DAC BEACHCROFT

Sports and Entertainment
Predictions 2026

The cost and complexity of insuring mega-events will continue to drive more sophisticated risk assessment

The challenges of insuring major, often international, sporting and entertainment events are multi-faceted, and the insured values eye-watering. Inflation has impacted ticket prices, travel and accommodation costs and is likely to continue to drive such values upwards. Contingency underwriters need to assess an increasingly complex set of interconnected risks, including security, weather, geopolitics, cyber and logistics. The market has responded to these challenges with increasingly integrated risk assessment procedures, more comprehensive policies and more sophisticated pricing models. As we look forward to mega events such as the 2026 FIFA World Cup and the 2026 Winter Olympics, contingency insurers will need to continue to leverage data and analytics, and to work with third party security, environmental and other specialists, to ensure they have the granular detail necessary to write these risks sustainably.

Contingency policies will broaden to respond to cancel culture and no-platforming risks

The rise of social media and what has become termed 'cancel culture' continues to present very real risks for event organisers and media production companies. The impact of public cancellation is often swift and costly, with demands to remove individuals from events and TV screens and an associated risk of boycott and long-term reputational harm from both failing to act quickly (or at all) and caving into public pressure. We are set to see contingency underwriters require that their insureds undertake more detailed reputational assessments and background checks and implement more sophisticated crisis communication planning. In the context of a growing market for disgrace and reputational risk insurance (as well as for associated D&O and employers' liability risks), it is likely that contingency policies will continue to evolve to provide more comprehensive and integrated coverage.

Contingency insurers will leverage climate-related technology to price risk and pay claims

Extreme and unpredictable weather – including storms, wildfires, floods and extreme heat – is on the rise due to climate change, and outdoor events and festivals have been hit hard by associated disruptions and costs. Insurance premiums and deductibles have necessarily increased as severe weather claims account for a larger proportion of cancellation claims. Contingency insurers will need to continue to utilise technology, including climate-modelling tools and AI – rather than relying on historical weather patterns which may no longer be reliable – to assess and manage risk. We are likely to see a rise in hybrid policies whereby traditional event cancellation cover is combined with automatic, parametric insurance to compensate risks such as low attendance due to wind, temperature or rainfall.

Artist activism and climate activist vandalism are likely to increase in this geopolitical landscape

As geopolitical events continue to intensify, we have seen artists bringing their activism to the stage. Summer 2025 saw a litany of cancellations and abandonments as a result of statements made by artists in reaction to world events, as well as controversy for event organisers. Fine art and property insurers have also seen an increase in climate activist vandalism, which has driven up premiums. Events face new and unpredictable risks including cancellation and disruption due to political and climate-related protest, by either performers or members of the public. Insurers will need to proceed carefully in both assessing how and whether to underwrite, and eventually how to adjust, these types of risks.

Contingency insurers will use technology to respond to emerging risks

Across the whole insurance market, investment is being made into technology solutions to improve underwriting models, risk management and claims processes. The contingency market is no exception, with obvious efficiencies and pricing advantages to be gained, for example from using AI predictive modelling to forecast weather-related and other risks. Deployed effectively, technology can also be used to improve the customer experience, for example by offering swift, automatic claim payments via parametric policies. Enhanced data analytics and InsurTech also have the potential to assist with the challenge of calculating ascertained net loss. The contingency market is becoming increasingly dynamic and innovative in using technology to respond to a post- pandemic boom in demand for event insurance.

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