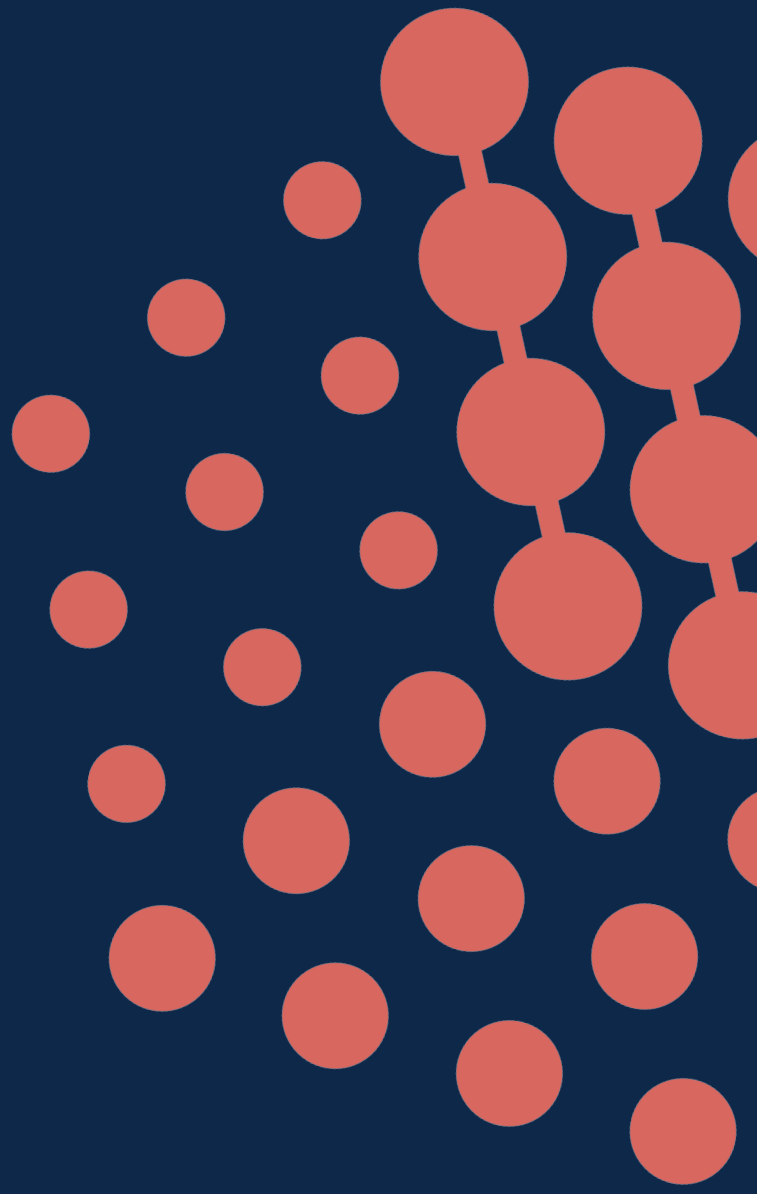


The Hidden Liability: Why Insurance Integration Fails - And How to Fix It



A People First Playbook for Insurance Leaders

Insurance consolidation, integration and transformation isn't slowing down - but value creation is. Deals are bigger, more complex and more expensive. Transformations are being fast tracked to respond to a softer market, AI fuelled competition and rising cost pressure. Internal integrations are now strategically critical as decentralised businesses look to decrease complexity and improve efficiency.

Yet too many organisations still treat integration or transformation as a structural exercise - focusing on systems, org charts and processes - while overlooking that people actually carry the value: the judgement, the client relationships, the capability and the underwriting edge.

The result? Silent value erosion long before Day 100.

After repeatedly seeing these patterns, we went deeper. Through research interviews with leaders across broking, carriers and MGAs, we examined why integrations (internal and external) and large scale transformations keep under delivering - and what high performing firms do differently.

This paper blends those insights with WhartonBC's integration & transformation experience to help Insurance leaders protect value and accelerate outcomes.

Executive Summary

- Insurance integration is underperforming. Leaders cite weak change capability, fear of talent flight (especially in broking) and legacy "non integrations" that quietly drain value.
- Most integration effort targets structure and systems - not the people who create value.
- Decentralised business models fuel competing agendas, resulting in complexity, slow decision making and duplicated cost.
- A disciplined, people first integration approach materially improves the odds of delivering deal and transformation value - retaining talent, protecting client relationships and embedding capability.

Why Deals and Transformations Miss Their Targets: The People Integration Gap

In Insurance, value doesn't sit in technology or process maps - it sits in people. Specialist expertise. Underwriting and claims judgement. Broker relationships. Leadership credibility. Yet organisations routinely prioritise operating models, process efficiencies and system migrations while assuming the people dynamics will "sort themselves out". They rarely do.

The result is predictable:

disengagement → cultural friction → talent loss → decision paralysis → value dilution.



"We've bought so many firms and never integrated them properly. Years later people still talk about 'the old [Company] office'."

Senior carrier leader¹



"If we don't keep a single individual with a £10m book happy, the deal economics can collapse."

Senior broker executive¹

Market Context: Consolidation, Complexity and Capability Pressure

Deal momentum and the need for internal integration and transformation remains strong.

152

UK insurance deals were announced in 2024²

Deal values rose

24%

year on year³

2025 saw slightly fewer deals but overall value quadrupled to

~£19.8bn

Capital remains readily available, regulatory intensity is increasing and AI investment needs are accelerating consolidation across carriers, brokers and MGAs.

At the same time:

- Organic growth is harder to find
- Specialist talent remains scarce
- Clients and brokers expect more integrated, digital, insight-led propositions
- Technology and compliance costs continue to rise

Capability - not capacity - is fast becoming the differentiator. In an increasingly competitive and margin-pressured market, acquiring and retaining the right skills and capability will remain one of the fastest routes to strategic advantage. In 2026, AI innovation will move from being a supporting enabler to a primary driver of M&A and integration activity across the UK and London Markets. This will require even those not planning acquisition to transform their operating capacity and capability rapidly.

A People First Integration Framework

Most organisations anchor integration and transformation activity around five pillars - leadership, operating model, skills, technology and culture/brand. These matter, but they only work when viewed through a **people-first lens**.

From our research interviews, we found materially better outcomes when integrations and transformations intentionally design for the behaviours, decisions and capability flows that actually create value.



Leadership

Integration succeeds when leaders model alignment from Day 1 - Visible behaviours, decision cadence and cross team accountability need to be explicit and activated across the system.



Operating Model

Transformation needs to design for how work really gets done. Clear decision rights, collaboration mechanisms and transparent workflows reduce friction and neutralise informal power dynamics.



Skills

Map the critical capabilities that justify the business case - and make career paths, mobility and professional identity clear throughout change. This is how you retain your future organisation.



Technology & AI

System cutovers are the easy part. Adoption - confidence, capability and role clarity - is the hard part. Tech integration must be treated as people change, not IT change.



Culture

Brand integration goes beyond messaging. Codify "how it feels to work here" - the tone, rituals and one firm ways of working that keep clients and talent.

"Transparency is key - being open about shifting responsibilities makes transitions smoother."

Head of Transformation, General Insurer

"The differentiator is having people and culture capability involved from deal thesis all the way through implementation."

Director of Transformation, General Insurer

Where WhartonBC Helps Organisations Capture the Value

We help Insurers embed a people first approach that drives measurable integration and transformation outcomes. Our focus areas:



Culture

What norms and behaviours will make the new organisation thrive?
We assess culture rapidly using data and insight to build a unifying narrative that supports performance.



Operating Model Optimisation

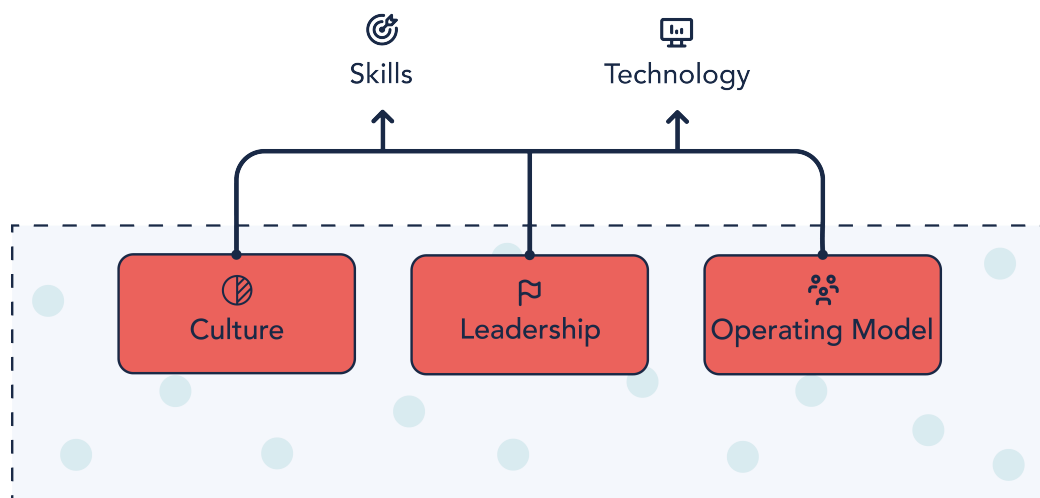
What operating model delivers the agility, efficiency and impact required?
We redesign structures, processes and cost drivers around how work actually gets done.



Leadership Alignment & Acceleration

What leadership behaviours are critical to operating in a transformed environment?
We build the skills and ways of working that unlock faster, better decision making.

Many organisations focus on Skills and Technology - not correctly considering the transformation foundations.



Foundations

You need to get the foundational elements right to enable success.

Moving Forward: A New Integration Standard

Consolidation and transformation will continue to define the UK Insurance and London Markets. Systems migration, structure design and process efficiency delivery remain essential - but **people determine whether value sticks**.

Value is not usually lost through strategy errors.
It is lost through:



**Cultural
friction**



**Talent
flight**



**Misaligned
capability**



**Slow or unclear
decision-making**

For organisations facing near-term deals or navigating integration now, the opportunity is clear: **treat people not as a 'soft risk', but as a hard, strategic accelerator**. Organisations that do so and elevate people integration to the same level of rigour as financial and operational execution, materially improve their chances of being among the minority of deals or transformations that deliver on their promise.

About This Paper

This paper reflects Wharton Business Consulting's experience working with boards and executive teams across the UK Insurance and London Markets on merger, acquisition transformation and post-deal integration programmes. The perspectives shared draw on sector analysis, client engagements and senior-level conversations around consolidation, capability acquisition and organisational transformation.

About Wharton Business Consulting

Wharton Business Consulting works with organisations to improve performance through OD, leadership, culture and capability transformation. We support before, during and after transformations & integrations - helping assess readiness, protect critical capabilities and design people-led strategies that materially improve the likelihood of realising value.

If you would like to explore what this means for your organisation, we would welcome a conversation.

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References

1. Wharton BC Interviews with Insurance Leaders 2025
2. Insurance Business Magazine, Jan 2025 - [What's happening with UK insurance M&A? | Insurance Business](#)
3. Insurance Times, Jan 2025 - [UK insurance M&A deals rose last year after slower 2023 | Insurance Times](#)

