BLACKLINE CONSULTING

A HIGHER STANDARD

CHIEF UNDERWRITING OFFICER

A market intelligence brief for insurance underwriting 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 CUO's agenda intersects with that of the CFO, COO 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 Underwriting Officer: *holding the line on price and risk selection through a softening cycle, in two markets where that cycle looks very different.*

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BLACKLINE CONSULTING

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THE BRIEF:

The mandate is the same in both GI & London Market & Specialty hold the line on price and risk selection through a softening cycle, but the cycle looks very different in each.

GENERAL INSURANCE:

In General Insurance, the UK retail market is competitive and under margin pressure. Motor has swung back toward an underwriting loss, with the market forecast to pay roughly £1.11 in claims and expenses for every £1 of premium in 2026 as claims inflation outpaces the modest 3% rate rises now coming through. Personal lines remain price driven & commoditised.

HEADWINDS

Motor & personal lines under water

→ Claims inflation from repair, EV & ADAS costs is outrunning rate, pushing motor back into underwriting loss and squeezing home as weather & rebuild costs bite.

Commoditised, price-led competition

→ Aggregators, and now AI assisted shopping, keep personal lines intensely price driven, leaving little room to hold rate without losing volume.

Conduct constrains on pricing

→ Pricing practice rules and fair value expectations limit the levers available and constrain how the CUO can recover margin.

TAILWINDS

Reserve cushion from recent hard pricing

← Cautious reserving from the recent rate strong period gives some firms room to absorb the turn, provided they have not released too early.

AI precision pricing & selection

← Predictive analytics let GI underwriters price and select more sharply at volume, defending margin without simply chasing the aggregator price.

Telematics & usage-based products

← In motor especially, telematics and usage-based products support differentiated, better selected books rather than pure price competition.

BLIND SPOTS

Reserve adequacy as the cycle turns

→ With rates soft and inflation building, the gap between booked reserves and ultimate cost in motor and casualty may be widening quietly.

The performance of delegated & MGA books

→ Where pricing is delegated, whether the book is really being written to the carrier's standard is often clearer in report than reality.

Model drift in pricing

→ Pricing models can drift from current claims reality without anyone owning how reliable they still are.

CHIEF UNDERWRITING OFFICER

THE BRIEF:

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LONDON MARKET & SPECIALTY:

In London Market and Specialty, the picture is softening from a position of strength. Lloyd's posted an 87.6% combined ratio in 2025 with return on capital above 20% for a third year, but rates are now falling, property by close to a tenth and casualty pricing flagged as inadequate. Growing capacity from new entrants & structured solutions is intensifying competition.

HEADWINDS

Rapid, uneven softening

→ Property rates are falling fast, and casualty pricing is flagged as inadequate, even as the hard market's rate adequacy still cushions results. Judging where each class sits in the cycle is the core difficulty.

Capacity & new entrants intensifying competition

→ Stamp capacity is growing, and structured solutions and new entrants are adding supply, so discipline is harder to hold when others will write the risk.

Cyber & emerging risk outrunning the market

→ Cyber expansion may be outstripping the market's capacity to absorb it, and emerging exposures like AI liability and PFAS are hard to price with confidence.

TAILWINDS

Underwriting from a position of strength

← Strong recent results and capital give Lloyd's underwriters the balance sheet to be selective and walk away from underpriced business.

Specialty & ESG still commanding price

← Complex and specialty lines and excess and surplus business continue to hold pricing even as standard lines soften, rewarding genuine expertise.

Enhanced algorithmic underwriting

← Data led underwriting and closer alignment of distribution and underwriting give specialist carriers a structural edge in risk selection.

BLIND SPOTS

Where the cycle really sits by class

→ Aggregate softening hides wide variation by class, and the point at which a given line becomes unprofitable is easy to misjudge.

Cyber and emerging risk accumulation

→ True accumulation across cyber, supply chain and correlated catastrophe exposures is hard to see and may exceed appetite.

Facility & follow business quality

→ As facility led placement and follow models expand, the lead's discipline is doing the underwriting, and the quality of follow capacity is poorly understood.

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The CUO role is where growth ambition meets underwriting reality. In a softening market, that tension sharpens.

Six relationships will define how well you hold the line, three where discipline can be built together, and three where the pressure to compromise will be constant.

WHERE INTERESTS MAY ALIGN

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

On Discipline

CHIEF ACTUARY & CHIEF RISK OFFICER

→ Essential allies on pricing adequacy, reserving and capital. Aligning early means model and data reliability can be evidenced to the regulator jointly, rather than defended separately under pressure.

On Appetite

CHIEF DISTRIBUTION OFFICER

→ Appetite is only effective if distribution is built around it. The CUO must set these together with the CDO, ensuring broker, coverholder and facility relationships reflect the book the CUO wants to write, not the other way around.

On Pricing Accuracy

CHIEF CLAIMS OFFICER

→ Claims data is the most honest signal on where pricing and reserving assumptions are holding. Early alignment ensures the CUO is reading the book accurately, not discovering problems late.

WHERE INTERESTS MAY DIVERGE

These tensions are structural - *navigate them openly*

On Growth

CHIEF EXECUTIVE & CHIEF FINANCIAL OFFICER

→ Soft market pressure for top-line growth can erode underwriting discipline fast. The CUO must establish early where the floor is and maintain the credibility to decline underpriced business without it being read as underperformance.

On Flow

CHIEF DISTRIBUTION OFFICER

→ Distribution is incentivised on flow. The CUO must ensure growth targets don't quietly fill the book with risk outside appetite and keep that conversation with the CDO ongoing.

On Pricing Visibility

MGAs, COVERHOLDERS & DELEGATED PARTNERS

→ Aligned on growth but with their own commercial interests. The CUO carries the risk on every policy written under delegated authority, so oversight must stay ahead of growth, not catch up after the fact.

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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

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A higher standard, delivered quietly by people who care

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