# CFC’s potential London IPO signals UK market revival amid regulatory reforms



The UK’s initial public offering (IPO) market, which has struggled with post-Brexit uncertainty and a significant decline in capital raising, appears poised for a potential revival, with the private equity-backed insurtech firm CFC at the crux of this turnaround. CFC, valued at around $6.7 billion, is contemplating a London stock market listing that could serve as a strong signal of renewed confidence in the UK's ability to attract high-growth companies and private equity exits. This potential IPO is not only a reflection of CFC’s rapid expansion and strategic positioning within the burgeoning insurtech sector but also indicative of wider shifts in regulatory frameworks and market dynamics favoring London as a capital-raising centre.

CFC’s evolution from a niche cyber insurer into a diversified insurer covering over 20 lines, including cyber insurance, AI chatbot errors, and M&A insurance for small businesses, aligns it with the high-growth tech-driven sectors increasingly attractive to investors. Its business model as a managing general agent (MGA) enables a capital-light underwriting approach, permitting significant scaling without taking on risk directly, a structure appealing to private equity backers EQT and Vitruvian Partners. With operations spanning the US, Canada, Australia, and the EU, and a customer base of approximately 150,000, CFC’s trajectory underscores the promise of insurtech to capitalize on rising digital risk needs and fragmented global insurance markets. The company’s forthcoming IPO, potentially the most prominent tech-focused listing in London in recent years, would crystallize years of value creation for its investors, who have already seen the firm’s value double since 2021.

This optimism is bolstered by recent regulatory innovations in the UK. Significant reforms, such as the introduction of the PISCES sandbox which allows shares of private companies to be traded in a regulated environment, reduce disclosure burdens and encourage liquidity ahead of full IPOs. These measures enable firms like CFC to gauge market appetite with lower initial barriers. Complementary updates such as the UK Stewardship Code 2026 and the overhaul of remuneration reporting guidelines foster stronger corporate governance and ESG transparency, helping align London’s markets with global investor expectations. The government’s proactive “concierge service” for international firms further enhances London's appeal, suggesting a strategic shift toward making the market more agile and investor-friendly.

CFC’s potential public debut also holds symbolic significance for London’s capital markets. Since 2019, the UK has witnessed a 60% decline in capital raised via IPOs compared to pre-Brexit levels, with high-profile delistings and greater competition from New York and Asia deepening concerns. Nonetheless, government efforts to streamline regulations and lessen red tape are gradually showing promise. A major IPO in London from a global insurtech leader like CFC would reinforce the city’s relevance as a global capital hub, especially in sectors aligned with technological innovation and infrastructure development. The UK’s infrastructure pipeline, backed by both public and private capital and featuring projects worth $20 billion in green energy and transport, could also benefit from the investment momentum catalysed by CFC’s listing.

Still, challenges remain. CFC’s valuation is exposed to macroeconomic factors such as interest rate fluctuations and the evolving risk profile of cyber insurance. The economic environment, if it worsens, might suppress demand for specialty insurance products. Moreover, the successful execution of the IPO depends on navigating regulatory complexities and overcoming possible investor scepticism about insurtech business models and valuations. The company also faces internal governance scrutiny, having recently undergone leadership changes following an investigation at Lloyd’s of London into non-financial misconduct, prompting efforts to improve corporate culture.

The broader UK market context underscores both the opportunities and hurdles facing the IPO landscape. While CFC’s move is a bright spot, other companies have looked elsewhere; for example, fashion retailer Shein opted to list in Hong Kong amid regulatory and reputational complexities, and fintech firm Wise switched its primary listing to New York seeking greater liquidity. Despite these setbacks, regulatory reforms intended to simplify listing processes and introduce more flexibility in share structures aim to enhance London’s competitiveness. However, there is ongoing debate over recent UK proposals to dilute shareholder protections in the name of economic growth, with some fearing this could lead to lower-quality listings, while others see it as necessary for revitalising markets.

Furthermore, the health of London’s capital markets is intrinsically linked to domestic investment behaviours. While the UK has seen a decline in the proportion of pension funds allocated to domestic equities, increasing such investments entails balancing national economic interests with investor appetite and risk preferences. Recent commentary suggests that while London remains attractive for large-scale listings—such as the upcoming IPO of software company Visma, which chose London over Amsterdam—structural reforms and policy support are critical to ensure that the market not only recovers but thrives sustainably.

In sum, CFC’s prospective London IPO illustrates the confluence of sector innovation, private equity dynamics, and regulatory modernization shaping the UK's capital markets landscape. It offers a compelling case for investors interested in tech-driven, growth-oriented companies situated within a transformed post-Brexit regulatory and operational environment. While risks and execution challenges persist, CFC’s listing could mark the beginning of a new chapter for London’s IPO market, reinforcing its position as a globally relevant venue for capital raising in a competitive international context.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.ainvest.com/news/cfc-potential-london-listing-catalyst-uk-ipo-market-revival-insurtech-growth-2507/), [[2]](https://www.ft.com/content/716ecd02-f143-4b09-ae36-cb4333d4b442), [[4]](https://www.reuters.com/world/uk/london-listing-advisers-shrug-off-shein-ipo-snub-2025-05-28/), [[7]](https://www.ft.com/content/7bd7c4d8-7138-4ae7-9cbd-21cab34d4b83)
* Paragraph 2 – [[1]](https://www.ainvest.com/news/cfc-potential-london-listing-catalyst-uk-ipo-market-revival-insurtech-growth-2507/), [[2]](https://www.ft.com/content/716ecd02-f143-4b09-ae36-cb4333d4b442)
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## Bibliography

1. <https://www.ainvest.com/news/cfc-potential-london-listing-catalyst-uk-ipo-market-revival-insurtech-growth-2507/> - Please view link - unable to able to access data
2. <https://www.ft.com/content/716ecd02-f143-4b09-ae36-cb4333d4b442> - Private equity-backed insurer CFC is considering a UK stock market listing that could value the company at over £5 billion. Owned by EQT and Vitruvian Partners, CFC is also weighing alternative options such as a sale or a US IPO, although any deal is unlikely before the second half of 2026. A potential UK listing would be a rare positive move for the struggling London market, which saw its lowest fundraising results in three decades during the first half of 2025. CFC operates as a managing general agent (MGA), a capital-light insurance model that allows it to underwrite policies on behalf of insurance carriers without holding risk on its own balance sheet. The company employs over 950 people and serves 150,000 customers, offering coverage in areas like cyber insurance, AI chatbot errors, and M&A insurance for small businesses. CFC, originally known as ClickForCover.com, was among the pioneers in selling cyber insurance online and recently completed a $1.7 billion debt refinancing. CEO Louise O'Shea took over after the departure of her predecessor following a Lloyd’s of London investigation into non-financial misconduct. Despite the challenges, CFC is actively working to improve its internal culture and governance.
3. <https://www.ft.com/content/f08c887d-66d7-42f1-a6b3-945c899f6786> - Private equity-backed software company Visma has chosen London over Amsterdam for its upcoming initial public offering (IPO) planned for early next year, marking a significant gain for the struggling UK stock market. Owned about 70% by British private equity firm Hg and its co-investors, with the rest held by minority stakeholders like Singapore's GIC and U.S. firm TPG, Visma was previously valued at €19 billion in a 2023 private sale. The company, which provides accounting and payroll software and has grown through 350 acquisitions, reported €185 million in pre-tax profits and €2.8 billion in revenue in 2024, with €885 million in free cash flow. While Hg intends to maintain a long-term stake, insiders suggest Visma's size now necessitates a public listing. The decision to list in London depends on promised market reforms that could make it a more attractive venue post-Brexit, such as FTSE index inclusion for euro-denominated shares. London won the IPO bid due to deeper capital markets and a stronger base of UK-focused investors, despite recent declines in new listings. Banks are expected to pitch for the IPO soon; Visma and Hg have not commented on the matter.
4. <https://www.reuters.com/world/uk/london-listing-advisers-shrug-off-shein-ipo-snub-2025-05-28/> - Online fashion retailer Shein has decided to seek its IPO in Hong Kong rather than London, despite earlier efforts by UK officials to attract the company's listing. Although the UK had approved Shein's IPO application, the company opted for Hong Kong, dealing a blow to London's aspirations of revitalizing its capital markets. This comes amid broader concerns about declining UK IPO values, which have fallen significantly from their 2021 peak, while Hong Kong has seen a sharp rise. Shein's move is not seen as a failure of the London market alone but as influenced by broader geopolitical and business factors. The retailer has faced scrutiny over its supply chains, specifically allegations involving cotton sourced from China’s Xinjiang region, tied to human rights abuses—a factor that raised red flags among UK lawmakers and investors. Despite this setback, London IPO advisers remain optimistic, highlighting recent listings and new filings as indicators of a potential market rebound. Other high-profile IPOs, such as Unilever’s ice cream business, have also chosen non-UK markets, adding pressure on London’s financial ecosystem to remain competitive globally.
5. <https://www.ft.com/content/e1c4e384-728b-4845-bbb2-acaf41d75a0c> - Concerns about the future of the London stock market may be exaggerated despite recent challenges, including delistings like that of Just Eat Takeaway. While many companies have recently left, the IPO pipeline is improving, with significant anticipated listings from Vivendi's Canal+ and the Chinese fashion group Shein. New listing rules aim to enhance the UK's market appeal by granting greater decision-making freedom and accommodating dual-class share structures. Though US markets are more liquid, this advantage diminishes when excluding the largest US stocks. The valuation gap between UK and US markets, particularly with tech giants, remains a concern, as the FTSE 100's PE ratio is half that of the S&P 500. There's a call for more domestic investment in UK equities, as the share of UK pension assets in domestic equities has sharply declined. However, mandating pension schemes to invest more in British assets could incite conflict. Ultimately, bolstering new companies to replace those that have delisted is crucial for maintaining a robust stock market.
6. <https://www.reuters.com/breakingviews/uks-labour-takes-dicey-punt-laxer-city-2024-07-11/> - In Labour-led Britain, Chancellor of the Exchequer Rachel Reeves has supported regulatory proposals aimed at reducing shareholder protections to enhance British economic growth. The Financial Conduct Authority (FCA) commenced these listing reforms to revitalise the UK equity market, which has experienced a significant decline. These reforms include eliminating different levels of investor protection for initial public offerings and making it easier for companies to avoid holding votes on significant deals. While private equity and sovereign wealth funds will benefit, asset managers overseeing savings for the working class and pension schemes generally oppose the changes, fearing mis-priced takeovers and loss of shareholder influence. The success of these reforms in attracting companies to list in the UK remains uncertain, with broader structural changes needed to support the market. Critics argue the reforms could backfire, leading to low-quality listings.
7. <https://www.ft.com/content/7bd7c4d8-7138-4ae7-9cbd-21cab34d4b83> - The London Stock Exchange (LSE) faces ongoing struggles, highlighted by fintech firm Wise's decision to switch its primary listing to New York to access greater liquidity. This follows other notable setbacks, including Cobalt Holdings abandoning plans to list in London and Shein shifting focus to Hong Kong. With 88 companies leaving the LSE last year, concerns about the market's vitality are mounting. The UK stock market has declined significantly, with primary listings down over 40% since the global financial crisis, exacerbated by diminishing investor activity and liquidity. While former chancellor Jeremy Hunt initiated reforms to simplify listings and attract foreign companies, and current chancellor Rachel Reeves aims to mobilise pension fund capital, further urgent action is essential. Recommended measures include cutting the 0.5% stamp duty on share purchases, offering targeted tax incentives, and enhancing financial education to unlock substantial cash held by UK adults. Additionally, promoting a positive national investment narrative and streamlining regulatory processes could help rejuvenate market confidence. The shrinking stock market reflects and contributes to the UK’s broader economic challenges, necessitating bold and immediate interventions to revive growth and investment.