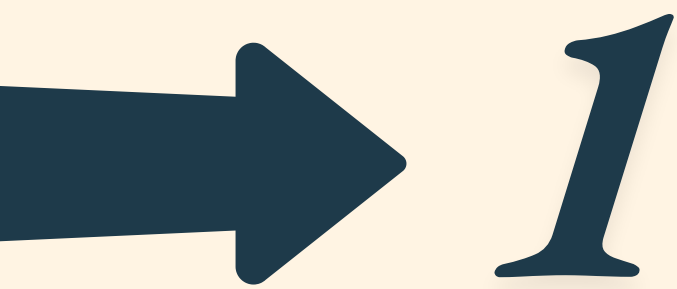


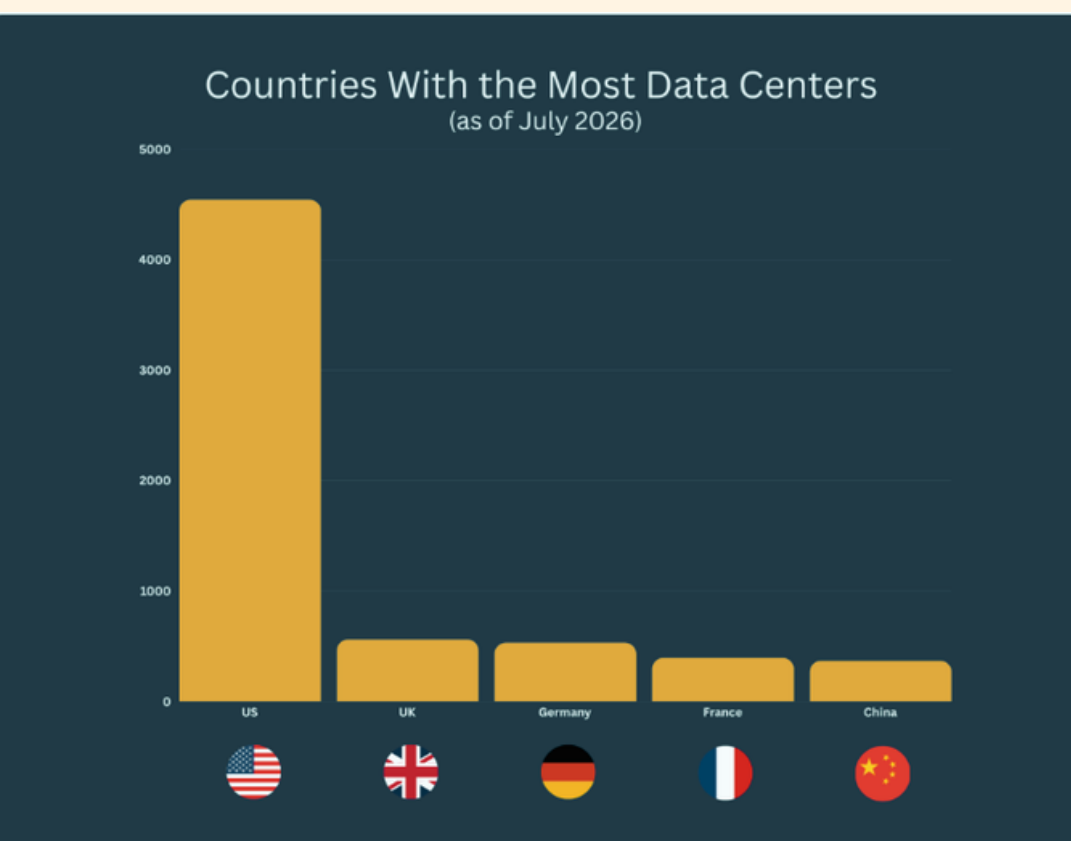
Spotlight 1

Could Data Centres Become the Next Accumulation Risk?



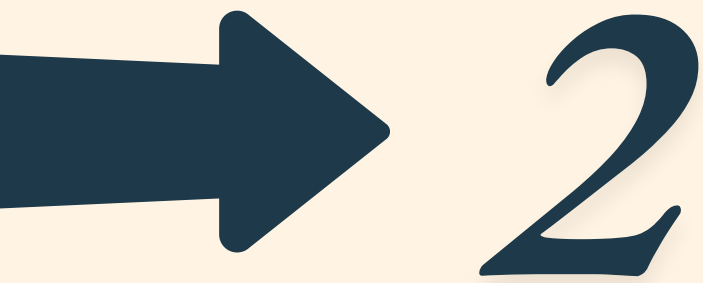


AI Boom: The growth of data centres

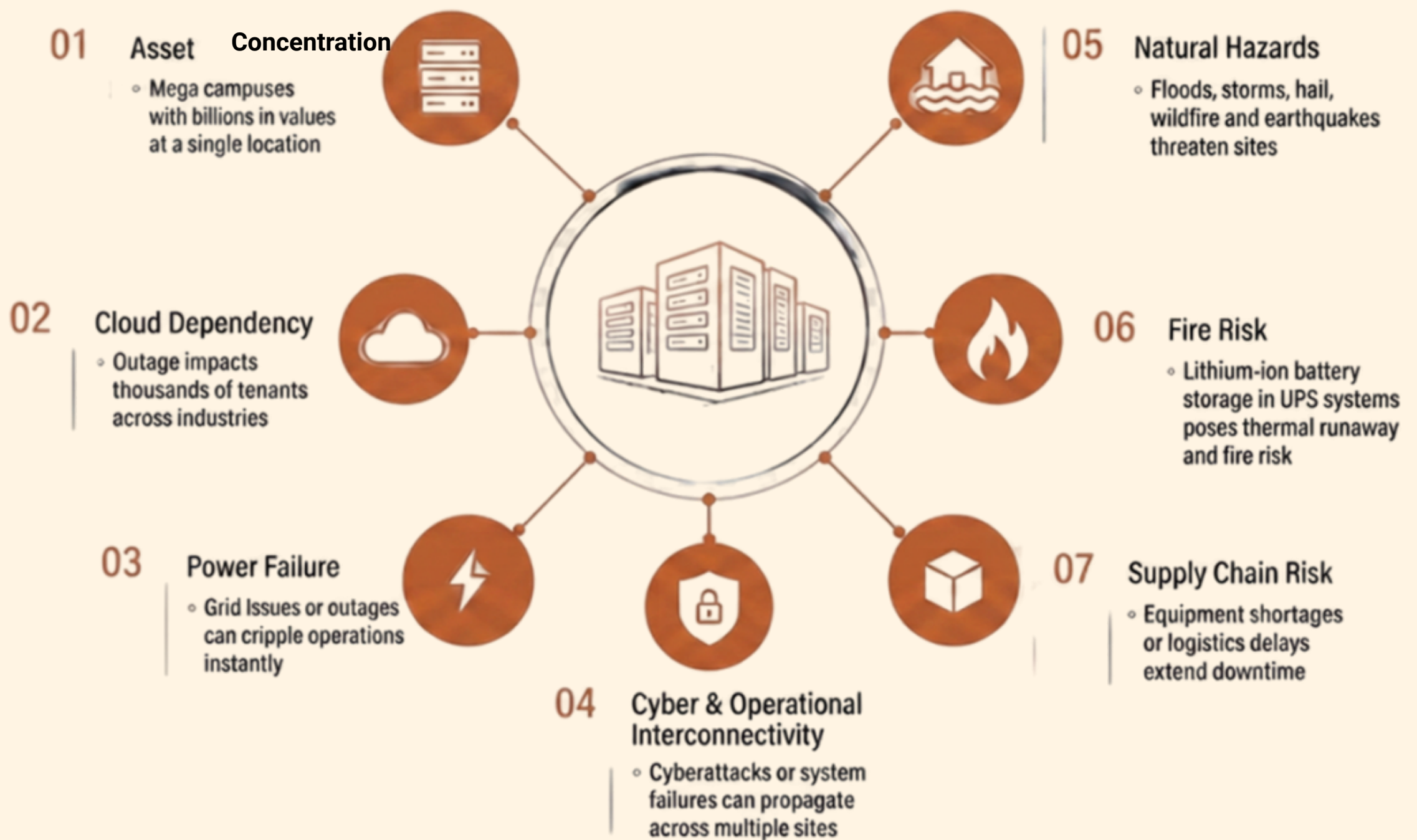


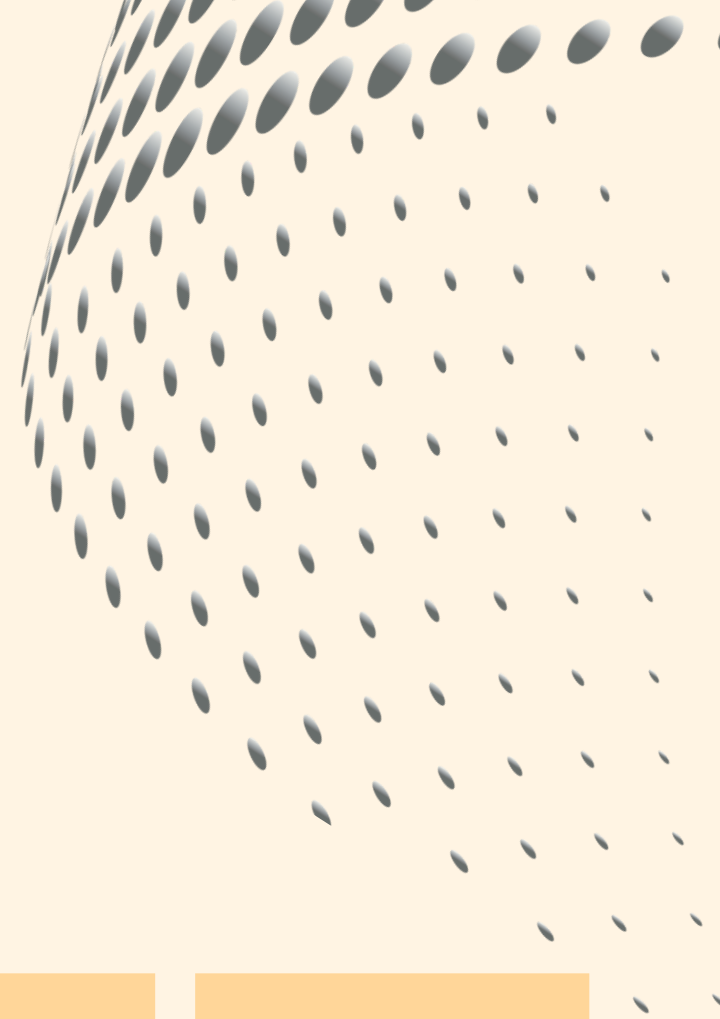
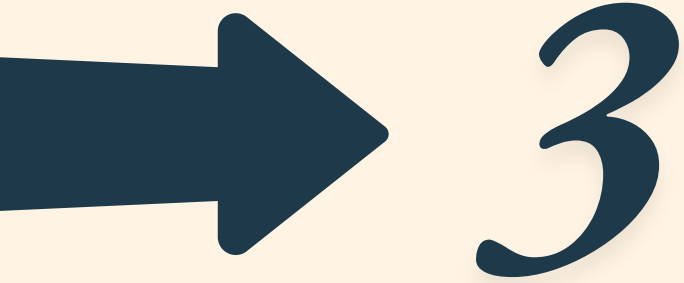
- The data center sector is set to grow by 14% CAGR through to 2030
- US has the highest concentration with Virginia having about 600 + followed by Atlanta
- These states have a superior fiber network that enables low latency, and many critical submarine cables land

USD 2T+ insurable assets across ~11,000 facilities



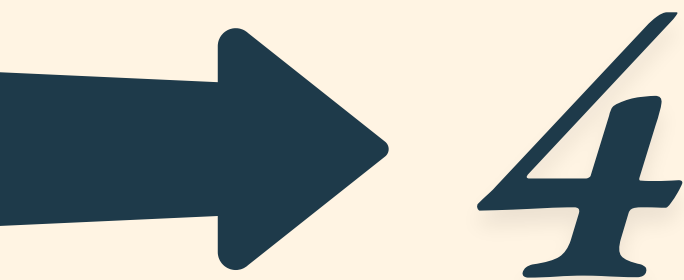
Data Centre Risks at a Glance





How mature is the industry to quantify the risk?

	Key Data Points	Primary Data Sources	Industry Maturity
Operational Resilience	Uptime Tier (I–IV), Availability (%), N+1 / 2N redundancy	Uptime Institute, Facility engineering reports	Mature
Energy & Cooling	Power Usage Effectiveness (PUE), Cooling Capacity (MW), Backup Power Duration (hours)	Facility monitoring systems (BMS/DCIM), Operator disclosures	Mature
Climate Exposure	Flood Return Period, Heat Hazard Index, Wildfire Hazard Score, Water Stress Index	FEMA/JBA/RMS, CMIP6, WRI Aqueduct, HazardHub, National hazard maps	Developing
Location & Concentration	Distance to Coast, Grid Reliability, Utility Dependence, Cloud Region Concentration	GIS datasets, Utility providers, Cloud providers (AWS/Azure/GCP), Internal exposure databases	Developing
Real time Monitoring	Satellite-derived Flood Extent, Land Use/Land Cover Change, Surface Temperature, Vegetation Encroachment	Sentinel-1/2, Landsat, Copernicus, Planet, Google Earth Engine	Emerging



How Could Insurance Products Evolve?

Insurers have an opportunity to move beyond traditional property covers towards climate-aware, parametric, and continuously monitored insurance solutions.

- **Cloud Service Performance Guarantee**

Covers financial losses when uptime or service-level agreements (SLAs) are breached.

- **Parametric Power & Cooling Outage Cover**

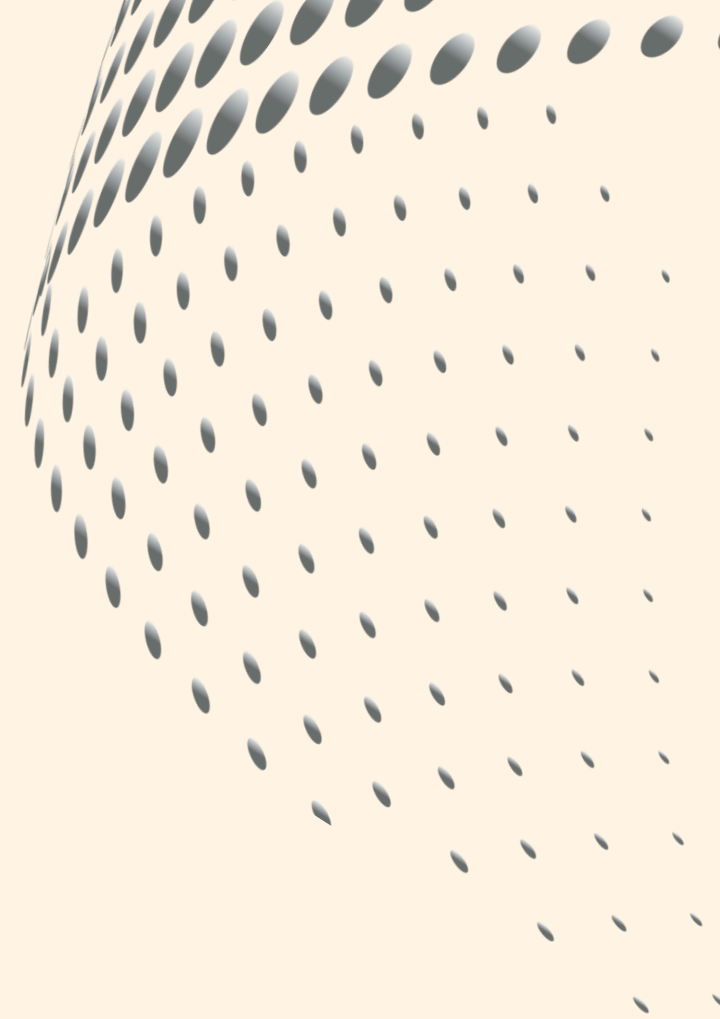
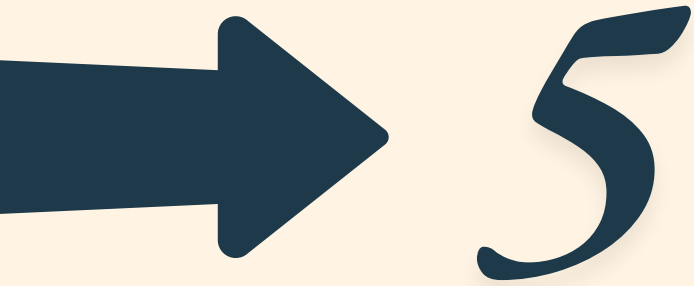
Automatic payout when predefined thresholds for grid outage duration, cooling failure, or ambient temperature are exceeded.

- **Environmental Remediation Cover**

Covers pollution events such as diesel fuel leaks from backup generators, transformer oil spills, refrigerant leaks, and contamination of soil or groundwater.

- **IT infrastructure breakdown**

Covers mechanical or electrical failure of UPS systems, transformers, generators, chillers etc .



Final Thoughts

“The emergence of AI infrastructure challenges the traditional boundaries of commercial property insurance.

As data centers become more interconnected and climate exposed, insurers may need to rethink underwriting, product design, and portfolio monitoring to protect not just physical assets, but business continuity and digital resilience”

Follow Suguna Jayaraj for emerging risk insights and applied AI use cases for insurance