Lead and Follow in the Lloyd's and London Market: **Beyond the Binary**

lma
Lloyd's market association

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Key contacts

Sheila Cameron
Chief Executive Officer, LMA
sheila.cameron@lmalloyds.com

Rose Pyke
Executive Business Analyst, LMA
rose.pyke@lmalloyds.com

Greg Brown
Partner, Oxbow Partners
gbrown@oxbowpartners.com

Max Deacon
Partner, Oxbow Partners
mdeacon@oxbowpartners.com

Anna Gardner
Senior Consultant, Oxbow Partners
agardner@oxbowpartners.com

Ana Mavra
Consultant, Oxbow Partners
amavra@oxbowpartners.com

Foreword

Our ability to collaborate to help our clients solve the most complex risks is what sets our market apart. The Lloyd's and London market is the global home of insurance innovation. That's not just in the underwriting products we create – it's also in how we work as leaders and followers in this market.

In our 2024 report, The Growth of Enhanced Underwriting in the Lloyd's Market, we defined four distinct algorithmic underwriting models – augmented underwriting, pure algorithmic underwriting, digital and algorithmic broker facilities, and active portfolio trackers – and questioned whether they would become our new normal. We noted that the bifurcation of these models may reshape capacity allocation and encouraged the market to clearly differentiate their lead and follow propositions.

Over a year on, questions remain about the nature of leadership in a market where underwriting practices and models are changing – the different forms leadership can take, the capabilities required to be a lead and how the role of the lead may evolve in the years ahead.

This report doesn't seek to determine the best leader – firms will have different strategies at different points in time for different products in their portfolio. This report seeks to guide underwriters in exploring where they sit on a lead and follow spectrum and what it takes to move along that spectrum, depending on the firm's own strategy, risk and investment appetite. This report seeks to enable those conversations in your firms.

This report could not have been written without the input of many people across our market: brokers, underwriters, regulators, clients and many others. Thank you for your input. A special word of thanks goes to those who helped shape the detail of this report as we went along: our report steering group made up of Will Roscoe, Kevin Shallow, Kate Markham, Leah Rose, Ian Bridge and Russell Bean, as well as the LMA Chief Underwriting Officers' Committee and the LMA Board. I'd also like to thank the teams at the LMA and Oxbow Partners for their tireless work and many late nights to complete this report, particularly Rose Pyke, Arabella Ramage, David Powell, Alice Greaves, Greg Brown, Max Deacon, Ana Mavra and Anna Gardner. We hope the report stimulates the same debate and honest conversation in your firm as it did at the LMA.

Sheila Cameron
Chief Executive Officer, Lloyd's Market Association

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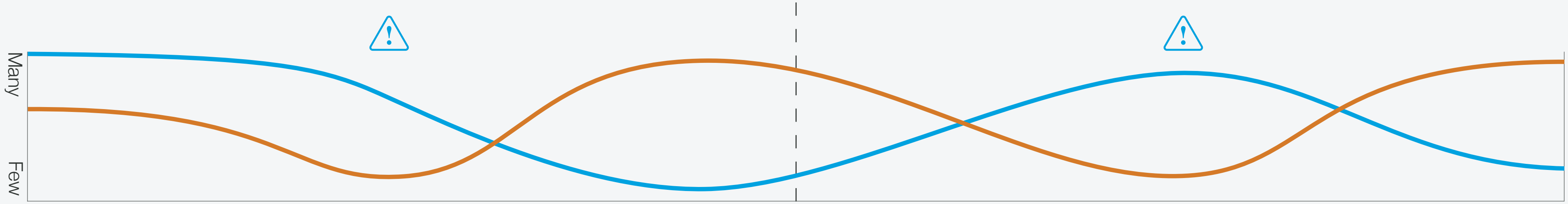
This report challenges the binary lead-follow construct, replacing it with a nuanced, six-segment categorisation based on insurers' strategic positioning and capabilities (Figure 1). We distinguish true leadership from technical position on a slip, acknowledging that while most underwriters aspire to lead, this can mean different things to different people. Generally, as you move from left to right across the strategic positions, relevance to brokers decreases. Every position in this framework – from the Full-Service Lead to the critical provider of capacity – represents a commercially valid and essential contribution to the market's collective strength, and we increasingly observe capital seeking to support specific models of underwriting.

Figure 1: **Lead and follow: A strategic segmentation**

Models of lead and follow, and an indication of perception and reality

'True leadership' (Full-Service Lead, Niche Lead)

Full-Service Lead	Niche Lead	Capacity Lead	Portfolio Lead Follower	Influential Follower	Capacity Follower
Underwriters shape risk and terms, commanding client and broker support that makes them difficult to displace as lead.	Expertise in a specific niche offers superior underwriting, pricing and innovative structures, but lacks breadth.	Lead on elements of the risk, but not significantly shaping the risk.	Leaders in portfolio solutions whose credibility attracts additional follow capacity behind them.	Maintain capabilities to lead and often may be a losing lead; provides expertise and credibility, shaping risk as a follow market.	Used by brokers to provide additional capacity on a risk, and is considered interchangeable with other insurers.



Number of open market UW teams in the market: Perception Reality

Treat with caution

Source: Market interviews, 2025

Executive summary continued

Bridging the reality gap

We believe the industry may be misjudging the reality of where their underwriting teams sit on this lead-follow spectrum. Survey respondents claim to lead roughly 40% of their gross written premium (GWP); however, an outside-in assessment reveals that much of this business is not true lead but rather written as a Capacity Lead: leading slips on a technical basis without truly engaging with the client or intermediary and shaping the risk.

This disconnect is particularly visible in the Influential Follower segment, which some interviewees dismissed as a myth designed to appeal to underwriters' pride while they simply provide additional, interchangeable capacity. In a rapidly changing market, it is these Capacity Lead and Capacity Follow roles that are most susceptible to the twin trends of facilitisation and digital trading.

Capabilities that count

What do clients and brokers actually want from their leaders? It is rarely simply capacity. Clients want leaders who have the depth of technical expertise to understand their business and risks without lengthy explanations, and who can offer practical, cost-appropriate solutions. Brokers share these priorities but also look for speed, a credible expert they can present to clients and a reputable name that facilitates efficient risk placement.

The most sophisticated insurers are deliberate about their lead proposition, aligning investments in technical and operational areas to capabilities they believe will allow them to differentiate themselves in each class of business – such as speed of response, nuanced pricing and claims expertise. Notably, the era of the 'big name' underwriter appears to be in decline; true leadership is now increasingly viewed as an institution's collective depth of underwriting capability and claims handling rather than individual superstars.

The strategic imperative: defining a lead maturity journey

Maintaining strategic resilience in a fast-changing marketplace necessitates a frank assessment of current positioning across each of the six lead-follow segments. To avoid self-misclassification, sophisticated players combine quantitative and qualitative analysis with an internal and outside-in view. As a starting point, we have developed a set of questions that CUOs can ask of each class (Figure 2).

Once the current state is established, CUOs can create lead maturity plans and target investment.

A mixed picture: fees and formalisation

While leading incurs higher operating expenses and deeper investment, the market is divided on the desirability of open market leaders' fees. For most interviewees, potential premium upside is outweighed by the impact on follow book economics and questions around legal liability.

There is also little appetite for formalising the role of the lead, with concerns that this could entrench established leaders and curtail innovation. A free-market approach, where insurers seek to build differentiating lead capability in diverse ways, is seen as a strength of the Lloyd's market.

Anticipating market consolidation

65% of market participants anticipate a consolidation of the number of lead underwriters over five-to-ten years. This shift is driven by the increasing bifurcation between lead and follow, a softening market and the rising economic thresholds required to sustain a competitive lead proposition.

Traditional followers who duplicate the activities of the lead face an existential squeeze as the market matures; the continued growth of fast follow is automating the 'tail' of the slip, necessitating a more efficient operating model for those not in a 'true lead' position. Consequently, leadership at Lloyd's is evolving into a deliberate and highly focused strategic choice.

The mandate for insurers is therefore to pursue an honest 'lead maturity journey'. Success will depend on the ability to distinguish between underwriting classes where an insurer can realistically excel as a true lead and those where it is more advantageous to pivot to an efficient, low-cost follow strategy. Those who make their strategic choices deliberately, supported by an honest appraisal of their capabilities, will be the ones to shape the next chapter of this market.

Executive summary continued

Figure 2: Questions to determine leadership positioning in a particular class

Open market

Key: Always | Sometimes | Rarely/not at all

'True leadership' = Full-Service Lead and Niche Lead

	Questions	Full-Service Lead	Niche Lead	Capacity Lead	Influential Follower	Capacity Follower
Client service	Do you have a good relationship with the majority of your clients? Do you regularly meet?	Always	Always	Rarely/not at all	Sometimes	Rarely/not at all
	Do you genuinely provide innovative products and structures that solve problems for the client?	Always	Always	Rarely/not at all	Rarely/not at all	Rarely/not at all
	When visiting London, does the client request to specifically see you over dinner or another social, relationship-building event?	Always	Always	Rarely/not at all	Sometimes	Rarely/not at all
	Do clients actively seek to work with you? Would they choose to work with you even if your price was higher than your peers'?	Always	Always	Rarely/not at all	Sometimes	Rarely/not at all
Underwriting	Have you outperformed the market over the medium- to long-term?	Always	Always	Sometimes	Sometimes	Sometimes
	Are you actively shaping the overall programme?	Always	Sometimes	Rarely/not at all	Rarely/not at all	Rarely/not at all
	Do you have an impact on price and terms?	Always	Always	Sometimes	Sometimes	Rarely/not at all
	Do you lead on the primary layer, not just excess layers?	Always	Always	Sometimes	Rarely/not at all	Rarely/not at all
	Do you have subject-matter expertise beyond underwriting (e.g. risk engineers, cyber experts)?	Always	Sometimes	Rarely/not at all	Sometimes	Rarely/not at all
	Do you have a line size that puts you in the top 3-5 markets in your class?	Always	Rarely/not at all	Rarely/not at all	Rarely/not at all	Rarely/not at all
	Of your lead book, do you have a breadth of business rather than a high concentration in a few niche areas?	Always	Rarely/not at all	Rarely/not at all	Rarely/not at all	Rarely/not at all
	Do you have an offering for complex multinational programmes and captives?	Always	Rarely/not at all	Rarely/not at all	Rarely/not at all	Rarely/not at all
Broker service	Are you retained as lead across renewals because brokers (and clients) genuinely value the partnership?	Always	Always	Sometimes	Rarely/not at all	Rarely/not at all
	Do brokers consult you early in structuring the deal and obtaining indicative pricing?	Always	Always	Rarely/not at all	Sometimes	Rarely/not at all
	Are you ranked by brokers as a top 5 market in your class?	Always	Rarely/not at all	Rarely/not at all	Rarely/not at all	Rarely/not at all
	Would brokers say that when they have an issue or challenging placement, they know they can rely on you to offer a solution?	Always	Always	Rarely/not at all	Rarely/not at all	Rarely/not at all
Reputation	Do you lead a consortium in this class? Do other markets want to actively follow you?	Always	Always	Rarely/not at all	Rarely/not at all	Rarely/not at all
	Would interviews with peers place you in the top 3-5 when asked who is a leader in your line of business?	Always	Sometimes	Rarely/not at all	Rarely/not at all	Rarely/not at all
Claims	Do you lead on claims settlements?	Always	Always	Sometimes	Rarely/not at all	Rarely/not at all
	Are you the first claims agreement party when you are not lead?	Sometimes	Sometimes	Sometimes	Always	Rarely/not at all
	Do your claims people know the client?	Always	Always	Rarely/not at all	Rarely/not at all	Rarely/not at all
	Do you have deep class-specific claims expertise?	Always	Always	Rarely/not at all	Rarely/not at all	Rarely/not at all
Tech & data	Are you seen as a source of innovation for digital risk solutions?	Always	Rarely/not at all	Rarely/not at all	Rarely/not at all	Rarely/not at all

Source: Market interviews, 2025 NB: Insurer brand and reputation not included; we believe brand and reputation results from a combination of the other capabilities

1. Introduction

1.1 Leadership: a potted history

In 1810, broker James Barnes observed that Lloyd's underwriters with deep expertise and thoughtful judgement would attract others to follow them:

> *"Among the underwriters at Lloyd's, there are always men to be found conversant with risks of every description; and other underwriters, who see a policy begun by a person in whose judgement they have confidence, will follow his example."*[1]

Barnes' observation of the lead and follow dynamic in Lloyd's showcases two things: first, the specialty nature of risks in Lloyd's and the associated value of subject-matter expertise, and second, that leaders are characterised by their ability to inspire confidence in followers.

In the early days of Lloyd's, as a coffee house in the seventeenth century, retired merchants led on marine risks operating through their old trading passages. Followers, lacking the intimate knowledge of a route and its specific perils, would follow the lead's price and terms based on trust in the leader's expertise.

Today, most underwriters in the Lloyd's and London market aspire to lead, not least because leadership offers a set of financial advantages (Figure 3).

Leaders benefit financially from shaping the coverage and terms of the risk and setting the price, creating the most favourable deal for their portfolio. Brokers also channel more business to leaders, who have a choice to put down larger lines for business they like.

We heard in interviews that leaders can use their influence at the individual risk level and through strategic conversations with brokers to keep renewal rates high and reduce sign-down rates. Leadership may also offer underwriting risk-free revenue streams,[2] most notably consortia fees.

Beyond the profit and loss (P&L), leadership carries prestige that offers strategic benefits. It signals expertise and commands respect across the market; consequently, most underwriters aspire to lead. It is partly this that has led to the many definitions of leadership as underwriters seek to find a way to define their business in the language of leadership.

1.2 The diverse language of leadership

There are a range of terms used with regards to syndication. Some are official and technical, some informal and strategic. Lloyd's lead, consortium lead or claims agreement party are official terms; true lead, losing lead, quasi-lead and influential follower are all informal, strategic terms. See glossary in the appendix for a full list of terms and definitions.

Market participants interviewed offered a wide spectrum of views on the definition of leadership (Figure 4). Some defined it in terms of commercial advantage; others emphasised reputation and credibility among brokers and followers.

Figure 3: **Leadership confers benefits across the P&L**

Benefits by P&L driver

P&L drivers	Benefits of leadership
GWP	Access to business
	Larger lines
	Higher renewal rates; greater certainty around retention
	Penetration rates in preferred business
	Fewer sign-downs
Loss ratio	Set wordings
	Shape programme and terms
	Set price
	Control claims
Fees	Placement fees (e.g. consortia)
	Fees for additional services
Expense ratio	*N/A – leadership typically increases operating expenses*

Source: Market interviews, 2025

1. *Source: The Report of the Select Committee of the House of Commons: Appointed to Consider the Act of the Sixth of George the First, and of the State and Means of Effecting Marine Insurances. Laid Before the House the 18th of April, 1810. To which are Added the Minutes of Evidence, with an Appendix of Accounts .... (1810). United Kingdom: Hughes. (p: 234) Note: paraphrased for readability purposes.*

2. *NB: risk-free in this context refers to underwriting risk, meaning consortia fees are not susceptible to claims; there is still non-underwriting risk.*

1. Introduction continued

Figure 4: **There is no consistent view of how leadership is defined**

Quotes from interviewees

Leadership is about expertise and service	Leadership is about commercial leverage	Leadership is about credibility/reputation	Leadership cannot be defined
"Leaders solve problems in areas where others are not"	*"Anyone who can influence terms is a leader"*	*"Leaders are on the dinner list when clients come to London"*	*"A single definition of leadership is impossible"*
"Leaders are empowered and make decisions then and there"	*"You don't need to be on the primary. If you can impact price, you are a leader"*	*"Leaders' decisions carry the market; you can't be a leader without followers"*	*"I cannot define it, but I know it when I see it"*
"Leaders sell a service not a product"		*"Leaders represent the follower market and are trusted to make decisions"*	*"There are leads and then there are leaders"*
"If clients come to you for problem solving, you are a lead market"		*"Leadership is in the eyes of the broker and in the eyes of the client"*	
"Leaders shape the overall programme for the risk"			

Source: Market interviews, 2025

The meaning of leadership shifts as you move further away from the insured client. Leading on a risk for a mature energy client is very different from being the Lloyd's lead on an undifferentiated US property risk where the London market is being used largely as excess capacity.

The definition of leadership also varies by method of placement. A lead on an open market risk is different to a lead on a broker facility. Indeed, new forms of leadership are also emerging. Portfolio Lead Followers are leaders in the follow market that others want to follow, both from a technical perspective (e.g. they are the lead on a follow facility) and from a strategic perspective (they are trusted to have strong portfolio management).

Leadership, then, is more than occupying the top of a slip – and there are a range of terms used with regards to syndication. This report seeks to bring order to this vocabulary, mapping the strategic lead-follow positions insurers adopt and answering the following questions:

- What are the different types of leadership? What is a true lead? What does it mean to be a leader in the follow market?
- What capabilities and characteristics do leaders exhibit?
- What role could the lead of the future play and how will that differ from today?
- How will the number of leads in the market change?
- What are the different forms of lead remuneration, and what does the market think about leaders' fees?

2. Types of leaders and followers: a strategic categorisation

2.1 Categorising strategic lead-follow positions

From a strategic standpoint, underwriting teams can be classified into six categories of leaders and followers (Figure 5). This framework defines 'true leadership' as distinct from being the lead on a slip; this was echoed across most market interviews. It also embraces the idea that not all forms of leadership are created equal and that some market participants define themselves incorrectly as leaders.

Most insurers' portfolios, and most underwriting teams' portfolios, are composed of multiple segments. At times an underwriter may act as a Full-Service Lead; at others, they may lay down an opportunistic Capacity Follow line. By segmenting their portfolio in this manner, insurers can better understand where they have strategic strength – or not.

Broadly, relevance to brokers decreases as you move to the right across the positions, although this changes through the placement lifecycle and position in the cycle.

The exception is Portfolio Lead Followers, who are often key broker partners given the importance of large broker facilities to many brokers' placement strategies.

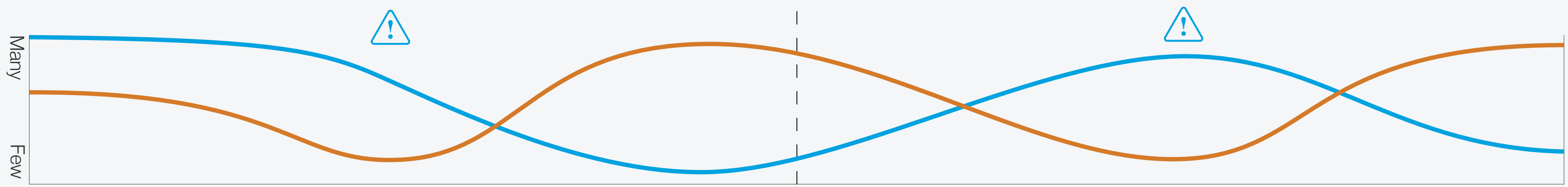
The framework above applies primarily to open market business. For traditional binding authority business there are only two positions: Full-Service Lead and Capacity Followers. Other forms of delegated authority (consortia, broker facilities, algorithmic follow facilities) support open market placements and do fit into the framework.

Figure 5: **Lead and follow: A strategic segmentation**

Models of lead and follow, and an indication of perception and reality

'True leadership' (Full-Service Lead, Niche Lead)

Full-Service Lead	Niche Lead	Capacity Lead	Portfolio Lead Follower	Influential Follower	Capacity Follower
Underwriters shape risk and terms, commanding client and broker support that makes them difficult to displace as lead.	Expertise in a specific niche offers superior underwriting, pricing and innovative structures, but lacks breadth.	Lead on elements of the risk, but not significantly shaping the risk.	Leaders in portfolio solutions whose credibility attracts additional follow capacity behind them.	Maintain capabilities to lead and often may be a losing lead; provides expertise and credibility, shaping risk as a follow market.	Used by brokers to provide additional capacity on a risk, and is considered interchangeable with other insurers.



Number of open market UW teams in the market: Perception Reality

Treat with caution

Source: Market interviews, 2025

2. Types of leaders and followers: a strategic categorisation continued

Full-Service Lead

Full-Service Leads shape programme coverage and terms, underwrite the primary layer and bring significant technical expertise. This may go beyond the underwriting and claims teams and into risk engineering, or subject-matter specialists. Across a whole class of business, Full-Service Leads have the capabilities and credibility required for true leadership. This means that brokers want to place risks with them, peers want to follow them and clients actively seek to work with them, even if their price is not the lowest. Full-Service Leads seek to have deep relationships with key clients – in interviews, we heard repeatedly that being asked to social, relationship-building events when clients come to London is a marker of a Full-Service Lead.

To be a Full-Service Lead, there is also generally a scale necessary to have sufficient breadth and depth of underwriting and claims expertise in a particular line of business, to employ risk engineers or to put down a significant line. As one CEO told us, "If the underwriting and claims team can fit in a black cab, they are not a true lead in their line of business."

Niche Lead

Some, often smaller, players offer differentiation in a narrow area of expertise. These Niche Leads are technically strong in specific classes or sub-classes, outperforming the market and providing innovative structures for clients, but they typically lack the full suite of capabilities across a breadth of classes.

This is one of the two categories where we recommend insurers to 'treat with caution'. Interviewees told us that underwriting teams may class themselves as Niche Leads, but a frank outside-in assessment may reveal that brokers see them as more of a Capacity Lead (see next) with whom they place some risk as part of their market management.

Historically, Lloyd's was known for having many syndicates who specialised in a niche. Niche Leads are now rarer, driven by market consolidation (from c.430 syndicates in 1980 to over 100 today) and the cost of maintaining the full set of true lead capabilities.

Capacity Lead

Capacity Leads lead slips, but they are not 'true leads'. They may marginally influence terms or price if they lay down significant lines (especially in a hard market), but they are primarily seen by the broker and client as capacity, rather than as a technical expert partner. We heard that Capacity Leads often hoodwink themselves into thinking they have more influence than they really do. Capacity Leads may be leading on a small, high-excess layer, or they may be the Lloyd's lead on a risk where business originates and is mostly fulfilled outside of London.

Being a Capacity Lead is a valid commercial strategy. Many players are seizing commercial opportunity, of which there is plenty. Indeed, for some lines of business, Lloyd's as a whole primarily acts as a capacity market. Others seek to use a Capacity Lead positioning as a 'foot in the door' to develop their book and learn about new classes and risks, with the long-term goal to invest in true lead capability.

NB: Leading solely on an excess layer does not automatically denote a Capacity Lead. If the excess layer is large (e.g. a £200m x £50m excess line on an energy risk), a broker may seek out a Full-Service Lead to lead the slip.

Portfolio Lead Follower

Recently, the concept of Portfolio Lead Followers has gained traction. Portfolio Lead Followers may lead on broker facilities and other portfolio solutions and often attract capacity behind them through a credible, data-driven approach to writing efficient follow business. Portfolio Lead Followers may be strategically positioned as follow-only syndicates or portfolio solutions teams, whose expertise lies in portfolio rather than risk-by-risk underwriting and claims.

Influential Follower

Influential Followers are followers who are respected by the broker, client and market and therefore able to shape the terms and pricing of the risk to their favour. Oftentimes, these might be true leads who did not win lead position on the slip. Their level of influence waxes and wanes with the market cycle, largely driven by availability of capacity. Influence tends to be weakest in a soft market when competition for capacity at the bottom of the slip is fierce.

Not everyone buys into the idea of an Influential Follower. Some interviewees dismissed Influential Followers as a myth designed to soothe dented pride, arguing most are simply providing additional capacity with little sway. Interviewees told us that underwriting teams may class themselves as Influential Followers, but an outside-in assessment would reveal them to be Capacity Followers. Brokers told us that while they may seek to have a reputable market following on the slip, ready to take up leadership if required, this does not confer influence over terms or price.

As a result, this is the second category we recommend insurers 'treat with caution' in their analysis, looking out for a false picture of relevance to brokers and clients.

2. Types of leaders and followers: a strategic categorisation continued

Capacity Follower

Capacity Followers add volume but exert little influence over underwriting or claims. Capacity Follow is a valid commercial strategy; indeed, a significant proportion of many underwriting portfolios will be Capacity Follow.

In a changing market environment, Capacity Follow is most at risk. A softening market sees Capacity Followers being signed down the most – and the twin trends of facilitisation and digital trading are putting the squeeze on Capacity Follow more than other segments.

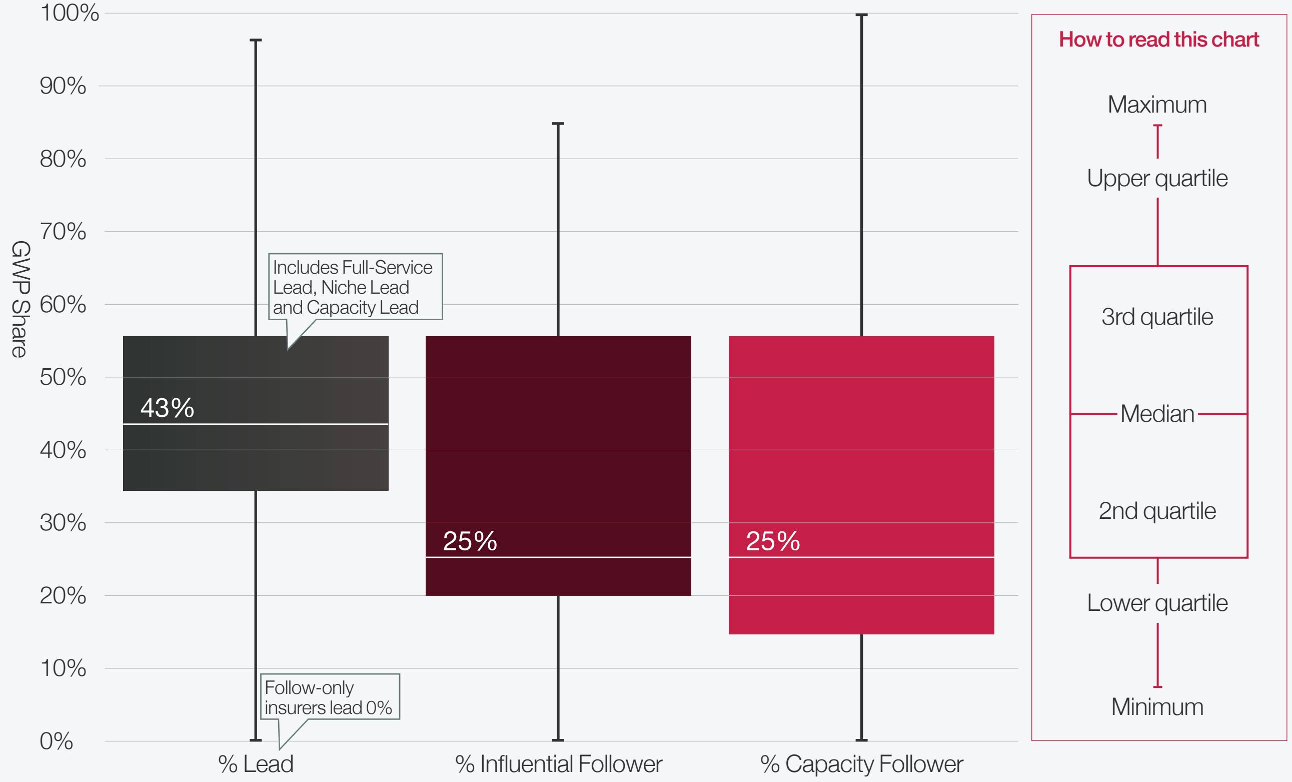
2.2 Disconnect between perception and reality

Respondents to our market survey reported leading an average of 43% of GWP (Figure 6). This includes Full-Service, Niche and Capacity Leads. However, this is a muddied picture of true leadership. Often, an insurer's internal data splits their portfolio between slip lead and follow, but does not reflect layer position or the role played in shaping the programme of a risk; this data therefore may support inaccurate representations of true strategic positioning. The most sophisticated insurers augment their lead-follow data with more subtle indicators of the role they play.

Similarly, in follow, respondents had a divergence of views. Some believed their follow portfolio was mostly Influential Follow; others took what they believed to be a more frank, realistic view that their follow book was mostly Capacity Follow. We believe that reports of Influential Follow should be treated with caution and justified.

Figure 6: **Survey respondents said that on average they lead 43% of GWP, with 25% as Influential Follow and 25% Capacity Follow**

Survey: For what % of GWP are you a 'lead', 'Influential Follow' and 'Capacity Follow'?



Source: Market interviews, 2025; Market Survey, 2025

3. Capabilities and characteristics of leadership

3.1 A new framework of leadership capabilities

Many clients care about who leads their business. The more significant the cost of insurance on their P&L, the more they care. Clients want a leader with experienced underwriters and claims teams who understand their business and their risks, without having to explain it to them – and they want a leader who has the depth of experience to offer cost-appropriate solutions when they encounter issues or are presented with new opportunities. Some clients may expect risk insight; others care less.

Brokers want what their clients want, but they also want speed of service, an engaging and presentable expert they can place in front of their client and a reputable name that helps them efficiently place the risk.

The most sophisticated insurers are deliberate about their proposition, aligning investments to capabilities they believe will allow them to differentiate (Figure 7). They take their classes on an explicit lead maturity journey, developing and improving capabilities so that clients and brokers deliberately choose to work with them.

Across each domain, leaders must first meet the baseline of competence to be considered a leader. They must generally have sufficient line size and an appropriately staffed and competent claims function. The most successful leaders, interviewees noted, are then clear about their differentiating value proposition and reinforce it through targeted investment. For example, some leaders hire market-recognised talent to showcase technical underwriting expertise; others deploy technology to accelerate quoting and sharpen their response times.

Figure 7: **Lead capabilities**

Oxbow Partners open market lead capability framework, adapted for this report

Source: Market interviews, 2025; Oxbow Partners lead capability framework

3. Capabilities and characteristics of leadership continued

Full-Service Leads are usually identified by market-leading performance across most characteristics. Niche Leads and Capacity Leads exhibit similar characteristics but typically with a smaller line size or across fewer classes of business. We heard that company market players tend to more commonly be Full-Service Leads, able to deploy a wider and deeper range of additional services (e.g. international programmes, risk engineers, cyber experts) and lay down a larger line. Many company markets also have a Lloyd's syndicate with access to the same services.

To be a leader in delegated authority requires a slightly different set of capabilities. Full-Service Leads with significant traditional binding authority portfolios may invest in bordereaux ingestion and portfolio-steering tooling so they can effectively engage with their coverholders. Portfolio Lead Followers in the broker facility space may take a 'hub and spoke' approach to their capabilities, combining a core of effective portfolio managers with the subject-matter expertise of their line underwriters.

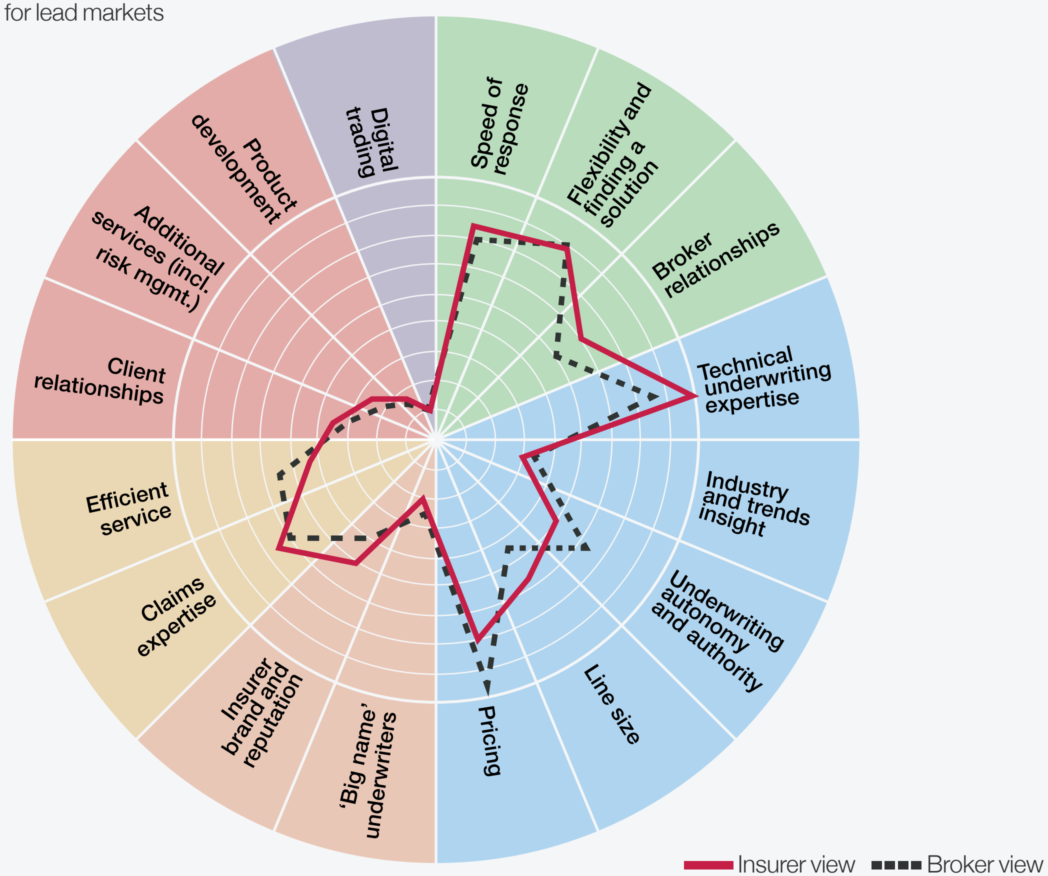
Leaders face competing pressures across capabilities. Brokers may ask for a significant line size and rapid response, while followers place greater weight on technical underwriting and pricing. For clients, finding a solution, price and claims experience are paramount. Full-Service Leads balance these pressures, choosing different paths to win.

3.2 Assessment of the importance of each capability

The question facing the market is which capabilities matter the most. In our survey, insurers and brokers report the same top four characteristics: flexibility and finding a solution, technical underwriting expertise, pricing and speed of response (Figure 8).

Figure 8: **Relative importance of lead characteristics (force ranked)**

Survey: Rank the following characteristics from most to least important for lead markets



Source: Market Survey, 2025

3. Capabilities and characteristics of leadership continued

This is reflective both of what clients need (a technically adept partner who can find a solution at an appropriate price) and what placing brokers want (e.g. a fast response).

Line size is rated more highly by insurers than by brokers – perhaps not a surprise in the current softening market in which brokers feel confident they can place a risk.

Claims expertise is ranked highly by both insurers and brokers. Claims handling is, in the end, the product that insurers are selling and interviewees consistently identified it as a defining mark of leadership. We heard of many instances, particularly for Niche Leads or Capacity Leads, where underwriters offer deep technical underwriting expertise but this was not reflected in the (often smaller) claims team.

Some leading insurers aim to bring claims representatives to client meetings, though their presence remains rare at softer relationship-building corporate entertainment events. Senior interviewees told us that there is often benefit in bringing claims teams to these events. In addition, strong claims functions tend to know the clients well, asking them what they value in claims handling and then delivering on this. Others told us that, for many clients, claims capability is a hygiene factor. As long as claims capability is deemed adequate by the broker, the important thing is achieving appropriate cover at the lowest price.

'Big name' underwriters are rated as less important by both insurers and brokers. We heard several times that while individual underwriters may have valuable relationships or reputation, the era of 'big names' who can move whole books of business is in decline, partly because the capabilities needed to be a true lead extend beyond an individual underwriter.

We were surprised that product development, additional services and digital trading ranked so low. We believe this is a function of how we asked the question (i.e. a ranking). In particular, we believe that digital trading capability will become essential, and that leaders in this space may develop differentiating partnerships with brokers.

Notable nuances by line of business emerged from the interviews. Speed of response is more critical for higher volume, lower complexity risks (e.g. simple property direct and facultative (D&F) risks, terrorism). Upstream energy requires a significant line size to be recognised as a leader. The increasing cost of claims in US wholesale casualty means followers put more weight on leaders' claims functions. For niche lines such as nuclear without significant historical claims data, the expertise and reputation of named underwriters holds significant weight.

Finally, we note that for reinsurers, balance sheet strength is key. We have not included this here, given the focus on Lloyd's.

3.3 More clarity in underwriting strategies

The LMA's 2024 The Growth of Enhanced Underwriting report outlined how the bifurcation of lead and follow is reshaping capacity allocation on the slip. For primary insurance, traditional follow is expected to be squeezed significantly by facilitisation and the growth of more automated types of follow capacity.

Some participants warned that unspecialised syndicates may not survive a soft market.

In response, insurers are focusing more deliberately on their leadership maturity journey and where and how they plan to win as a lead. They are becoming more explicit about where they invest in lead capabilities, which classes of business they want to make into more mature leads and where they take an efficient follow approach, on either a single risk or portfolio basis.

For example, some CUOs are expecting a future where they will write all Capacity Follow lines digitally or algorithmically. Some brokers tell us they expect Capacity Follow to be offered at a discount to the lead price – necessitating a much more efficient operating model.

Few management teams are explicit with their underwriting teams about where they sit on their lead maturity journey, wary of attrition if underwriters feel undervalued. We believe honesty delivers the best outcomes, with underwriters a central part of defining their journey.

3.4 Consolidation of lead markets

The squeeze on traditional follow and rising cost of leadership is reshaping the market's structure, prompting questions about the number of true lead markets at Lloyd's. A minority (42%) of our survey respondents expect there to be fewer leaders over the next two-to-three years, but over five-to-ten years, 65% expect the number of lead underwriters at Lloyd's to consolidate (Figure 9).

Among those expecting consolidation, many cite the growing bifurcation between lead and follow positions and its impact on expense ratios. Leading demands deeper expertise and heavier investment. Rising cost thresholds for leadership are widening the capability gap and deterring challengers. This is exacerbated by merger and acquisition (M&A) consolidating the pool of leaders further.

Softening market conditions could accelerate consolidation. Capacity Followers risk being squeezed out: without winning lead positions on solid risks, they

3. Capabilities and characteristics of leadership continued

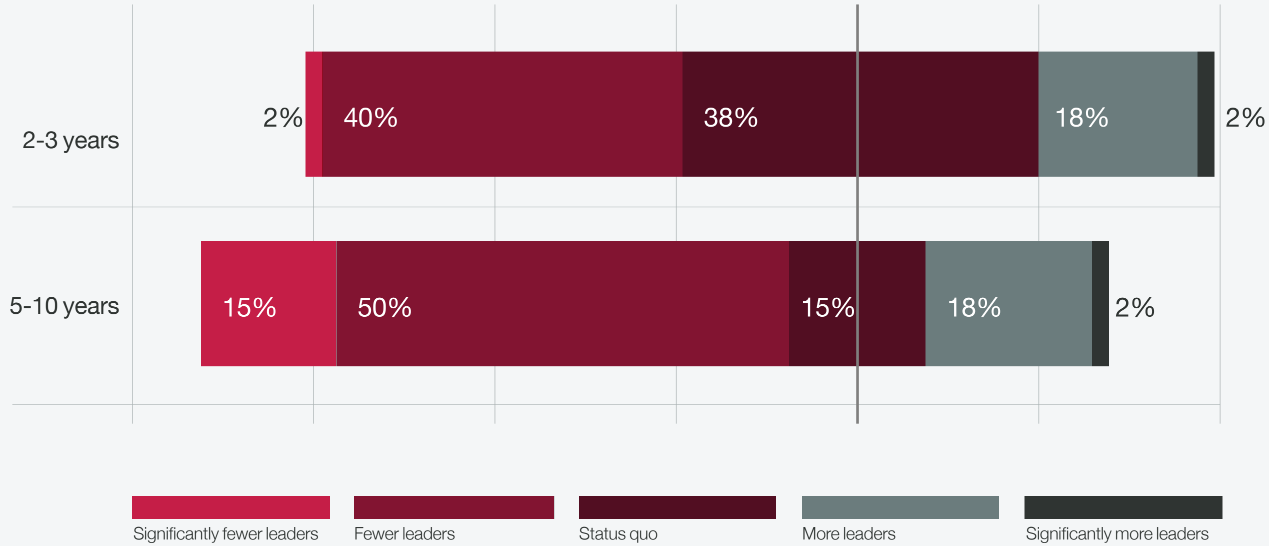
face being signed down, forced to offer discounted follow premium or dropped from the slip entirely.

A small cohort of survey respondents expect more leaders across both time horizons, arguing that the P&L benefits of leadership will keep insurers pursuing lead positions.

Views differ on the minimum number of leads needed for a competitive marketplace. Some told us 10 to 15 leads are required per sub-class to ensure a competitive marketplace; several brokers told us that 3 to 5 quoting leads per sub-class would usually suffice, provided that there is also company market availability.

Figure 9: **Most believe that the softening market and bifurcation of lead and follow will result in fewer leaders**

Survey: Do you believe the number of leads will consolidate or proliferate?



Source: Market Survey, 2025

4. The role of the lead and opportunities for driving a more efficient market

Lead underwriters today discharge activities on behalf of follow markets, operating through both formal mandates and informal conventions. To optimise market efficiency, we tested the boundaries of this delegation in interviews. Provided legal frameworks allow, could compliance activities and sanctions screening be delegated to the lead? If a reputable lead has material skin in the game, could Capacity Followers delegate pricing or other core underwriting activities?

Interviewees were broadly favourable to deduplication opportunities that drive market efficiency, but the industry remains strongly opposed to 'blind follow'. Interviewees universally rejected the total outsourcing of risk assessment. Despite the costs of redundancy, market participants (and regulators) maintain that individual scrutiny is a fundamental foundation of the Lloyd's market.

4.1 The formal and informal role of the lead across different methods of placement

Open market

In the open market, followers rely on leads for certain activities, especially claims, programme structuring and wordings. Followers who think of themselves as leaders or Influential Followers usually conduct their own risk assessment and pricing. Capacity Followers, however, may conduct far lighter touch underwriting if the markets at top of the slip are ones they trust.

However, for most insurers, the assessment of who a good leader is at Lloyd's relies heavily on informal market insight and underwriter reputation. Only a few more sophisticated players apply structured criteria that blends quantitative and qualitative measures. These consider past performance, the types of business they write and the contribution of individual versus company capability, in order to remove noise from historical results.

Consortia offers a model for full delegation of open market underwriting to leaders, in which activities are contractually delegated to leaders (Figure 10). Followers pay consortia fees to the lead, partly for access to the business, but also to cover the cost of conducting activities on the followers' behalf. Leaders conduct compliance checks and underwrite the risk on behalf of follow markets. (NB: While responsibility for sanctions and compliance is delegated, followers retain accountability, and indeed consortia leads may refer sanctions flags to the follow panel.)

Leaders and followers alike see benefit in consortia. Leaders get a larger line and risk-free income via consortia fees. Followers, the large majority of whom are follow-only syndicates or portfolio solutions teams, get access to business underwritten by a respected leader, near-perfect indexation across the book (usually) and live, consistent data. Our analysis shows that underwriter-led consortia have seen significant growth, from 3% of Lloyd's GWP in 2017 to 7% in 2024.[3]

We expect this to grow as more leading underwriting teams see the economic benefit of risk-free income hitting the bottom line, and strategic benefit of offering larger lines. There is an increasing amount of follow capacity too. Portfolio solutions capacity – the source of most consortia follow – is forecast to be £5.1bn GWP in 2026.[4]

We heard that the greatest potential for new capital to attach to consortia-led risks is in highly technical, niche lines of business requiring large line sizes, such as data centres, small nuclear reactors and large infrastructure projects. Consortia are most successful when solving a market challenge.

We heard divided opinion from brokers on consortia. Some see consortia as an efficient way to place business and note that there is no negative impact on the client and brokerage does not change. Furthermore, most brokers use consortia and coverholder (C&C) stamps as an efficient way of processing their facilities through the back office. Others argue consortium leaders are playing a distribution role and that this is the job of the broker. They also believe that digital placement of follow lines will make consortia redundant.

Regardless, if consortia do grow as a proportion of the market, there are operational improvement opportunities. These include streamlined regulatory returns processes, options for evergreen consortium contracts and clarification of the use of C&C stamps for broker facilities.

In Figure 10, we explore how the consortia model could be extended to the broader open market.

3. Source: Velonetic Consortium and Coverholder stamp transaction data; Lloyd's full year results; Oxbow Partners analysis

4. Source: Lloyd's 2026 Syndicate Business Forecast

4. The role of the lead and opportunities for driving a more efficient market continued

Figure 10: **Open market followers rely on leaders to varying degrees; a consortium is the most formal reliance mechanism**

Risk-by-risk underwriting: role of the lead

	Activity	Open market	Consortia
Pre-bind	Client engagement	✔ (dependency on lead for some followers)	✔ (dependency on lead for most followers)
Pre-bind	Structure programme and define terms	✔ (dependency on lead for most followers)	✔ (dependency on lead for most followers)
Pre-bind	Construct wordings	✔ (dependency on lead for most followers)	✔ (dependency on lead for most followers)
Pre-bind	Pricing	✔ (dependency on lead for some followers)	✔ (dependency on lead for most followers)
Pre-bind	Risk assessment	✔ (dependency on lead for some followers)	✔ (dependency on lead for most followers)
Pre-bind	Data entry incl. SOV ingestion	No dependency on lead	✔ (dependency on lead for most followers)
Pre-bind	Cat modelling and exposure analysis	No dependency on lead	✔ (dependency on lead for most followers)
Pre-bind	Compliance and sanctions checks	No dependency on lead	✔ (dependency on lead for most followers)
Pre-bind	PBQA and contract certainty	No dependency on lead	✔ (dependency on lead for most followers)
Post-bind	Facultative reinsurance	No dependency on lead	No dependency on lead
Post-bind	Portfolio and exposure management	No dependency on lead	No dependency on lead
Post-bind	Claims handling and adjudication	✔ (dependency on lead for most followers)	✔ (dependency on lead for most followers)
Post-bind	Claims reserving	No dependency on lead	No dependency on lead

Key: ✔ Dependency on lead for most followers; ✔ Dependency on lead for some followers; No dependency on lead

Source: Market interviews, 2025

Figure 11: **Traditional binding authority lead activities**

Activities conducted by traditional binding authority leads on behalf of follow

Stage	Activity
Pre-bind design and architecture	Coverholder sponsorship and appointment
	Design agreement architecture (e.g. scope, commissions)
	Set binder parameters (e.g. limits, exclusions)
Ongoing operation	Manage referrals
	Agree MTAs
Performance and relationship management	Bordereaux reporting
	Claims handling and adjudication
	Oversight of claims DCA (if claims are delegated)
	Coverholder monitoring and relationship management

Source: Market interviews, 2025

4. The role of the lead and opportunities for driving a more efficient market continued

Traditional binding authorities

In traditional binding authorities, the lead takes on a clear set of responsibilities on behalf of the follow market – all of which is Capacity Follow – including designing the delegation agreement, managing referrals, performance management and coverholder relationship management (Figure 11).

Coverholder and binder due diligence and audit is currently duplicated across the lead and follow markets. The market-wide Streamlined Compliance initiative, led by the LMA, aims to remove some duplication of activities. Interviewees supported this and the use of a third-party service to collect coverholder data just once, using a fixed set of questions for all managing agents to use. If insurers choose to ask additional questions they can, but this may put them at a commercial disadvantage.

Lead and follow in the traditional binding authority space is likely to be reshaped by digitisation and the advent of Computable Binding Authority Agreements (CBAA) to manage binder parameters. Leaders will need to be able to write and manage these, reducing mistakes, lowering the cost of doing business and improving experience for all customers.

Portfolio Lead Followers

In the portfolio solutions space, Portfolio Lead Followers also carry out activities on behalf of the follow market (Figure 12). Brokers see the choice of leader on their broker facilities as key to securing follow capacity, and a partnership with that Portfolio Lead Follower as fundamental for the long-term success of the facility.

We heard that few insurers have the necessary scale and capabilities to lead on large cross-class broker facilities. These facilities need significant expertise across multiple classes, strong operational systems to manage complex facility set-up and performance management, and good data and governance. Brokers also need to be sure of longevity of commitment to the facility.

Leading on smaller portfolio business also requires insurers to have a specific set of skills, which insurers seek to recruit into their portfolio solutions teams. Familiarity with designing and setting up portfolio arrangements is key, as well as the skills to effectively and actively manage the business on an ongoing basis. The most sophisticated have thoughtful ways of assessing who are strong leaders to follow. In places, Portfolio Lead Followers may need algorithmic literacy to build and refine smart follow logic and algorithmic underwriting engines. Strong collaboration with line underwriters, too, enables high-quality portfolio underwriting by obtaining line-specific expertise.

Most recently, there has been more focus on the role of the lead as a guardian of facility indexation (anti-selection) rates and performance. New capabilities and significant investment are required to execute this role effectively; this scale of investment, we were told, creates a barrier to a wider group of insurers from building out Portfolio Lead Follower status.

Figure 12: **There are a specific set of activities to be seen as an effective lead for a broker facility**

Activities conducted by leaders of broker facilities on behalf of follow markets

Stage	Activity
Pre-bind design and architecture	Design agreement architecture
	Define the threshold for data quality
	Develop scope of parameters (i.e. in-scope/not)
	Define the line size
	Select the leader list
	Exclude niches of the broker portfolio
Ongoing operation	Ingest the data
	Manage referrals
	Agree MTAs (e.g. uplift to Cat risk appetite/PMI)
	Claims lead/first agreement party
Performance and relationship management	Conduct audit
	Monitor and manage performance
	Off-ramping

Source: Market interviews, 2025

4. The role of the lead and opportunities for driving a more efficient market continued

4.2 Activities that could be delegated

Our survey results imply there is market appetite to shift more activities to leaders (Figure 13). Removing duplication and streamlining processes could lower expense ratios and ultimately reduce premiums for clients.

It is unsurprising that claims handling and adjudication is at the top of the list; most claims are already leader only for agreement purposes. Survey respondents highlighted Pre-Bind Quality Assurance (PBQA) and contract certainty as prime candidates for further delegation. In interviews, sanctions checks were frequently mentioned unprompted.

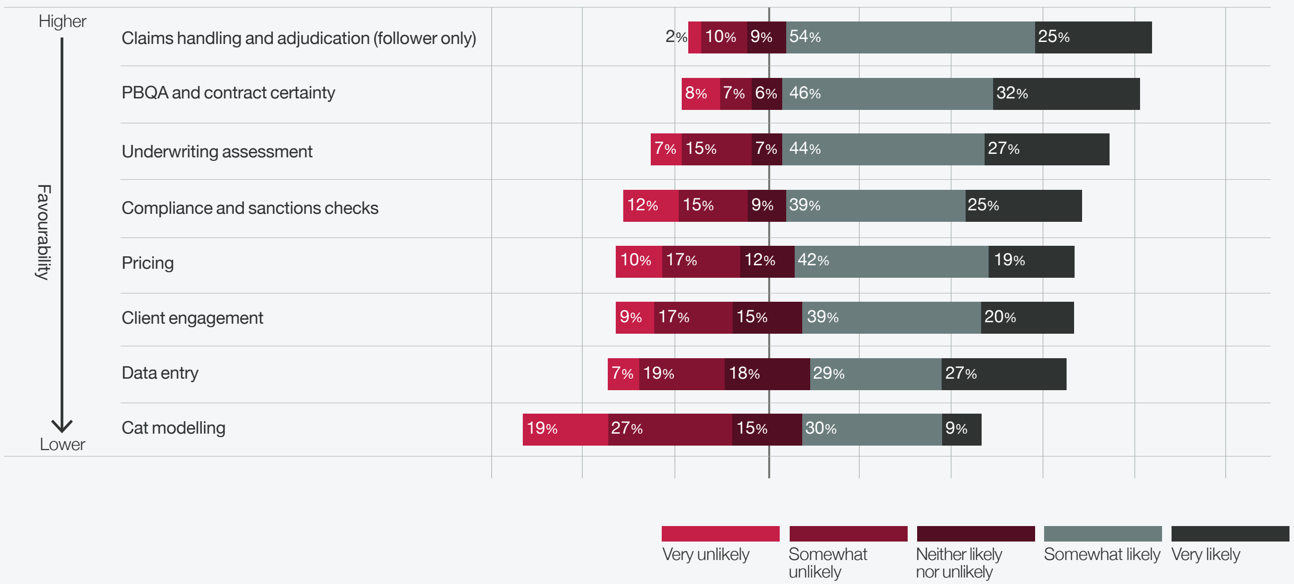
Today, delegating more regulatory and compliance activities to leaders in the open market without formal contracts runs into regulatory hurdles. Sanctions checking, for example, is conducted against each party's own risk appetite and is difficult to delegate without a formal contract of delegation in place. Under many consortia arrangements, leads typically flag the most problematic risks to followers for individual decisions.

Other regulatory challenges include meeting anti-money laundering requirements and carrying out conduct and customer checks under FCA rules, even for non-UK risks. There is appetite among interviewees to address these regulatory and compliance questions, seeing duplication across markets as not adding value. The LMA is issuing a separate paper on these topics.

The broader question is the extent to which followers could delegate core underwriting processes to leaders. It was interesting how many survey respondents were willing to delegate underwriting and pricing. Appetite for shifting more underwriting, pricing and client engagement activities to leaders is there, but the current regulatory landscape makes this very difficult. Underwriting controls and oversight remain non-negotiable. Indeed, even as digital, algorithmic and portfolio underwriting grows, regulators expect followers to continue to understand technical adequacy and to have a granular understanding of their portfolio-level exposures.

Figure 13: **Respondents are broadly positive towards delegating more activities to leaders**

Survey: Which activities could a lead perform on behalf of followers?



Source: Market Survey, 2025

4. The role of the lead and opportunities for driving a more efficient market continued

4.3 Options for formalising leadership

The market has periodically discussed whether the position of leader, or follower for that matter, requires formalisation. For example, Lloyd's Blueprint One suggested that 'formalising lead-follow roles could make it easier to deliver several of the most critical Future at Lloyd's solutions'.[5] This did not reappear in subsequent blueprints.

If there were sufficient appetite in the market, the role of the lead could be more formalised with intervention by a third-party such as Lloyd's (Figure 14).

There was almost no appetite among interviewees for Lloyd's to provide leadership validation or accreditation. Interviewees warned that raising the bar for leadership could curtail innovation and entrench incumbent leaders. They also highlighted practical challenges: what happens to your leadership status if the team leaves mid-year? (How) should company markets be considered? How could performance of a lead be measured?

Many also noted the benefit of a free market as teams move through a lead maturity journey. Emerging leads often act as Niche Leads or Capacity Leads and hope to build Full-Service Lead capability as they grow, making formalisation a potential barrier for challengers.

Our survey responses did highlight that just over half of respondents thought some formalisation of the lead could be beneficial, however (Figure 15). They envisage leaders taking on additional responsibilities, in the same way they do in consortia arrangements, allowing followers to strip out duplicate capabilities. We also heard that increased delegation to a leader could free up resources for innovation.

5. Lloyd's (2020), The Future at Lloyd's, p 18

Figure 14: **The role of the lead could be formalised beyond today's status quo**

Options for increasing formalisation of the role of the lead

Increasingly formalised market →

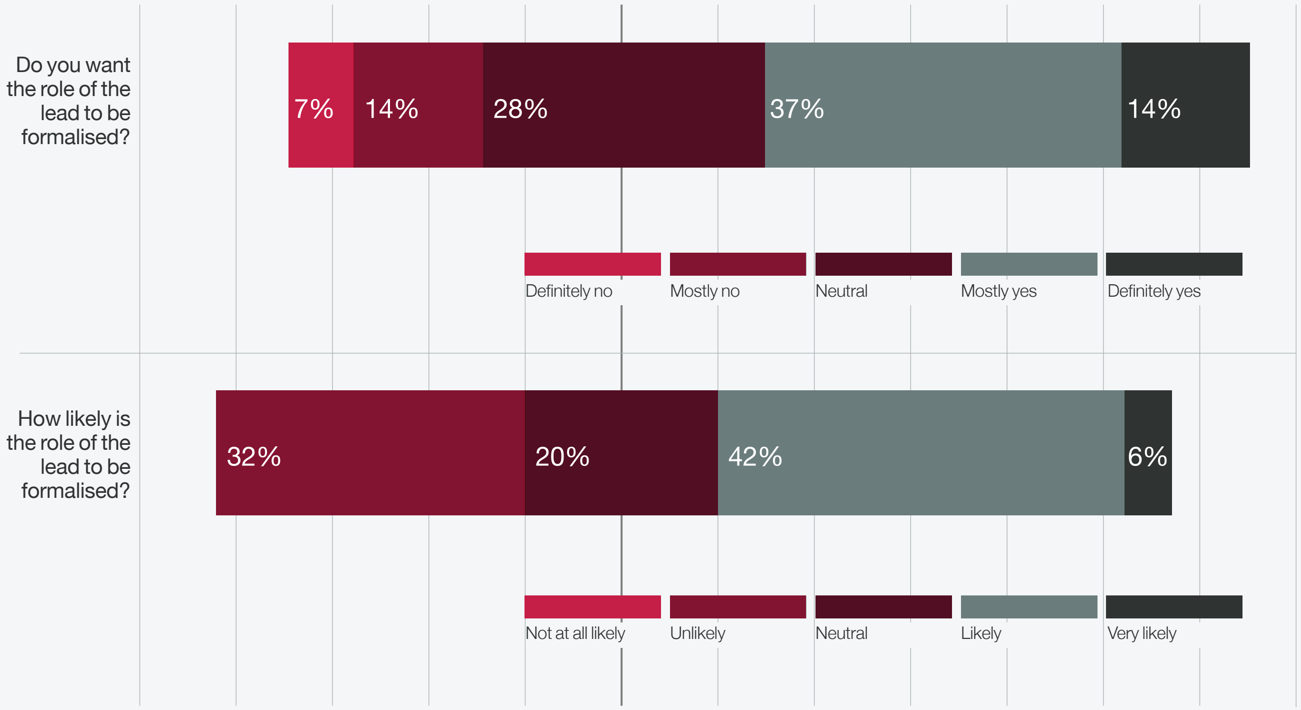
Option	'Free Market'	Guidance	Validation	Formal Accreditation
Description	Status quo. Who is a leader is subjectively defined by market participants	Lloyd's provides guidance on the approach insurers can take to identifying and evaluating leaders	Lloyd's validates that carriers are implementing guidance appropriately	Leaders and/or followers are formally accredited by a third party, e.g. a regulator/Lloyd's
Benefits	✔ Encourages innovation and competition	✔ Aligns with PBO approach	✔ Insurers can differentiate with their own assessment	✔ Reputational advantage justifies investment in lead capabilities
	✔ No additional friction to operate in Lloyd's	✔ Limited friction to operate in Lloyd's		✔ Creates consistency across the market
		✔ Insurers can differentiate with their own assessment		
Risks	✖ Risk of inconsistent quality among leads (e.g. lack of specialist claims capabilities)	✖ May undervalue qualitative elements of lead assessment	✖ Additional work (and expense) for carriers to demonstrate their approach	✖ Accreditation would need frequent updates to account for people moves between managing agents
		✖ Limited enforcement power		✖ Could limit innovation and emergence of new leads
				✖ Limits choice
				✖ May have legal considerations as to its workability and competition law implications

Source: Market interviews, 2025

4. The role of the lead and opportunities for driving a more efficient market continued

Figure 15: **Survey opinion is split as to whether formalising the role of the lead is desirable**

Survey: How much do you want/how likely is formalisation of the role of the lead?



Source: Market Survey, 2025

5. Leaders' fees

5.1 Options for remuneration

Any move to formalise leadership or reduce duplication will reshape economics in the Lloyd's market. This raises critical questions about potential remuneration models that make these changes viable.

Several options exist (Figure 16). The most explicit is direct payment from followers to leaders for activities carried out on their behalf. Lloyd's already has payments in place for some contexts, including consortia fees and payments for add-ons such as risk engineering services. Discounted follow premium, where followers offer a discount or loading to the lead price, is common in verticalised placements and therefore often seen on aviation risks. Several larger brokers told us they expect this to become a more common model as the market digitises and verticalised premium becomes operationally more viable.

5.2 Divided opinions over leaders' fees

Opinions on leaders' fees are split. Some survey respondents showed support for leaders' fees in the open market (Figure 17). Interviews told a different story. Insurers were almost universally opposed, except where contractual arrangements exist, such as consortia. Insurers warned against a 'Pandora's box' and unintended consequences – including the fact that it would more strongly discourage any underwriting team from embracing an efficient follow model. Brokers appeared largely indifferent.

Followers are reluctant to pay additional premium in the form of leaders' fees for risks where they have a smaller line. Many struggled to identify activities they could stop doing to justify the additional acquisition cost – there is an expectation among followers of a trade off in terms of fewer

Figure 16: **There are several options for remunerating leaders**

Mechanisms for leader compensation

	Open market leaders' fees	Consortia fees	Payment for add-ons	Discounted follow premium	Discounted brokerage
How it works	Lead underwriter on a slip charges a fee to followers for setting terms and managing the placement.	Consortium leader charges a fee to followers for administering the consortium on their behalf.	Leaders charge followers extra fees for additional services (e.g. risk engineering).	Followers are paid a reduced premium compared to leaders.	Leader pays a reduced brokerage commission.

Source: Market interviews, 2025

5. Leaders' fees continued

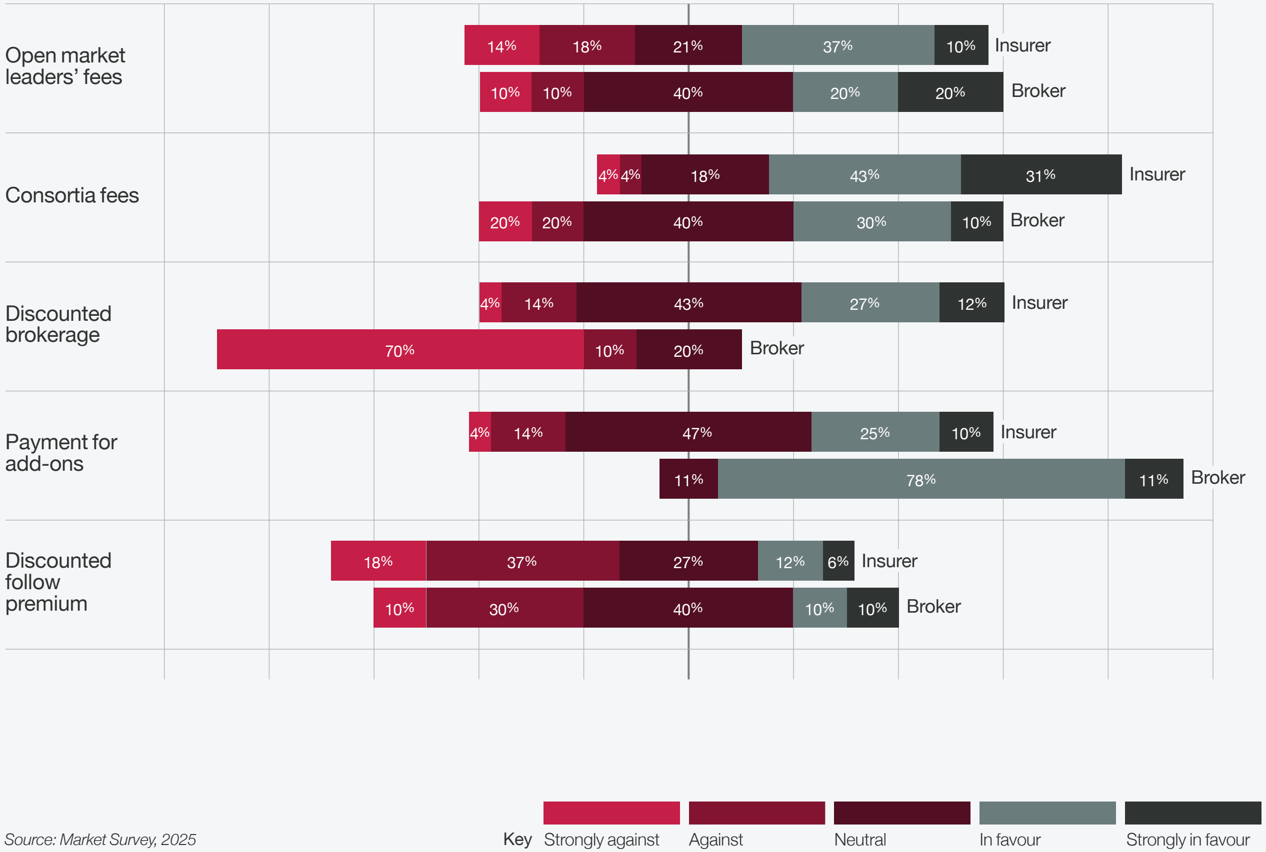
administrative requirements. Followers also noted that regulatory obligations remain unless the framework changes significantly.

Leaders had their own concerns. Clearly there would be an impact on the economics of follow portfolios – especially if they underwrote but did not win the lead position on a risk. Some thought a fee-paying model implies a service is being delivered and may create legal liability to the follow market to deliver effective compliance checking, and appropriate underwriting and pricing. A fee-paying model may also require sharing data to a degree that insurers find uncomfortable. They are reluctant to give away intellectual property; we also heard concerns about lack of consent from clients and potential breach of competition law. Some interviewees argued that existing benefits (larger line sizes, higher renewal rates and influence over programme design) are reward enough.

The survey showed limited support among underwriters for discounted follow pricing as an alternative. While some interviewees saw this as more likely than leaders' fees, it depends on a more efficient follow model. That is not the case for many Influential Followers and Capacity Followers, who share similar cost bases with leaders. For now, the market remains divided on leaders' fees.

Figure 17: **The survey revealed divided opinions on remuneration for leaders**

Survey: How do you feel about these approaches to leaders' fees?



Source: Market Survey, 2025

6. How insurers could respond

6.1 Assessing leadership maturity across the portfolio

Strategic agility in an evolving market depends on a frank evaluation of an insurer's market positioning. To achieve this, insurers could dissect their portfolios across the six defined strategic segments – ranging from Full-Service Leads to Capacity Followers. Top-tier players combine a portfolio assessment, views from their underwriting teams and perspectives from brokers to assess where each class of business is positioned today.

As a starting point, we have developed a set of questions that can be asked of each underwriting team (Figure 18).

Note that within this framework, 'true leadership' is treated as a nuanced spectrum rather than a binary designation. The diagnostic questions provided are intended to move beyond simplistic categorisation of lead and follow, serving as a catalyst for deeper strategic enquiry into actual leadership maturity and capability. We would expect carriers to adjust these questions for their own teams.

NB: The questions in Figure 18 apply specifically to open market risks. We expect insurers would adapt these to traditional binder arrangements or portfolio solutions arrangements.

Once insurers have defined their starting point, they can choose whether to defend their current standing, build toward a new segment or pivot to a different model entirely (Figure 19). This could be investment to mature lead capabilities, or embracing a Capacity Follower role, supported by a low-cost, efficient follow model. This will ensure that investment is targeted, deliberate and effective.

6. How insurers could respond continued

Figure 18: **Questions to determine leadership positioning in a particular class**

Open market

Key: Always | Sometimes | Rarely/not at all

← 'True leadership' → (Full-Service Lead, Niche Lead)

	Questions	Full-Service Lead	Niche Lead	Capacity Lead	Influential Follower	Capacity Follower
Client service	Do you have a good relationship with the majority of your clients? Do you regularly meet?	Always	Always	Rarely/not at all	Sometimes	Rarely/not at all
	Do you genuinely provide innovative products and structures that solve problems for the client?	Always	Always	Rarely/not at all	Rarely/not at all	Rarely/not at all
	When visiting London, does the client request to specifically see you over dinner or another social, relationship-building event?	Always	Always	Rarely/not at all	Sometimes	Rarely/not at all
	Do clients actively seek to work with you? Would they choose to work with you even if your price was higher than your peers'?	Always	Always	Rarely/not at all	Sometimes	Rarely/not at all
Underwriting	Have you outperformed the market over the medium- to long-term?	Always	Always	Sometimes	Sometimes	Sometimes
	Are you actively shaping the overall programme?	Always	Sometimes	Rarely/not at all	Rarely/not at all	Rarely/not at all
	Do you have an impact on price and terms?	Always	Always	Sometimes	Sometimes	Rarely/not at all
	Do you lead on the primary layer, not just excess layers?	Always	Always	Sometimes	Rarely/not at all	Rarely/not at all
	Do you have subject-matter expertise beyond underwriting (e.g. risk engineers, cyber experts)?	Always	Sometimes	Rarely/not at all	Sometimes	Rarely/not at all
	Do you have a line size that puts you in the top 3-5 markets in your class?	Always	Rarely/not at all	Rarely/not at all	Rarely/not at all	Rarely/not at all
	Of your lead book, do you have a breadth of business rather than a high concentration in a few niche areas?	Always	Rarely/not at all	Rarely/not at all	Rarely/not at all	Rarely/not at all
	Do you have an offering for complex multinational programmes and captives?	Always	Rarely/not at all	Rarely/not at all	Rarely/not at all	Rarely/not at all
Broker service	Are you retained as lead across renewals because brokers (and clients) genuinely value the partnership?	Always	Always	Sometimes	Rarely/not at all	Rarely/not at all
	Do brokers consult you early in structuring the deal and obtaining indicative pricing?	Always	Always	Rarely/not at all	Sometimes	Rarely/not at all
	Are you ranked by brokers as a top 5 market in your class?	Always	Rarely/not at all	Rarely/not at all	Rarely/not at all	Rarely/not at all
	Would brokers say that when they have an issue or challenging placement, they know they can rely on you to offer a solution?	Always	Always	Rarely/not at all	Rarely/not at all	Rarely/not at all
Reputation	Do you lead a consortium in this class? Do other markets want to actively follow you?	Always	Always	Rarely/not at all	Rarely/not at all	Rarely/not at all
	Would interviews with peers place you in the top 3-5 when asked who is a leader in your line of business?	Always	Sometimes	Rarely/not at all	Rarely/not at all	Rarely/not at all
Claims	Do you lead on claims settlements?	Always	Always	Sometimes	Rarely/not at all	Rarely/not at all
	Are you the first claims agreement party when you are not lead?	Sometimes	Sometimes	Sometimes	Always	Rarely/not at all
	Do your claims people know the client?	Always	Always	Rarely/not at all	Rarely/not at all	Rarely/not at all
	Do you have deep class-specific claims expertise?	Always	Always	Rarely/not at all	Rarely/not at all	Rarely/not at all
Tech & data	Are you seen as a source of innovation for digital risk solutions?	Always	Rarely/not at all	Rarely/not at all	Rarely/not at all	Rarely/not at all

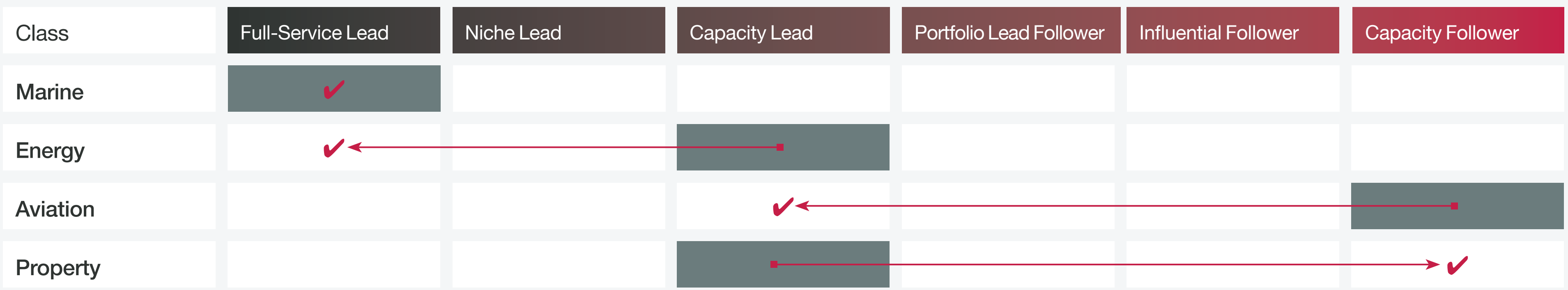
Source: Market interviews, 2025 NB: Insurer brand and reputation not included; we believe brand and reputation results from a combination of the other capabilities

6. How insurers could respond continued

Figure 19: **Insurers need to decide where they want to play across lead and follow**

Leadership maturity journey (illustrative)

Key: Current state Target state ✔



Source: Market interviews, 2025

6.2 Shaping the syndicate of the future

In our 2024 report on The Growth of Enhanced Underwriting, we described the 'slip of the future', driven by the bifurcation of lead and follow. As capacity allocation changes, insurers' strategies must adapt. Insurers face a choice of distinct lead and follow propositions, each with different economics and capabilities (Figure 20). Most insurers vary their approach by class and through the market cycle.

Traditionally, many incumbent Full-Service Leads have taken an all-rounder approach. Their depth and breadth across teams allows them to vary their position, for example, building a reputation as a Full-Service Lead, and legitimately be seen as an Influential Follower on risks where they did not win but shaped by working with the client. Their reputation also surfaces more opportunistic Capacity Follow business. Elsewhere they might be partnering with brokers as a Portfolio Lead Follower on their facilities.

By contrast, an opportunist may choose a commercially driven capacity strategy. This might be underpinned by appetite for volatility allowing them to place large lines – especially powerful in a hard market. Their follow book might be supported by an efficient operating model allowing for lower pricing vs competitors.

The delegator might write traditional binding authority business only, keeping a low expense ratio and outsourcing expensive underwriting and claims capabilities, while optimising their delegated authority infrastructure.

6. How insurers could respond continued

Figure 20: **There are several strategic lead and follow propositions open to insurers**

Strategic proposition 'plays'

All-rounder	Challenger	Opportunist	Portfolio play	Delegator
Strong reputation in the class, with deep technical expertise in complex/niche risks.	Challenger entering a new class, taking Niche and Capacity Lead positions while developing credibility.	Strategic play to take opportunistic chunks of capacity.	Underwriting on a portfolio basis only, both in a lead and follow role.	Outsources expensive underwriting and claims capabilities to MGAs.
Full-Service Lead	Full-Service Lead	Full-Service Lead	Full-Service Lead	Full-Service Lead
Niche Lead	Niche Lead	Niche Lead	Niche Lead	Niche Lead
Capacity Lead	Capacity Lead	Capacity Lead	Capacity Lead	Capacity Lead
Portfolio Lead Follower	Portfolio Lead Follower	Portfolio Lead Follower	Portfolio Lead Follower	Portfolio Lead Follower
Influential Follower	Influential Follower	Influential Follower	Influential Follower	Influential Follower

Source: Market interviews, 2025

6. How insurers could respond continued

6.3 What next?

The key questions for a CUO to ask therefore are seen in Figure 21.

The mandate for insurers is to pursue an honest 'lead maturity journey'. Success will depend on the ability to distinguish between the underwriting classes where an insurer can realistically excel as a true lead and those where it is more advantageous to pivot to an efficient, low-cost follow strategy. Once current state, ideal future state and the journey between is established, insurers can strategically invest into underwriting and non-underwriting capabilities.

In short, by following a leadership maturity journey, insurers can choose where and how they want to play in the future, rather than letting market forces dictate their position and ability to survive. Those who make their strategic choices deliberately, supported by an honest appraisal of their capabilities, will be the ones to shape the next chapter of this market.

Figure 21: **What next?**

Key questions for CUOs

1. In which classes are you a true lead today?

How is this supported by quantitative and qualitative data?

Does our internal view align with an outside-in view?

2. Where do you want each class to be in the future?

E.g. Full-Service Lead, Niche Lead, Influential Follower, etc.

3. What is the journey to get there and what capabilities do we need?

For underwriting teams?

For non-underwriting teams?

Source: Market interviews, 2025

Glossary

Category	Term	Definition
Lead	Lloyd's lead	Sets the terms and price for capacity from the Lloyd's market.
	Slip lead	Listed first on the slip in an open market risk, typically responsible for terms agreement. Formally called 'MRC lead'.
	Consortium lead	Binds risks on behalf of insurers (consortium members) based on pre-agreed parameters. The lead earns 'risk-free' income from members via consortia fees. NB: risk-free in this context refers to underwriting risk, meaning consortia fees are not susceptible to claims; there is still non-underwriting risk.
	Binder lead	Sponsors the coverholder, underwrites binder parameters, typically handles referrals and is responsible for claims.
	Coinsurance lead	Coordinates terms across multiple insurers sharing the same risk.
	Full-Service Lead	Underwriters shape risk and terms, commanding client and broker support that makes them difficult to displace as lead.
	Niche Lead	Expertise in a specific niche offers superior underwriting, pricing and innovative products and structures, but lacks breadth.
	Capacity Lead	Leads on elements of the risk but does not significantly shape the risk.
	Broker facility lead	Leads arrangements put in place by brokers whereby a group of underwriters agree to write a percentage of a broker's portfolio, across a single line or multiple lines. Broker facilities are commonly written under a binding authority agreement and processed via a consortia and coverholder (C&C) stamp.
	Quasi-lead	May be a technical lead (e.g. within a verticalised slip), but does not have the capabilities of a Full-Service Lead.
	Lead-in-waiting	Does not lead, but possesses the necessary capabilities to lead on the risk (e.g. if the current lead's appetite changes).
	Losing lead	Assesses a risk, quotes, negotiates, etc, but ultimately does not lead and may become an Influential Follower on the same risk.

Category	Term	Definition
Follow	Claims agreement party	Acts as a second pair of eyes for any claims that the lead handles – their approval is usually necessary for settlement. Also called 'first follower'.
	Binder follow	Provides follow capacity on a binding authority, relying on the lead to set terms, onboard the coverholder and manage claims.
	Consortium follow	Provides follow capacity for business written under a consortium.
	Support market	Constitutes follow capacity on a slip.
	Portfolio Lead Follower	Leaders in portfolio solutions whose credibility attracts additional follow capacity behind them.
	Influential Follower	Maintains capabilities to lead and often may be a losing lead; provides expertise and credibility, shaping risk as a follow market.
	Capacity Follower	Used by brokers to provide additional capacity on a risk and is considered interchangeable with other insurers.
	Follow tracker	Strategically positioned as follow-only. Expertise lies in portfolio management, rather than underwriting or claims capability.
	Fast follow	Utilises digital or algorithmic capabilities to enable rapid response and minimal duplication of lead activity.
	Traditional follow	Provides follow capacity via negotiation with brokers, without utilising tech-enabled decisioning or digital placement.
	Smart follow	Uses tech-enabled decision making to follow high-performing leads with minimal touch.
	Silent follow	Accepts the lead's terms without influencing pricing or setting terms, while performing independent assessment and due diligence.
	Blind follow	Accepts the lead's terms and pricing, without conducting independent assessment or due diligence (used negatively).

Methodology and scope

The Lloyd's Market Association (LMA) and Oxbow Partners invited Lloyd's insurers and brokers to take part in this report.

Between October and December 2025, Oxbow Partners interviewed 41 people, of which 23 were from insurers, 15 were from brokers and 3 were from other companies or organisations. Interviewees included 15 CEOs, 11 CUOs or active underwriters and the remainder were other Board and C-Suite roles.

Oxbow Partners also conducted a quantitative survey which had 60 responses, of which 11 were brokers and 49 were insurers.

Participants' responses (both qualitative and quantitative) were aggregated and analysed by Oxbow Partners. Responses have been anonymised and any reference to specific points have been made with the participant's permission.

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