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European Financial Lines, Marine & Cyber Market Outlook

By the Alta Signa Underwriting
and Operational Team

MARKET TRENDS | PREDICTIONS | CALLS TO ACTION



ALTA SIGNA



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Introduction



The European specialty insurance market enters 2026, navigating one of the softest cycles in over a decade. An oversupply of capacity across Financial Lines, Marine, and Cyber continues to pressure pricing, competition, and underwriting discipline. For underwriters, brokers and risk carriers alike, the year ahead demands clarity, technical rigor, and strategic focus.

Alta Signa's close-to-source underwriting model, independent capacity panel, and commitment to technical expertise and disciplined portfolio management provide a resilient foundation in this environment. This bulletin highlights the key developments shaping 2026 and presents predictions and calls to action from each major underwriting class.



The background of the slide features a conceptual image of a hand reaching upwards, superimposed over a financial chart. The chart consists of vertical bars in shades of purple and yellow, with several lines (solid and dotted) in various colors (purple, yellow, pink) representing different data series. The overall color palette is dominated by purple and yellow.

Market Environment: Overview

A Soft Cycle Entering a Transitional Phase

Financial Institutions Insurance | **Management Liability Insurance** | **Professional Indemnity Insurance** |
Cyber Risk Specialty Insurance | **Commercial Crime Insurance** | **Marine Insurance**

Capacity oversupply has defined the last 12–18 months, driving rate reductions, shrinking bound-to-submit ratios, and a re-emergence of broker facilities and syndicated placements.

Carriers in several markets have proactively reduced premiums to maintain market share, reinforcing the downward pressure.



2026 Outlook:

- Deceleration in rate reductions as capacity stabilises.

- Market consolidation among specialty underwriters is expected to continue; large deals (e.g., renewal rights transfers) will reshape competition.
- Moderate loss activity to date, but immaturity of claims portfolios, particularly in emerging lines, may mask adverse development.
- Systemic-event vulnerability remains elevated, especially in technology-heavy and interconnected sectors.



The Alta Signa View

FinPro remains the largest segment of our underwriting portfolio, (~50%), with Marine and Cyber rapidly expanding. Our strategic aim for 2026 and beyond is to balance one-third contribution from all three lines within three years. Our growth focus is targeted on Marine & Cyber, while maintaining disciplined FinPro exposure.



2. 2026 Predictions & Calls to Action – By Underwriting Line

Financial Lines Outlook 2026



Key Predictions

- Soft conditions persist in Commercial D&O and PI as capacity levels remain high, and brokers favour legacy multi-line carriers.
- Regulatory scrutiny intensifies, particularly around AML/KYC, ESG disclosures, DORA readiness, and AI governance.
- AI-related exposures expand, introducing systemic-loss uncertainty and increasing pressure on limit management.
- US exposure remains a major driver of claims activity, especially shareholder litigation.

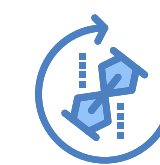
- Litigation funding and collective actions remain contained in Europe due to structural barriers, though long-term trends bear monitoring.



The Alta Signa View

Focus remains on excess positions, selective primary engagements, and cautious underwriting of US-heavy exposures.

- Active RAG risk classification, strict limit management, and ongoing technical oversight via matrix underwriting governance.
- No appetite to chase volume at the expense of rate adequacy or risk quality.



Call to Action for the Sector

- Reset underwriting discipline to avoid a deeper market correction.
- Reassess AI concentration risk and review accumulation across high-frequency, fast-propagating technology exposures.
- Strengthen ESG and regulatory capability, as enforcement is tightening and losses are likely to follow.

Prioritise granular exposure analysis rather than broad capacity deployment in competitive classes.

Marine Outlook 2026



Key Predictions

- Selective softening continues, especially in small to mid-sized domestic cargo risks.
- Geopolitical tensions, sanctions regimes, and climate-related threats maintain pressure on high-risk corridors.
- Trade pattern shifts (nearshoring, new logistics hubs) reshape risk distribution and accumulation hotspots.
- Soft market conditions are likely to suppress rate adequacy unless strong underwriting discipline is maintained.



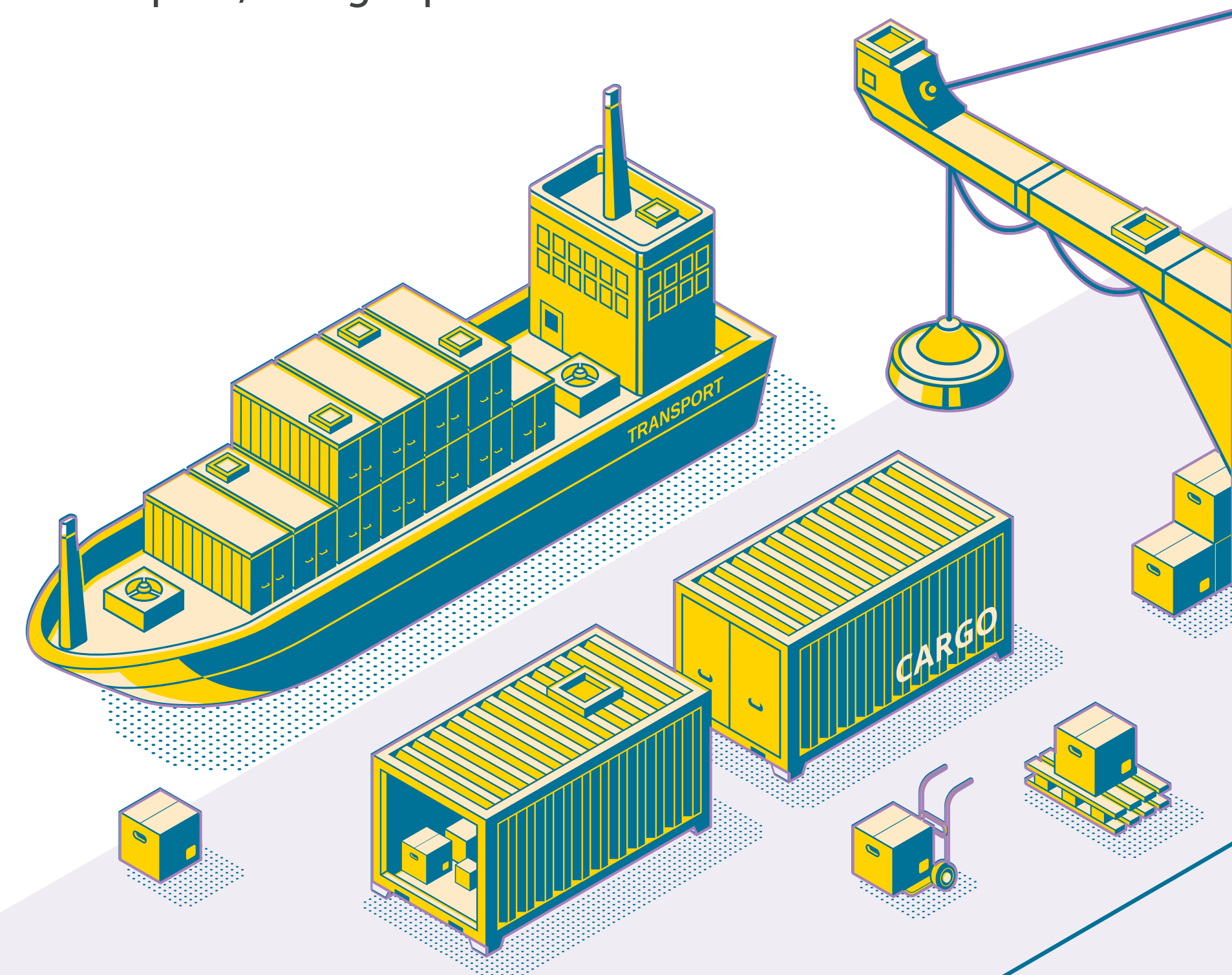
The Alta Signa View

- Early loss ratio performance reinforces the need for measured, disciplined expansion.
- Considering additional domestic Marine units to support expanded local broker engagement
- Conservative line sizing and selective risk attachment remain central as competition deepens.
- Focus on technical differentiation, especially in Cargo, Blue Ocean, and Yacht segments.



Call to Action for the Sector

- Prioritise data-driven risk selection amid softening, particularly for inflation-sensitive exposures.
- Enhance supply-chain risk modelling, including cargo accumulation, delay impact, and geopolitical shifts.



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Cyber Outlook 2026





Key Predictions

- Europe continues to experience double-digit rate declines, with some markets still dropping significantly year on year.
- Market penetration remains uneven: large corporates are well insured, but mid-market and SME adoption is still low due to cost sensitivity and limited cyber maturity.
- Capacity continues to expand, yet buyers claim limits remain insufficient for true risk transfer.
- AI-driven cyber exposures (misinformation, model poisoning, supply-chain compromise) rise in prominence.

- Catastrophic cyber events remain a looming volatility threat.



Alta Signa Positioning

- Continued focus on risk selection and pricing discipline for sustainable loss ratios.
- Growing traction due to more attractive pricing, stimulating improved bind ratios.
- Conservative per-carrier limit deployment supports capacity stability and reinsurer confidence.
- Long-term agreements viewed cautiously: underwriting discipline, not contract duration, drives capacity durability.



Call to Action for the Sector

- Broaden cyber cover intelligently, particularly around tech operational failure and non-IT business interruption.
- Strengthen cyber catastrophe modelling to ensure capacity can withstand systemic events.
- Engage the mid-market, where cyber hygiene gaps present both opportunity and elevated exposure in Europe, and penetration gaps remain.
- Invest in claims readiness to handle multi-party, cross-border cyber incidents efficiently.



The MGA Advantage in 2026

Why MGAs Matter More Than Ever

Despite soft conditions, MGAs retain strong support from brokers and carriers when they deliver:

- Strict underwriting discipline
- Local market agility and close-to-source decision-making
- Nimble product development and technical expertise
- Faster service standards than multi-line carriers
- Transparent, diversified capacity solutions

Claims: The Core of MGA Credibility

A strong in-house claims function

increasingly distinguishes leading MGAs through:

- Real-time visibility over notifications
- Improved data-sharing with capacity providers
- Strong closure performance in complex Financial Lines
- Local-language responsiveness for Marine and Cyber events
- Enhanced feedback loops back into underwriting and product governance

The European MGA Advantage for Capacity Providers in 2026

What do capacity partners value most in today's market?

- **Data-driven profitability**

Preference for MGAs that deliver consistent underwriting results backed by strong analytics, technical discipline, and conservative limit strategies.

- **Clear accumulation and systemic-risk management**

Heightened sensitivity to exposures such as AI-driven failures, cyber catastrophe scenarios, and cloud concentration risk makes robust modelling and limit control essential.

- **Responsible, sustainable scalability**

Carriers are supporting MGAs that can grow across territories and product lines without diluting governance, discipline or technical quality.

- **Strong governance and portfolio transparency**

Detailed reporting, real-time visibility on notifications, and proactive communication are becoming non-negotiable expectations.

- **Anchor partnerships that provide long-term stability**

Consistent relationships with a core panel of high-quality carriers give confidence that the MGA can navigate market cycles and maintain underwriting integrity.

- **Diversified capacity panels to mitigate volatility**

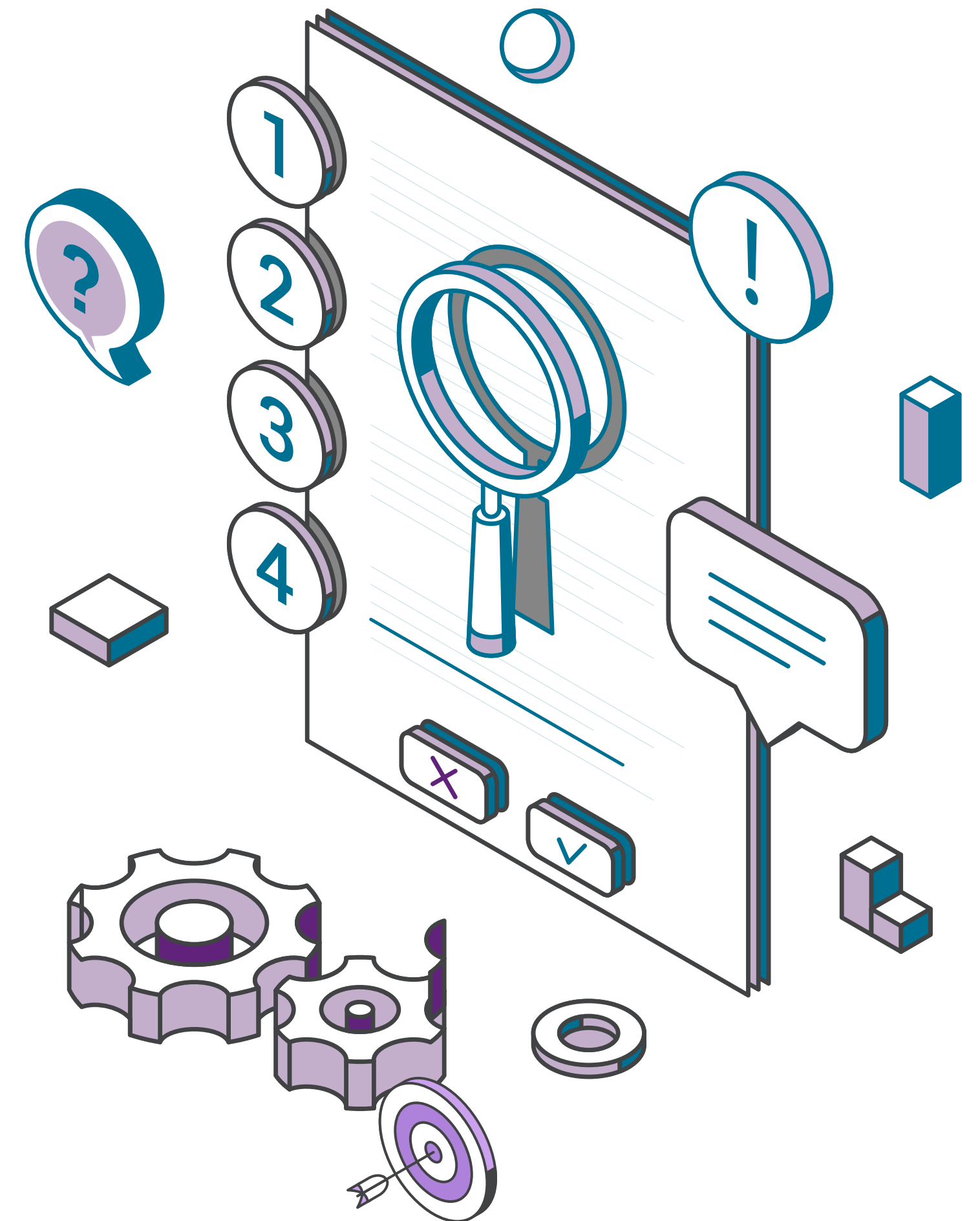
Spreading exposure across multiple carriers protects programmes from sudden shifts in appetite or capital pressure.

- **Robust in-house claims capability**

Capacity providers increasingly look for MGAs with experienced claims teams who can handle complex losses, provide early insights, and protect the carrier's reputation.

- **Operational resilience and digital maturity**

MGAs that invest in modern underwriting platforms, automation, and secure workflows are better positioned to meet carrier service standards and withstand operational shocks.



Technology & Automation: Building a Connected, Efficient MGA Platform - The Alta Signa View

Alta Signa continues to strengthen its technology infrastructure to support faster, smarter, and more connected underwriting across Europe. With in-person distribution and close relationships at the heart of its specialty Financial Lines and Cyber operations, Alta Signa feels it is critical to invest in tools that enhance, not replace, personal engagement.

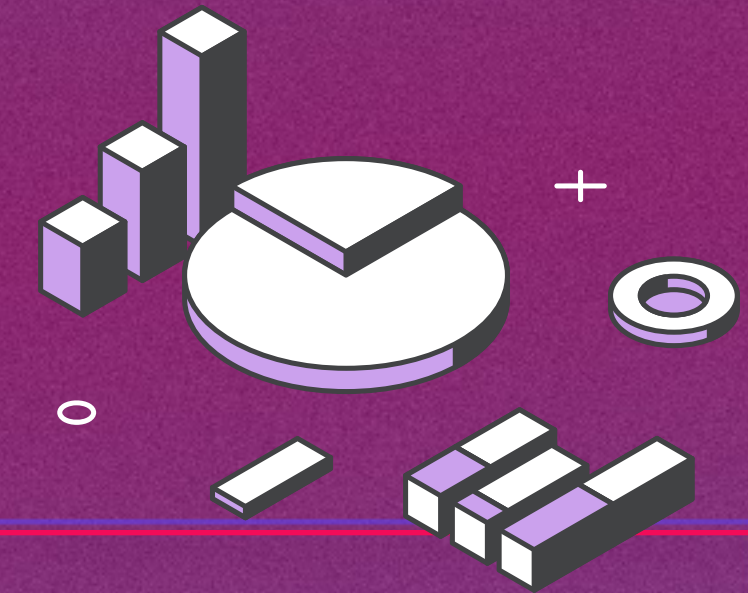
As the company expanded across multiple jurisdictions, it recognised that its proprietary cloud-based system needed to evolve into a fully end-to-end platform capable of

supporting a growing portfolio and increasingly complex workflows. Working closely with technology provider Insly, Alta Signa has introduced a more flexible and automated environment designed to reduce manual processes, accelerate underwriting decisions, and improve data quality and pricing accuracy.

The new platform enables underwriters to assess risks more efficiently, build products more quickly, and connect seamlessly with external data sources and service providers. This open-ecosystem approach reflects Alta

Signa's strategic aim: to combine best-in-class technology with best-in-class underwriting.

Early gains include faster underwriting turnaround times, smoother internal collaboration, and improved claims management visibility. The next phase of development is already underway, with plans to extend platform access to brokers and carriers - further enhancing transparency, service standards, and the close-to-source model that differentiates Alta Signa in a highly competitive market.



A conceptual illustration featuring a man in a dark suit and white shirt, seen from behind, holding a black umbrella. He stands on a bright yellow, reflective surface that resembles a wet pavement or a large screen. The background is a blurred, stylized bar chart with various vertical bars of different heights, some in shades of grey and others in a lighter yellow. The overall atmosphere is professional and forward-looking.

Summary Outlook

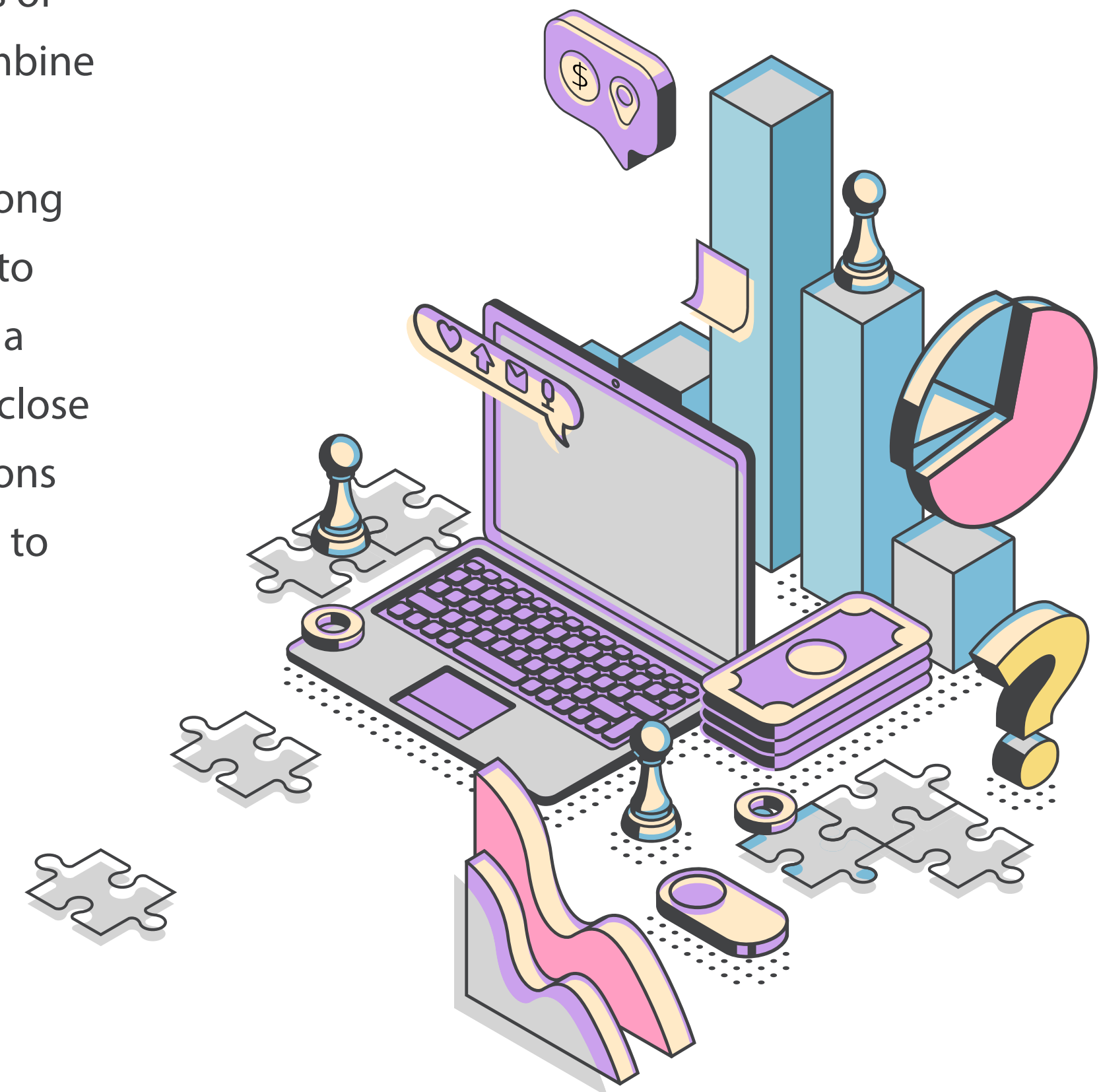
Looking ahead to 2026, Alta Signa's priorities will centre on continuing to build out our balanced portfolio across Financial Lines, Marine, and Cyber, while selectively expanding our product offering to become even more relevant to brokers in a highly competitive market.

This will be underpinned by continued investment in underwriting platforms and digital tools, alongside the careful exploration of AI-driven decision support within a strict governance framework.

The business will further deepen its close-to-source underwriting footprint, particularly in Marine, and continue to reinforce robust technical underwriting governance across all markets. At the same time, maintaining resilient, diversified capacity partnerships – combined with

conservative limit management – will remain essential to protecting underwriting integrity and long-term performance.

Overall, the outlook for 2026 is defined by soft-market persistence, expanding regulatory pressures, and the first signs of stabilising competition. MGAs that combine specialist expertise with disciplined underwriting, agile operations, and strong claims capabilities are best positioned to thrive. Alta Signa enters this cycle with a clear strategy: remain disciplined, stay close to brokers, grow where market conditions support it, and deliver consistent value to capacity providers and clients.





Get in touch to find out more: contact us or
knock on our doors, wherever you are in Europe

www.altasigna.com/contact

