-sharing and community outreach, we continue to contribute to a more informed and resilient insurance ecosystem.

01.

The Insurance Summit 2026

De-risking Businesses Amid Geopolitical Uncertainty in collaboration with Confederation of Indian Industry, and beacon team took multiple technical sessions as well as participated In the panel discussion

02.

Knowledge Partnership De-Risking Business Amid Geopolitical Uncertainity

In collaboration with the Confederation of Indian Industry, Beacon hosted an insightful forum on managing business risks arising from geopolitical uncertainty. The programme brought together experienced industry leaders for panel discussions and featured technical presentations by Beacon's specialist teams.

03.

Global Perspective: Accelerating Insurtech Through Broker Networks

De-risking Businesses Amid Geopolitical Uncertainty in collaboration with Confederation of Indian Industry, and beacon team took multiple technical sessions as well as participated In the panel discussion

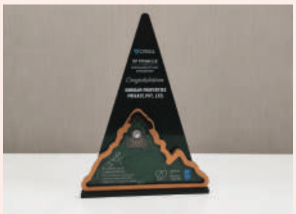
04.

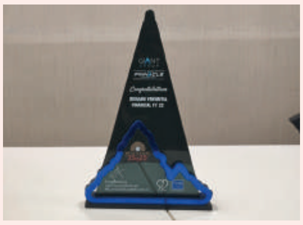
Celebrating a Long-standing Partnership: 20 Years with ICICI Lombard

Mr Sanjeet Kumar Rustagi was felicitated by ICICI Lombard in Portugal in recognition of Beacon's 20-year association with the insurer—a milestone reflecting two decades of trust, collaboration and shared commitment.

05.

Recognition: Celebrating Performance Across Beacon





Beacon was recognised by TATA AIG for its performance, dedication and contribution to the insurance ecosystem.

06.

Learning & Development: Investing in Knowledge

Beacon conducted its annual week-long classroom programme for campus hires, covering insurance fundamentals, products and industry practices.During the quarter, multiple internal and external sessions were also conducted across Fire, Trade Credit, Liability and other specialist areas to keep our teams informed and future-ready.

07.

Industry Knowledge-Sharing: IBAI Saturday Sessions

Our Managing Director, Mr Sanjeet Kumar Rustagi, continued to actively participate in and moderate IBAI's Saturday Sessions. Covering regulatory developments, technical subjects and emerging market practices, the sessions have become an important platform for industry-wide learning and dialogue.

08.

Community Awareness: Promoting Home Insurance Protection

Following several fire incidents during the summer of 2026, Beacon organised awareness camps across housing societies and residential complexes in Delhi NCR. The initiative helped residents understand common household risks and the importance of appropriate home insurance protection.

Every initiative reflects Beacon's commitment to building knowledge, strengthening partnerships and creating meaningful value for clients, colleagues and the wider insurance community.

FIND US PAN INDIA

VADODARA

Office No: 119-126, 1st Floor, Race Course Towers, Near Natubhai Circle, Race Course Road, Vadodara - 390007

Ph: +91 2652318000

SURAT

Office No: 421 to 424, 4th Floor, Prime Shoppers, Udhna Magdalla Road, Surat - 395007

Ph: +91 261 6601200

MUMBAI

Wing B-101, Kanakia Wallstreet, Near Sai Palace Hotel, Andheri Kurla road, Andheri (East), Mumbai - 400093

Ph: +91 022 62499000

DELHI-NCR

B-77, 4th Floor, Sector 2, Noida District, Gautam Budh Nagar, Uttar Pradesh 201301

Ph: +91 11 4368 0322/375

AHMEDABAD

904, 905 & 906, A Shridhar Athens, Nr. Jhansi ki Rani Statue, Shivranjani, Ahmedabad - 380015.

Ph: +91 79 48990519

ANKLESHWAR

Plot no: 624/2A/2/1, Office no: 213, Golden Square, Opposite CNG Pump, Ankleshwar – 393001

Ph: +91 8980013637

BENGALURU

Rukmini Towers, 2nd floor, South Wing # 3/1, Platform Road, Sheshadripuram, Bangalore – 560020.

Ph: +91 9845212451

INDORE

Office No: 204, Diamond Trade Center, Dr. R.S. Bhandari Marg, Near Zanjeerwala Chouraha, Indore - 452003

Ph: +91 731 3515462

ANAND

Svayam Sapphire, E-202, 2nd Floor, Anand - Sojitra Road, Anand - 388325

Ph: +91 6357099100

GUWAHATI

Work Studio Coworking, 707 & 708, 7th Floor, Roodraksh Mall, Behind Smart Bazar, Bhangagarh, Guwahati – 781005, Assam.

Ph: +91 6357099100

GIFT CITY

6th Floor, Premise No.:607, Signature Building, Block-13-b, Zone 1 at GIFT SEZ, Gandhinagar - 382355, Gujarat

Ph: +91 8238040888

RAJKOT

Office No. 704, 7th Floor, RK Prime 2, Nr. Balaji Hall, 150ft Ring Road, Rajkot - 360004

Ph: +91 281 2578180

BeaconRE

WE ARE IN DUBAI (UAE) - Dubai International Financial Centre
Beacon Reinsurance Brokers Ltd., Unit N803C, Level 8, Emirates Financial Towers, DIFC, Dubai Regulated by DFSA. CL7865