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A joint point of view
LMF GenAI Working Group & Cognizant

The London Market insures the world's risks. It is not insuring its own.



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Executive summary

The London Market is dividing. Firms that successfully deploy AI at scale will operate with greater capacity, sharper decision-making, and stronger competitive positioning. Those that do not will find market share, capital, and business opportunities gravitating towards organisations that move faster, operate more efficiently, and respond more effectively to client needs. In a market built on precision and speed, that gap will not remain invisible for long.

88% of London Market firms are investing in AI. Only 5% feel ready for it. Globally, just 7% of insurers have reached enterprise-wide scale. The gap is not ambition. It is execution.

AI is no longer a technology initiative. It is a strategic business issue with direct implications for productivity, capacity, and competitive positioning. Leaders should be thinking about it as a way to grow capacity and competitiveness, not simply reduce costs. The consequences of delay are equally direct: firms that fail to make progress risk being left behind by competitors that move faster, operate more efficiently, and respond more effectively to market opportunities. The window to act on your own terms, before competitive pressure or regulatory expectation forces the issue, is narrowing.



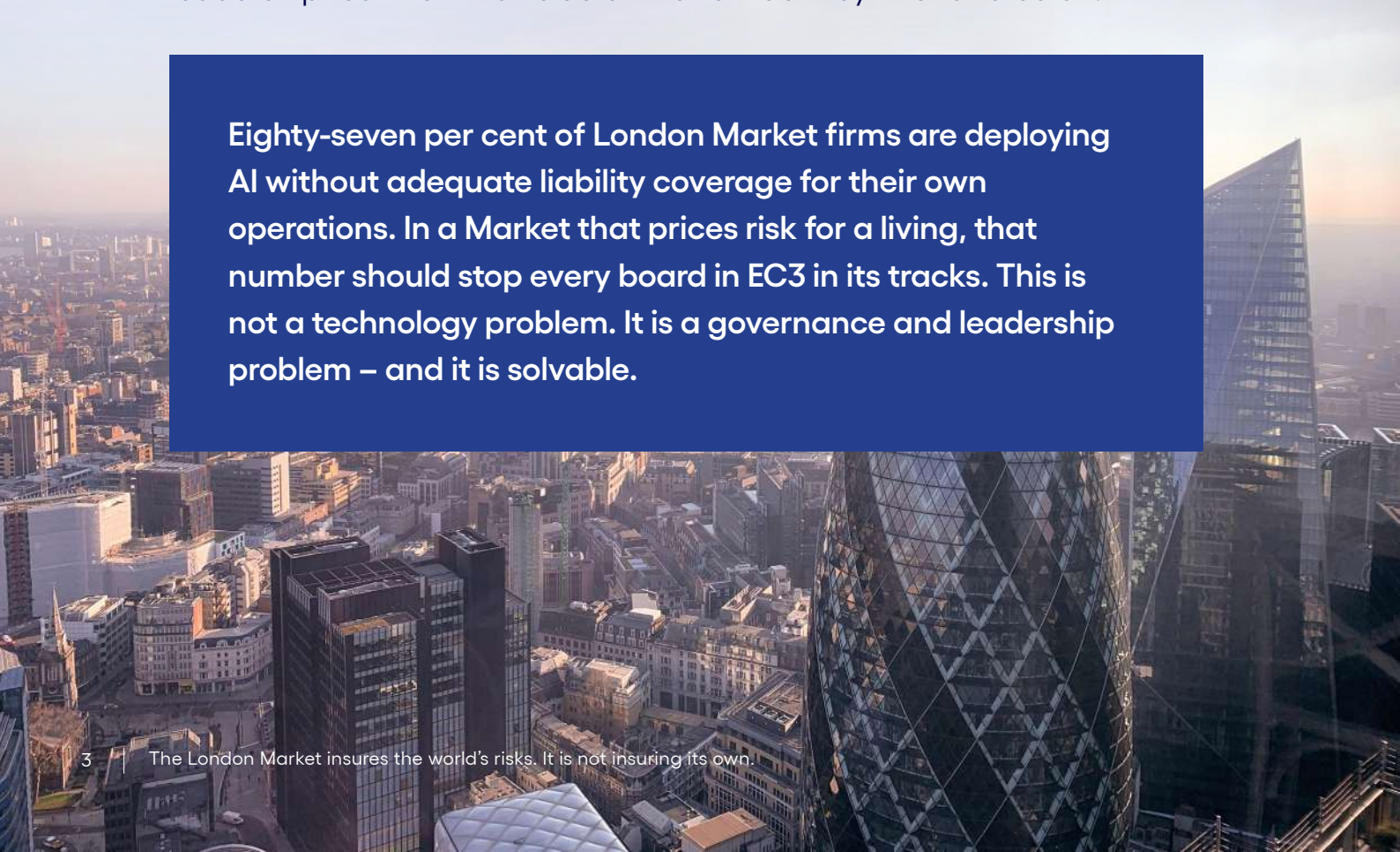
Agentic AI makes this more urgent still. As autonomous agents move from concept into production across claims, submission processing, and underwriting support, firms without the governance, data, and operating model foundations in place will find themselves unable to take advantage of the next wave when it arrives.

The London Market also faces a broader question. As individual firms build AI capabilities independently, the risk of fragmented approaches, inconsistent standards, and uneven regulatory exposure grows. The Market's long-term competitiveness depends not just on individual firms industrialising AI, but on developing shared principles for doing so responsibly.

This paper draws on qualitative research conducted by the LMF GenAI Working Group with senior leaders across the Market. Four themes define where the London Market stands. Six actions define what leadership teams should do about it now.

The firms that bring the same discipline to AI deployment that they bring to underwriting risk will be the ones that define what the London Market looks like through 2027 and beyond. The question for every leadership team is which side of that divide they intend to be on.

Eighty-seven per cent of London Market firms are deploying AI without adequate liability coverage for their own operations. In a Market that prices risk for a living, that number should stop every board in EC3 in its tracks. This is not a technology problem. It is a governance and leadership problem – and it is solvable.





The gap between ambition and reality is wider than most firms admit

The London Market has embraced AI in principle. Research conducted among 100 senior Market decision-makers in late 2025 found 88% actively investing in or exploring artificial intelligence, with investment plans set to quadruple over three years. The intent is real.

The deployment picture is starkly different. Only 5% of firms feel fully prepared for AI adoption. Fewer than one in six have moved beyond departmental experimentation to anything approaching enterprise-wide use.

In underwriting and claims – the functions where AI could deliver the most direct competitive advantage – 65% of firms have not applied these technologies at all.

The LMF Generative AI Working Group has been meeting quarterly since late 2024, bringing together carriers, brokers, MGAs and Lloyd's practitioners to compare notes on what AI adoption actually looks like in practice. The sessions have been candid. What they reveal, consistently, is a Market that has convinced itself it is further along than it is – and that is carrying risks it has not yet priced.



Three findings that senior leaders need to act on

Across more than a year of practitioner discussion, three patterns have emerged with enough consistency to warrant direct statement.

1 The barriers to adoption are cultural, not technical.

Most firms have the tools. Microsoft Copilot is widely deployed. Internal AI solutions have been built. But actual usage remains limited to a small proportion of employees. Participants have told us repeatedly that confidence, training and responsible-use uncertainty are the primary blockers. The Market has invested in infrastructure it is not yet equipped to use – and making that investment productive is a change management challenge, not a procurement one.

> “Innovation only happens when individuals are encouraged to drive it forward; it doesn’t happen by accident.”
>
> **Working Group participant, October 2025**

2 Board ownership is the single strongest predictor of success.

Firms with formal, board-approved AI strategies invest three times more than those without, and express nearly twice the confidence in achieving value. When boards are actively engaged – setting direction, defining risk appetite, connecting AI investment to commercial outcomes – results are measurably different.

Without that engagement, even the most capable teams struggle to bring their organisations with them. The group's consistent view is unequivocal: adoption cannot sit in IT. It must be owned by the business.

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3 Governance is lagging dangerously behind deployment.

Legal and compliance frameworks are rated critical by 71% of Market firms. Only 33% have established or advanced structures in place. And 87% are deploying AI without adequate liability coverage for their own AI operations, in a Market whose entire purpose is the intelligent transfer of risk. This asymmetry is not sustainable.

As agentic AI moves from demonstration to deployment, the urgency intensifies. Multiple teams experimenting independently, without enterprise visibility, are accumulating fragmented systems, duplicated data and rising costs that will prove expensive to unwind.



What does good look like? And what it costs not to get there?

The working group's March 2026 session demonstrated AI acting as a real-time assistant in live underwriting and broking conversations – listening to negotiations, surfacing relevant information instantly, providing guardrails around pricing, terms and authority without disrupting the human interaction at the centre of the deal. For junior practitioners, the same technology functions as a live apprenticeship, allowing them to observe expert reasoning as decisions are made rather than spending their early years on administration.

This is not a future vision. It is available now. The gap between what is technically possible and what is operationally embedded in most Market firms is not a question of technology maturity, it is a question of organisational readiness.

The Market will not divide between firms that adopted AI and those that did not. It will divide between firms that adopted with intention and those that accumulated experimentation without strategy.

Cognizant's experience working with insurers across the London Market and internationally is consistent with what the working group has surfaced. The firms making measurable progress share four characteristics: board-level accountability for AI strategy; governance embedded before scaling rather than retrofitted under regulatory pressure; cross-departmental coordination to avoid technical debt; and AI liability coverage secured as a readiness diagnostic. If you cannot get insured for your AI deployments, you are not ready to deploy at scale.

The implementation cost of getting this right is significantly lower than the cost of unwinding fragmented experimentation later, or of being on the wrong side of a regulatory conversation, a liability dispute, or a competitive gap that has quietly become structural.

The next 24 months will set the terms for the rest of the decade

The Market is at a strategic fork. Firms that address the governance and coordination gaps now will capture compound advantages in productivity, talent and regulatory positioning. Firms that continue fragmented experimentation will find themselves managing technical debt, integration costs and compliance exposure from behind at exactly the point when the gap is hardest to close.



There is also a generational dimension that boards should not underestimate. The next cohort of professionals entering the Market will have grown up using AI as a baseline tool. They will arrive expecting to find it here. Firms that cannot demonstrate a credible, embedded AI capability will face a talent disadvantage at precisely the moment when human judgement, domain expertise and relationship quality become more commercially important, not less.

The LMF Generative AI Working Group is producing a practical implementation guide for the Market, to be published in the first half of 2026. It will focus on what the Market needs to do: how to prioritise use cases, how to build governance that works in practice, how to structure board accountability, and how to develop the skills that make human expertise more valuable alongside AI.

Start the conversation

If these questions are live in your organisation, whether you are a carrier, broker, MGA or Lloyd's syndicate, Cognizant's insurance team works with firms at every stage of the AI adoption journey: from board-level readiness assessment and governance design to live use-case implementation and enterprise-wide scaling. We have done this in the London Market. We know what works.

Join the LMF Working Group:

info@lmforums.com

Speak to Cognizant's insurance team:



Matt Jarman
Client Partner for Insurance, UK&I, Cognizant
matt.jarman@cognizant.com

About the authors

Colville Wood
CTO, Insurance UK&I, Cognizant
colville.wood@cognizant.com

David Sexton
VP and Head of Insurance UK&I, Cognizant
david.sexton@cognizant.com

Matthew Jarman
Client Partner, Cognizant
matt.jarman@cognizant.com

Diana Shveydel
Senior Business Consultant for Insurance, UK&I and EMEA, Cognizant
diana.shveydel@cognizant.com

Roger A. Oldham
Founder & CEO, London Market Forums
info@lmforums.com

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World Headquarters
300 Frank W. Burr Blvd.
Suite 36, 6th Floor
Teaneck, NJ 07666 USA
Phone: +1 201 801 0233
Fax: +1 201 801 0243
Toll Free: +1 888 937 3277

European Headquarters
280 Bishopsgate,
London,
EC2M 4RB
Phone: +44 (0) 207 297 7600

India Operations Headquarters
5/535, Okkiam
Thoraipakkam, Old
Mahabalipuram Road,
Chennai, 600 096
Phone: 1-800-208-6999
Fax: +91 (0) 44 4209 6060

APAC Headquarters
1 Fusionopolis Link, Level 5,
NEXUS@One-North, North
Tower, Singapore, 138542
Phone: +65 6812 4051
Fax: +65 6324 4051

Insights drawn from the LMF Generative AI Working Group sessions (December 2024 — March 2026) and Cognizant's Insurance 2030 research, conducted with Coleman Parkes and Microsoft, surveying 100 London Market senior decision-makers (October — November 2025).

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