



cio investment club

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The modern insurance CIO: steadily navigating a fast-moving investment landscape

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The modern insurance CIO: steadily navigating a fast-moving investment landscape

The investment landscape facing insurance CIOs has rarely felt more complex or more consequential.

Geopolitical fragmentation, persistent inflation volatility, the growing role of private markets, and rising pressure on boards to manage risk in real time are forcing insurance investors to rethink portfolio construction.

Meanwhile, the role of CIOs is evolving. Besides allocating capital, they are expected to interpret macro uncertainty, manage liquidity in increasingly illiquid portfolios, assess the true risk embedded in private

credit, and respond to the rapid emergence of AI and data driven models whose reliability is still unproven.

Nonetheless, the mood among industry leaders at February's CIO Investment roundtable was neither of panic nor complacency. As one participant put it, "For the most part, it's business as usual - but it feels like everything is happening faster," while another said: "The world feels rushed, but from our perspective, it's 'steady as she goes'".





Facing a macro reality check

On one hand, the global economy has so far defied repeated predictions of recession, with markets remaining buoyant, spreads tight and risk appetite resilient.

On the other, beneath the surface structural forces are reshaping the investment landscape in ways that make the next market shock both inevitable and harder to anticipate.

Several years of strong underwriting results, healthy investment portfolios and buoyant markets can lead management teams to believe they are ahead of the cycle.

“There’s a danger of complacency kicking in and a chasing of yield in a very tight spread environment,” Gareth Russell, Group CIO at Canopus warned.

David Thompson, CIO at Zurich Insurance, summed it up succinctly, focusing on cycle awareness and structural resilience.

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“Trying to predict the next crisis is a fool’s game,” he said. “You can either try and guess what’s going to cause the next crisis or accept that one is probably coming and ask whether you’re in a reasonable shape to deal with it.”

One of the clearest shifts in recent years has been the elevation of geopolitics from background noise to a central driver of market volatility.

Yet, as Ian Coulman, Strategic Consultant, CIO Investment Club (and ex-CIO, Pool Re) observed, markets have an uncanny ability to ignore these risks for long periods.

“Geopolitics seems to be dismissed so easily while growth holds up,” he said, adding that it’s treated merely as a headline risk while liquidity remains strong, until something disrupts the economic cycle.

Henry Hughes, Group CIO, Beazley, suggested that this could create a blind spot for some firms.

“Market crises usually happen for reasons you already knew about - the market just can’t think react to more than one thing at a time. The question is how well you’ve war-gamed those shocks and built contingency into the portfolio,” he said.

For insurers with short-tail liabilities and high-quality fixed income portfolios, this volatility is not necessarily a threat. Todd Isaac, Chief Investment & Treasury Officer, Hiscox highlighted how a disciplined approach to avoiding default risk through the Global Financial Crisis helped when markets recovered.

“Market dislocations aren’t necessarily a worry if they don’t come with refinancing and default risk, they’re opportunities,” he said. “Having that big-picture view of allocation and asset-liability matching is a great way to ride through a storm you weren’t expecting.”





Portfolio positioning: the goalposts have moved

For Martin Horne, Co-Head of Global Investments, Barings, two mega-trends are shaping markets: deglobalisation and the industrial revolution driven by technology and AI. These forces, he says, are inflationary and volatile.



“Central banks still act as if we’re in a 2% inflation world,” he said, “But we’re not.”

The inflation target, he argued, “was created in a world that no longer exists.” A world characterised by expanding global trade, integrated supply chains and a structural labour dividend from globalisation.

Today’s environment however looks markedly different with onshoring, demographic pressures, geopolitical fragmentation and technology developments reframing almost everything. Moves in rates and spreads offset each other more than in the past, shifting risk away from fixed income assets.

Neil Taylor, Group CIO, RiverStone International, framed risk differently to traditional, P&C insurance investors. “Risk in our world is not default or realised-loss risk, it’s market volatility,” he said. “But if you’ve set your portfolio a certain way and communicated that to your board, the strategy should be understood.”

Despite macro uncertainties, credit markets remain expensive by historical standards. Spreads are tight, and as Patrick O’Sullivan, Head of International

Insurance Solutions, Barings, noted, this means that investors are “not being paid much for the risk at the longer end of the curve” in traditional investment-grade credit.

This has sharpened the search for relative value across private markets and structured assets. “Pulling that spread duration shorter... will help position portfolios to capture opportunities should spreads widen in the future,” O’Sullivan added.

Elsewhere, the panellists agreed that regulation can be uneven, with the operational friction of multi-regime governance putting constraints on European insurers’ investment choices, particularly in private and structured markets, driving an element of competitive distortion.

Isaac described managing entities across jurisdictions as being like “a big jigsaw puzzle,” adding, “There’s less consistency among regulators than I would like to see.”

Meanwhile, O’Sullivan emphasised the need for jurisdictional expertise, saying that “every regulator has their own little quirk, from Hong Kong to Europe to Bermuda, all of which need to be considered.”

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Private credit: managing growth effectively

Private credit continues to attract large inflows from insurers seeking yield without extending spread duration. Yet panellists cautioned that growth itself can create risk. As Thompson observed, “When a market grows from \$1trn to \$3trn in a few years, it rarely ends without problems. Manager selection is everything.”

The risk in private credit, many panellists argued, is less about current defaults and more about refinancing risk in future vintages. Horne pointed to deals made in 2021 that will face refinancing pressure in 2027/2028 but added: “Senior secured debt is not a bad place to be in that scenario, as you end up owning the companies, which has a relatively high recovery rate.”

For some insurers with long-dated liabilities, this raises questions about diversification and manager selection. Isaac added a note of caution on the proliferation of managers. “There are over 4,000 private credit managers - you can pick bad actors if you don’t do your homework. Manager selection is key - you’re wed to those people for five, seven years.”

“Private equity-backed insurers are changing pricing dynamics across insurance – requiring insurers to ensure their investment portfolio is delivering all it can,” noted

O’Sullivan, referring to how allocating heavily to private assets is reshaping the competitive landscape. Likewise, Thompson noted that a shift from 15% to 60% private assets would represent “a meaningful change in risk concentration” across the industry.

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Data, AI and the cost of information

Artificial intelligence (AI) loomed large in the background, though panellists were notably cautious about its immediate impact on investment outcomes. They were generally agreed on its potential to improve due diligence, risk analytics and portfolio monitoring. However, some warned that AI’s effectiveness will depend on data quality and institutional discipline.

Thompson suggested that “AI is both the biggest risk and the biggest opportunity,” noting that there’s rarely an “even split” in these outcomes: that just a few big tech winners could concentrate gains and change tax and fiscal dynamics.

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The danger, some argued, is that AI becomes another narrative that creates new pockets of valuation risk. Isaac added some scepticism about the risk of inflated expectations from AI that “get ahead of reality. If that narrative disappoints, we’ll see repricing.”

Horne noted that some AI models for data risks can deteriorate over time, “because the data input at the start, no matter how perfect your sources, may contain incremental errors.”

For insurers, the more durable advantage may lie not in AI tools themselves, but in proprietary data and long institutional memory.



Boardroom dynamics and governance

Against a backdrop of market volatility, which accelerates real-time decision-making pressures, competent boardroom governance is crucial to enable non-specialists to interpret fast-moving headlines.



Panellists were keen to emphasise the importance of being able to translate investment strategy into clear, board-level narratives and to secure backing to act during times of stress.

Coulman was blunt: “You need investment expertise in the boardroom.” Without it, boards risk overreacting to headlines and forcing CIOs into pro-cyclical decisions.

The CIO has a key role to play in managing these relationships. “Challenge and dialogue with the board are an essential part of the process. It’s shareholders’ capital, and our role is to lay out complex ideas and options clearly, and operate within agreed objectives and risk tolerance,” Hughes contended.

Russell described the challenge for boards acting when sentiment is collapsing. “It’s much harder to make proactive decisions when everything is selling off and the headlines say the world is ending,” he said. The solution, he argued, lies in pre-agreed “sandboxes” that give investment teams room to manoeuvre within clearly defined risk limits.

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Taylor highlighted the importance of aligning boards around solvency, maintaining regulatory capital and liquidity through cycles rather than short-term P&L volatility – regardless of the optics.

“At both group and local board level, it can’t be emphasised enough that preservation of own funds and solvency strength matter more than unrealised gains and losses for the RiverStone business model,” Taylor said.

“Group boards are usually straightforward, but local boards can be tougher because the investment and insurance worlds speak differently,” he added.

Consistency of message is critical to maintain board confidence, added Isaac, especially in larger companies with a relatively small investment team.

“To articulate what we’re doing, we have to be very careful to maintain the same story and tell it in relation to the market we’re living in, because every time a headline hits the press, the tail starts wagging the dog,” he said, noting that “it’s a more connected ecosystem” now, with investment teams more integrated into insurance businesses than they used to be.

Thompson echoed this, adding that while boards and executives may have varied opinions on politics and markets, the ‘story’ must be consistent. “As long as the strategic asset allocation is clear and the risks are understood, you’re in good shape.”

Boards that understand cash-flow profiles, stress tests and liquidity levers are more likely to support opportunistic deployment when spreads widen.



What keeps you up – and what gives you hope

If our panellists were broadly confident in structural positioning, some themes surfaced as sources of concern – for example, the acceptance that another market shock is not a matter of if, though the catalyst remains unknown.

According to O’Sullivan: “At some point in the next 10 years, there will be a significant market event.. The uncertainty lies in its trigger and transmission mechanism and being ready to take advantage of opportunities that are created.”

Horne agreed that volatility lay ahead, with a caveat of positivity: “There will be market-wide suppression of certain themes, and within that, great buying opportunities - as long as you’re clear about what you’re buying.”

Coulman took that a step further: “There are great opportunities across private debt, private equity and broader diversification, so manager selection is crucial.

“What keeps me awake though is the amount of faith we place in central banks, especially the Fed. I worry that markets expect the Fed or Treasury to step in again if private markets run into trouble.”

Despite the caution however, the prevailing tone did not sound too pessimistic, with many CIOs seeing

tactical chances from dispersion and dislocations. The aforementioned volatility enables insurers able to maintain liquidity and capital discipline to deploy into widening spreads when others cannot.

O’Sullivan added that despite elements of short-termism in the political will to deal with the retirement challenge, there was plenty of opportunity. “As people age, demand for insurance products grows. Insurers will end up financing more parts of the economy, which is exciting from our perspective.”

Finally, Isaac reminded the panel that among the endless noise and speculation, there is much to be positive about. “Insurers can now access more asset classes than ever before in ways that fit portfolio construction,” he said, “Done correctly, it’s a great time to be a CIO.”

The role of the CIO, the panel agreed, is not to forecast every twist and turn, but to build resilient portfolios, educate boards, and be ready to act when dislocations inevitably arrive.

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Participants



Todd Isaac

Chief Investment & Treasury Officer, Hiscox

Todd is an investment, treasury, and accounting professional with over 30 years' experience in the Insurance industry.

He has worked in a range of markets including North America, Europe, the UK, and Bermuda and is currently the CITO of Hiscox. His experience covers investing in public and private markets, financial systems debt capital markets and has joined Hiscox from Monument Re, where he was Deputy Chief Investment Officer for Europe and oversaw portfolio construction, manager selection and Committee and Board contributions for the reinsurer's European subsidiaries.

Prior to Monument Re, Todd spent time at Blackrock, where he focused on business development for the Bermuda and UK P&C sector; Hyperion, where he served as Global Treasurer; Endurance, where he was Treasurer and VP Investments, Zurich as VP of Investments and Ernst and Young.



Gareth Russell

Group CIO, Canopius

Gareth is currently Group Chief Investment Officer at Canopius, a global speciality lines (re)insurer.

Gareth leads the in-house investment team which is responsible for managing a \$4.5bn largely outsourced investment infrastructure.

Gareth has over 20 Years of Consultancy and Investment experience with a particular focus on asset research, portfolio construction, manager selection and operations. He is a qualified Actuary, holds an Executive MBA from Cass Business School and has a BSc in Mathematics from the University of Nottingham.

Previously, lead investment consultant on fiduciary and advisory aspects of Willis Towers Watson's investment business.





Neil Taylor

Group CIO, Riverstone International

Neil joined Riverstone International as Group CIO in November 2021. He is responsible for all aspects of Riverstone's investment activities, including the build out of an in-house investment function.

Prior to Riverstone, Neil was European CIO & Head of Portfolio Management at Catalina, an insurance run-off consolidator and competitor to Riverstone. Of total AUM of \$4bn, he oversaw \$1.2bn AUM across 5 regulated subsidiaries, as well as Head of PM for \$3bn of AUM across Europe and Bermuda entities. Further, he oversaw the in-house Real Estate lending business and the external Real Estate effort through joint-venture partner Oxenwood Real Estate LLP. He also managed the \$500MM in-house CLO portfolio. He was a member of local sub EXCOs and a member of the Investment Committee

Neil spent the first 11yrs of his career in Investment Banking and Capital Markets based in both London & New York, latterly as Head of the \$15bn ABS Principal Finance platform within RBC Capital Markets, and has over 25years of experience in financial markets. Neil graduated by from the University of Manchester with a BA (ECON) and MA (ECON) in International Political Economy.



David Thompson

CIO, Zurich Insurance

David is Zurich Chief Investment Officer: UK. He is responsible for the Life Balance sheet, the P&C Balance Sheet and the UK Life discretionary managed unit linked policyholder investments totaling 25bn.

David started his career as a fixed income trader at Lehman Brothers before moving into sales and sales management. David then moved to asset management focusing on insurance companies. David joined Zurich in 2019.





Henry Hughes

CIO, Beazley

Henry is the Group Chief Investment Officer at Beazley where he is responsible for the company's investments and related activities.

He joined in 2025 from Goldman Sachs Asset Management where he spent 15 years as a Portfolio Manager in the Fixed Income Solutions business, building and managing custom portfolios for insurance and pension clients, and in the Merchant Banking Division focused on Private Credit.

Henry started his investment career at Schroders in the European and Emerging Market equities teams and is a CFA Charterholder.



Ian Coulman

Strategic Consultant, cio investment club

Ian is an experienced investment professional with international experience and strong leadership and management skills. He has a strong investment knowledge of major asset classes and a wide variety of investment products and styles in fixed income, equities and alternative asset classes. His most recent role was Pool Re's Chief Investment Officer, where he was responsible for the development and implementation of investment strategy, strategic asset allocation and the monitoring of the investment managers through whom Pool Re invested. Since leaving Pool Re Ian is now exploring opportunities where he can use his experience and knowledge.

Prior to joining Pool Re as CIO, Ian fulfilled several senior investment roles with Butterfield Bank in Bermuda and AIG in London, Boston and Tokyo. Ian began his investment career with the private Swiss bank Lombard Odier.



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Patrick O'Sullivan

Head of International Insurance Solutions, Barings

Patrick O'Sullivan is Head of International Insurance Solutions, responsible for the design and implementation of insurance solutions for global insurance companies. Patrick has worked in the asset management industry since 2016 following a period in academia.

Patrick joined Barings in London in 2024 from Schroders where he was Head of Insurance Solutions. Before that, Patrick was a senior associate at JP Morgan Asset Management in London following two years as a lecturer at the University of Southampton. He holds a PhD in financial economics from University College Dublin and 1st Class BSc. in Financial and Actuarial Mathematics from Dublin City University.



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Martin Horne

Co-Head of Global Investments, Barings

Martin Horne is Co-Head of Global Investments, responsible for the oversight of the Barings' global investment platform spanning public and private markets in fixed income, real assets and capital solutions.

Prior to his current role, Martin served as Barings' Global Head of Public Assets, which incorporates the global high yield, investment grade, structured credit, equities, emerging markets corporate debt and global sovereign investment teams. He is also Head of Barings EMEA, Chair of the European Management team, a Director of all Barings UK Boards and has regulatory oversight for all European audit, compliance and risk functions. Martin is a member of Barings Executive team and is Executive Sponsor of the Barings Black Network employee resource group.

Martin has worked in the industry since 1993 and his experience has encompassed mid to large cap, structured credit, investment grade and leveraged finance markets. His roles at Barings also incorporated roles as senior portfolio manager in cornerstone strategies, and Head of the Global High Yield Group. Martin previously served on the board of directors of the Loan Market Association and holds a B.A. in economics from Reading University.



In attendance



Elizabeth Pfeuti (Moderator)

Director, Rhotic Media

Former Dow Jones staffer Elizabeth Pfeuti is a member of the Rhotic Media executive leadership team. A highly decorated journalist, Elizabeth has been in financial journalism for almost 20 years. At Dow Jones, she covered the asset management, investment banking and investor services beats for Financial News, where she also wrote on a wide range of regulatory themes.

She was previously the European Editor for CIO Magazine and boasts an exceptional contact book of buy-side and in-house institutional CIOs and asset management executives. More recently she has worked on corporate briefs for pension consultants, investment banks and asset management groups.



Thomas Lowton

Senior Director, Institutional Investments, Barings

Thomas Lowton is a member of Barings' Global Client Group and is responsible for managing relationships with institutional clients and investment consultants.

Thomas has worked in the industry since 2012. Prior to joining the firm in 2017, he was at Legal and General Investment Management where he was responsible for a portfolio of strategic clients while specializing in fixed income and de-risking strategies.

Thomas holds bachelor's and master's degrees from Durham University and is a member of the CFA Institute.





Sean Thompson

Founder & Director, cio investment club

Sean has nearly 40 years of experience working in London's financial services sector and the insurance market. After 10 years as Managing Director of CAMRADATA, Sean launched the cio investment club on 1st January 2024.

The cio investment club's mission is to become the voice of chief investment officers and investment professionals at institutional firms. To help achieve this the club hosts events throughout the year that educate and inform, whilst providing thought-provoking content to its members.



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