BLACKLINE CONSULTING

A HIGHER STANDARD

CHIEF RISK OFFICER

A market intelligence brief for insurance risk leaders

June 2026

THE BLACKLINE RADAR SERIES

The Radar series is a set of role-based briefings for insurance executives, designed to be read in minutes and discussed for longer. Each Radar takes a single seat at the executive table and asks one question: *what should this leader have on their screen for the year ahead?*

Every Radar is structured around five lenses:

- **THE BRIEF:** The mandate for the role this year, stated plainly. What the organisation is asking of this executive, and how that ask differs across General Insurance (UK retail and commercial) and the London Market and Specialty.
- **HEADWINDS:** The forces working against the role. Market conditions, cost pressures, regulatory constraints and structural shifts that make the mandate harder to deliver.
- **TAILWINDS:** The forces working in the role's favour. Capabilities, market dynamics and tools that, used well, give the executive room to move.
- **BLIND SPOTS:** The areas where visibility of risk is limited. Not the known problems, but the places where the data, the reporting or the operating model may be quietly masking an issue.
- **EXECUTIVE TENSIONS:** Where interests may align or diverge. The points of natural tension and natural partnership across the executive team, and where the CRO's agenda intersects with that of the CUO, CFO and CEO. Knowing where interests align is often the difference between a mandate that gets delivered and one that stalls.

Throughout, we treat General Insurance and the London Market and Specialty as genuinely distinct markets. The pressures rhyme but they are not the same, and a Radar that blends them serves neither.

This edition focuses on the Chief Risk Officer: *Holding the line on reserving and pricing discipline as the market softens, while remaining board-ready for a regulatory environment that is testing governance in real time.*

DAVID CLARKE
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THE BRIEF:

The year is dominated by a softening cycle and a step change in regulatory expectation, but the risk profile of a high-volume retail book differs sharply from a global specialty one.

GENERAL INSURANCE:

In General Insurance, the central risks are reserve and pricing adequacy as the market softens, claims inflation, weather and catastrophe exposure, and a sharp rise in operational resilience expectations. The PRA's DyGIST, a semi live market wide crisis simulation, runs in May 2026 and makes real time crisis response and governance a board level test.

HEADWINDS

Reserve & pricing adequacy as rates soften

→ The PRA is concerned that models assume underwriting performance better than the track record, risking understated capital just as the cycle softens.

Rising operational resilience expectations

→ Resilience must now be embedded in governance, with deeper testing of critical third parties, cloud and legacy technology, following the March 2025 milestone.

Claims inflation & weather volatility

→ Persistent claims inflation and more frequent severe weather raise both reserve risk and earnings volatility in the retail book.

TAILWINDS

Solvency UK clarity

→ The settled Solvency UK regime gives a clearer capital framework within which to manage the softening cycle.

Resilience as a board priority

→ Regulatory focus gives the CRO the mandate and air cover to drive resilience, data quality and third-party oversight that were previously hard to fund.

Better risk & model analytics

→ Improved analytics strengthen reserving signals, pricing adequacy monitoring and model validation

BLIND SPOTS

Whether models are too optimistic

→ The gap between assumed and actual profitability may understate capital needs and is easy to miss until the cycle bites.

Real operational resilience

→ The firm's true exposure to third party, cloud and legacy failure is often less understood than resilience reporting suggests.

Crisis response under live conditions

→ How governance and coordination perform under a real time shock is untested until something, or DyGIST, exposes it.

THE BRIEF:

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The year is dominated by a softening cycle and a step change in regulatory expectation, but the risk profile of a high-volume retail book differs sharply from a global specialty one.

LONDON MARKET & SPECIALTY:

In London Market and Specialty, the risks are casualty rate adequacy that the market itself flags as thin, reserve risk amplified by social inflation, cyber and catastrophe accumulation, and the resilience of shared market infrastructure following the standing down of Blueprint II.

HEADWINDS

Casualty rate adequacy

→ The market itself flags casualty pricing as inadequate, raising the risk that current rates do not cover ultimate cost, a direct reserve and capital concern.

Cyber & catastrophe accumulation

→ Rapid cyber growth may be outstripping the market's capacity to absorb it, and correlated catastrophe and specialty accumulation is hard to bound.

Delegated authority risk

→ A growing coverholder and binder estate concentrates oversight, data quality and conduct risk that the carrier ultimately owns.

TAILWINDS

Capital strength as a buffer

→ Strong capital and solvency give real room to absorb reserve and catastrophe shocks through the turn.

Model & exposure tooling

→ Better accumulation and exposure analytics improve visibility of cyber, catastrophe and correlated risk across complex books.

Oversight frameworks for delegated business

→ Improving data and audit tooling supports stronger, more real time oversight of delegated authority risks.

BLIND SPOTS

True accumulation across correlated risk

→ Aggregate exposure across cyber, catastrophe and supply chain may exceed appetite in ways single line views miss.

Reserve adequacy in long tail casualty

→ Social inflation can push casualty ultimates above held reserves quietly over several years.

Dependence on shared market services

→ Firm's exposure if shared infrastructure or a key provider fails through the long transition is poorly mapped.

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The CRO's tensions are structural. Growth, appetite and operational risk all pull against prudence, and that doesn't change as the market softens, it intensifies.

The alignment that exists is built on shared technical ground; the divergence is where commercial ambition and risk discipline meet. Holding the line requires honest relationships across the executive table.

WHERE INTERESTS MAY ALIGN

The alignment here is natural - *invest, & build on it*

On Risk Management

CHIEF FINANCIAL OFFICER

→ Capital, reserves, stress testing and model validation are shared territory, sharpened this year by DyGIST and Solvency UK.

On Pricing & Reserving

CHIEF ACTUARY & CHIEF UNDERWRITING OFFICER

→ Reserving and pricing adequacy and model assumptions are where risk and underwriting must align honestly.

On Operational Resilience

CHIEF OPERATING & CHIEF INFORMATION OFFICER

→ Operational resilience, third party and cyber risk live in the operating and technology estate, so resilience must be owned jointly.

WHERE INTERESTS MAY DIVERGE

These tensions are structural – *navigate them openly*

On Growth

CHIEF UNDERWRITING & CHIEF DISTRIBUTION OFFICER

→ The pull to write more as rates soften sits against reserve and pricing discipline, and the CRO must challenge optimistic assumptions.

On Appetite

CHIEF EXECUTIVE OFFICER & BOARD

→ Growth, capital deployment and risk appetite can pull against prudence, and the CRO must hold the line on what the balance sheet can bear.

On Oversight

DELEGATED PARTNERS & OUTSOURCERS

→ Coverholders, TPAs and critical third parties carry risk the firm owns but does not directly control, demanding oversight ahead of growth.

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Founded in 2013, Blackline Consulting is a multidisciplinary boutique advisory and execution firm operating across the UK and North America. We help organisations define strategy, enhance operations, drive transformation, and manage change

A higher standard, delivered quietly by people who care

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