



INDUSTRY TRENDS

2026

THE 2026 P&C LANDSCAPE – INDUSTRY TRENDS INDEPENDENT AGENTS NEED TO KNOW

The United States P&C insurance market in 2026 reflects stabilizing rates alongside continued underwriting discipline, rising premiums, evolving regulation, and accelerating technology adoption. This paper outlines key market, loss, distribution, and regulatory trends shaping agent success – helping independent agents adapt, position effectively, and grow profitably in a changing environment.

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Section 1: Introduction – Why 2026 Is a Pivotal Year for Independent Agents

Transition from Crisis-Driven Markets to Disciplined Stability

As the P&C industry moves into 2026, market conditions are shifting unevenly across the Southeast. In Florida, the market has softened significantly over the past half of the year, reflecting improved loss experience, legislative reform, and the return of capacity. While underwriting discipline remains in place, pricing has become more competitive and availability has improved. In contrast, other states across the region continue to experience harder market conditions, while American Integrity's newer markets (Georgia, South Carolina, and North Carolina) are beginning to see rate stabilization rather than outright softening. This transition marks a move away from crisis-driven volatility toward a more disciplined – though still complex – operating environment for independent agents.

That discipline is rooted in the realities of catastrophe risk. In 2025, global economic losses from natural catastrophes were estimated at \$220 billion, of which only around \$107-\$108 billion was insured¹ – placing significant emphasis on underwriting quality and capital adequacy across the insurance ecosystem.

Why Agents Must Understand Macro Trends to Compete Effectively

As competition increases, new business in 2026 is becoming more price-sensitive, particularly in markets where rates are softening. Lower rates benefit consumers but also place revenue pressure on carriers and agencies alike. This dynamic occurs against a backdrop of sustained, elevated catastrophe exposure: even in a year without a major U.S. hurricane landfall, insured losses from natural disasters continued to exceed \$100 billion globally.²

Longer-term risk expectations amplify this context. Reinsurer projections anticipate global insured natural catastrophe losses reaching approximately \$145 billion in 2025 and note that such losses could reach \$300 billion in a peak year³ over time as economic growth, urbanization, and climate risks evolve.

In this environment, agents who understand macro trends – including risk exposure, rate movement, carrier appetite, and regional market stability – are better positioned to compete effectively. Rather than relying solely on price, successful agents will differentiate themselves through education, coverage expertise, and strategic placement, allowing them to win business without sacrificing long-term profitability.

¹Swiss Re Institute (Dec 16, 2025)

²Reuters (Jan 13, 2026) <https://www.reuters.com/sustainability/climate-energy/wildfires-storms-fuel-2025-insured-losses-108-billion-munich-re-says-2026-01-13/>

³Swiss Re Institute (Dec 2024): <https://www.swissre.com/institute/research/sigma-research/natcat-and-man-made-disasters/natural-catastrophes-insured-losses-to-hit-usd-145-billion-in-2025.html>

How Market Conditions Influence Carrier Appetite and Client Expectations

Moderating rate activity is also improving retention dynamics. When premiums remain relatively steady, homeowners have less incentive to shop, leading to higher retention across many agencies. However, catastrophes and loss experiences, even when not tied to hurricanes specifically, continue to shape consumer expectations and behavior. In 2025, the U.S. experienced 23 separate billion-dollar weather and climate disasters⁴, illustrating that peril risk extends well beyond traditional hurricane exposure.

In areas where premiums remain elevated, the most effective agents focus on value rather than price alone. Clients need to understand not just what their coverage costs, but the strength and reliability of the carrier standing behind it. Insurers with proven claims-paying performance and strong financial foundations offer greater long-term security than newer or less-established competitors. Evaluating carrier stability – including surplus levels and reinsurance support – is essential, as these factors determine whether a company can withstand severe catastrophe seasons and continue to meet its obligations to policyholders.

In a market with steadier rates, a more sustainable approach is often to focus on expanding wallet share through thoughtful coverage additions rather than switching carriers. Products such as flood, equipment breakdown or home systems warranty, cyber coverage, and bundled packages allow agents to enhance protection, maintain revenue, and strengthen client relationships. Agents who align these strategies with carrier appetite and clearly set expectations are best positioned to build trust and write business that remains stable over time.



⁴Climate Central (Jan 2026)

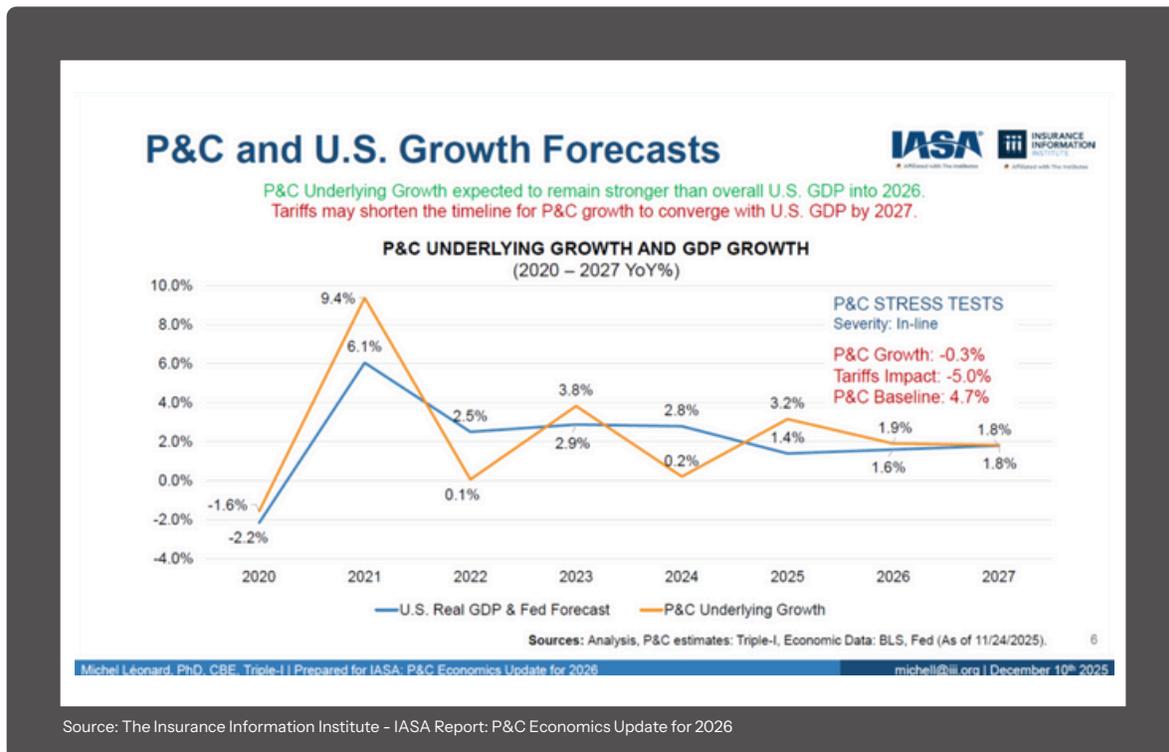
Section 2: Market Growth Outlook



Overall P&C Market Growth Expectations for 2026

The P&C insurance market is expected to grow in 2026, but at a more measured and sustainable pace than during the peak volatility of recent years. According to the Swiss Re Institute, U.S. P&C direct premiums written are projected to grow by 4.0% in 2026⁵ as rate momentum moderates and underwriting discipline remains firmly in place. This outlook reflects a market transitioning from rapid corrective pricing to more normalized growth.

Importantly, growth is no longer being driven by relaxed underwriting or broad capacity expansion. Instead, it is shaped by disciplined pricing, targeted deployment of capacity, and demographic shifts in key regions. For independent agents, this signals a market where opportunity still exists, but one that increasingly rewards strategic alignment with carrier appetite rather than indiscriminate volume growth.



⁵Swiss Re Institute, "US property & casualty outlook: sunny skies, but pack an umbrella" (July 2025): <https://www.swissre.com/institute/research/sigma-research/Insurance-Monitoring/us-property-casualty-outlook-july-2025.html>



Regional Growth Differences and Emerging Opportunity Zones

Growth across the P&C market remains uneven by geography and product line. States experiencing population inflows, new construction, and infrastructure investment continue to attract carrier interest, while regions with higher catastrophe exposure or adverse loss history remain more constrained. Product-level growth also varies. Homeowners insurance continues to be a focus for disciplined carriers, while older housing stock and higher-risk coastal properties face tighter availability and underwriting scrutiny.

Distribution data reinforces the importance of the independent agent channel within this environment. The Independent Insurance Agents & Brokers of America reports that in 2024, independent agencies placed 61.5% of all property & casualty insurance written in the U.S. While this is a decrease of 0.7% from 2023, penetration still holds steady across the five-year average of 61.3%, despite the challenges of the hard market.⁶ This slight increase over a five-year period demonstrates continued momentum in agent-distributed homeowner business even amid market tightening. This shift reflects carriers' reliance on independent agents to manage complexity, educate consumers, and place risk appropriately.

For agencies, these patterns have meaningful strategic implications. Understanding which markets and products are expanding allows agents to align prospecting efforts, staffing, and carrier relationships accordingly. Rather than chasing volume indiscriminately, successful agents in 2026 must focus on placing business that fits carrier appetite and long-term profitability.



In the housing market, growth is expected to be uneven, with pockets of expansion supported by solid economic indicators and interest rates that have stabilized and are beginning to decline.

Brent Radeloff, EVP Product, Pricing and Underwriting, American Integrity

⁶IIABA Big 'I' 2025 Market Share Report release (July 2025)
<https://www.independentagent.com/news/big-i-releases-2025-market-share-report/>



State-Level Market Dynamics

Florida – A Softening Market with Renewed Competition

Florida stands apart from much of the Southeast entering 2026. Over the second half of 2025, the market softened meaningfully as legislative reform, improved loss experience, and returning capacity contributed to increased competition. While underwriting discipline remains intact, pricing has become more competitive and availability has expanded relative to recent years.

Growth in Florida is expected to be strongest in newer construction, well-mitigated older risks, and inland or lower-exposure geographies, where carriers are most comfortable deploying capacity. As pricing pressure eases, agencies face greater competition for new business, reinforcing the importance of disciplined risk selection and differentiation beyond price. For many agencies, the most sustainable growth will come from expanding wallet share through flood, equipment breakdown or home systems warranty, cyber coverage, and packaged solutions – rather than frequent carrier movement.

Georgia – Measured Growth in a Disciplined Market

Georgia's homeowners market remains more constrained than Florida's, with carriers continuing to manage exposure carefully following loss pressure and underwriting tightening. Growth in 2026 is expected to be measured rather than expansive, concentrated in lower-risk inland territories and newer homes that align with carrier appetite.

For agents, opportunity exists where underwriting quality is strongest. In many cases, growth will be driven less by aggressive new-business pricing and more by retention-focused strategies and thoughtful account rounding. Agencies that understand where carriers are selectively growing – and where capacity remains limited – will be better positioned to compete without creating unnecessary friction.

South Carolina – Uneven Growth Driven by Geography

South Carolina continues to present a split market dynamic. Inland regions offer steadier growth opportunities supported by more predictable underwriting and pricing, while coastal areas remain challenged by catastrophe exposure and affordability concerns. Carrier participation along the coast is more selective, and pricing pressure continues to influence availability.

As a result, growth in 2026 is expected to be geographically uneven. Independent agents are most likely to find success by focusing on inland markets and positioning coastal business carefully – emphasizing mitigation, higher deductibles where appropriate, and proactive coverage education. Flood conversations, even when written separately, remain a critical component of serving coastal clients effectively.

North Carolina – Stabilization with Expected Rate Increases

North Carolina enters 2026 with rates relatively stable following the 7.5% statewide base rate increase that took effect June 1, 2025, while the industry prepares for an additional 7.5% increase scheduled for June 1, 2026.⁷ This increase was negotiated between Insurance Commissioner Mike Causey and the North Carolina Rate Bureau, which represents homeowners insurers but operates independently of the North Carolina Department of Insurance. These phased adjustments are intended to balance affordability considerations with the need for actuarially sound pricing.

Given this structure, growth in 2026 is expected to be strongest in inland and lower-exposure territories, where underwriting conditions are more predictable and affordability pressures tend to be less pronounced. While homeowners insurance remains a viable growth line, agencies will need to manage expectations carefully in higher-risk coastal areas where rate sensitivity may be greater. Retention and account expansion are likely to be more reliable growth levers than aggressive new-business competition, particularly as scheduled rate adjustments continue to influence consumer pricing awareness.

Regional Market Growth Comparison – 2026 Outlook

State	2026 Market Growth Outlook	Best-Performing Product Lines	Capacity & Carrier Participation	Key Opportunity Zones for Agents
Florida	Selective growth with noticeable market softening in the second half of the year; increased competition for new business	Homeowners (HO-3, HO-6, DP) on newer and well-mitigated older homes; strongest revenue growth through packaged accounts	Improving capacity compared to prior years; increased competition among carriers while maintaining underwriting discipline	Inland and Central Florida markets; homes older than 6 years; wallet-share expansion via flood, equipment breakdown/ home systems warranty, cyber
Georgia	Measured growth in a still-disciplined market; expansion remains cautious	Homeowners on newer homes and lower-risk inland properties; retention-driven growth	Capacity remains constrained in higher-loss segments; carriers focused on underwriting quality over volume	Inland counties and metro growth corridors; newer homes; agencies emphasizing retention and multi-line strategies
South Carolina	Uneven growth driven by geography; inland stability with coastal constraints	Inland homeowners; selective coastal business with strong mitigation; flood as a complementary product	Limited capacity along the coast; more consistent participation inland	Inland metros and growth corridors; coastal “best risks” only; flood education and coverage pairing as a differentiator
North Carolina	Rates will remain relatively stable, though increases are anticipated later in the year	Homeowners in inland and lower-exposure territories; packaged and multi-line business	Stable but cautious capacity; regulatory structure continues to influence availability	Piedmont and inland markets; newer construction; account expansion to offset rate sensitivity

⁷NC Department of Insurance : Commissioner Causey negotiates settlement on Rate Bureau’s homeowners’ insurance request (Jan. 17, 2025) <https://www.ncdoi.gov/news/press-releases/2025/01/17/commissioner-causey-negotiates-settlement-rate-bureaus-homeowners-insurance-request>



What Market Growth Trends Signal for Agency Planning

Agency performance data confirms that growth remains attainable for those aligned with market realities. In the Future One 2025 Agency Universe Study, 75% of independent agencies reported revenue gains in 2022-23, up from 63% in 2020-21. Notably, 72% of agencies reported personal-lines revenue increases, while 63% reported commercial-lines growth⁸, underscoring the resilience of agencies that adapted to changing conditions.

Across Florida, Georgia, North Carolina, and South Carolina, the message for independent agents is consistent: growth exists, but it is increasingly intentional and selective. Agencies that align prospecting, staffing, and carrier strategies with regional market realities will be better positioned to grow profitably. Rather than pursuing volume for its own sake, successful agents in 2026 should focus on placing business that fits carrier appetite, deepening client relationships, and expanding coverage in ways that support long-term stability.

AGENT IMPACT

Growth favors agents who are informed, selective, and aligned – not reactive or price-driven.

ADAPTING TO CHANGING CONDITIONS

75%

of independent agencies reported revenue gains in 2022-23

63%

of independent agencies reported revenue gains in 2020-21

72%

of agencies have reported personal-lines revenue increases

63%

of agencies have reported commercial-lines revenue increases

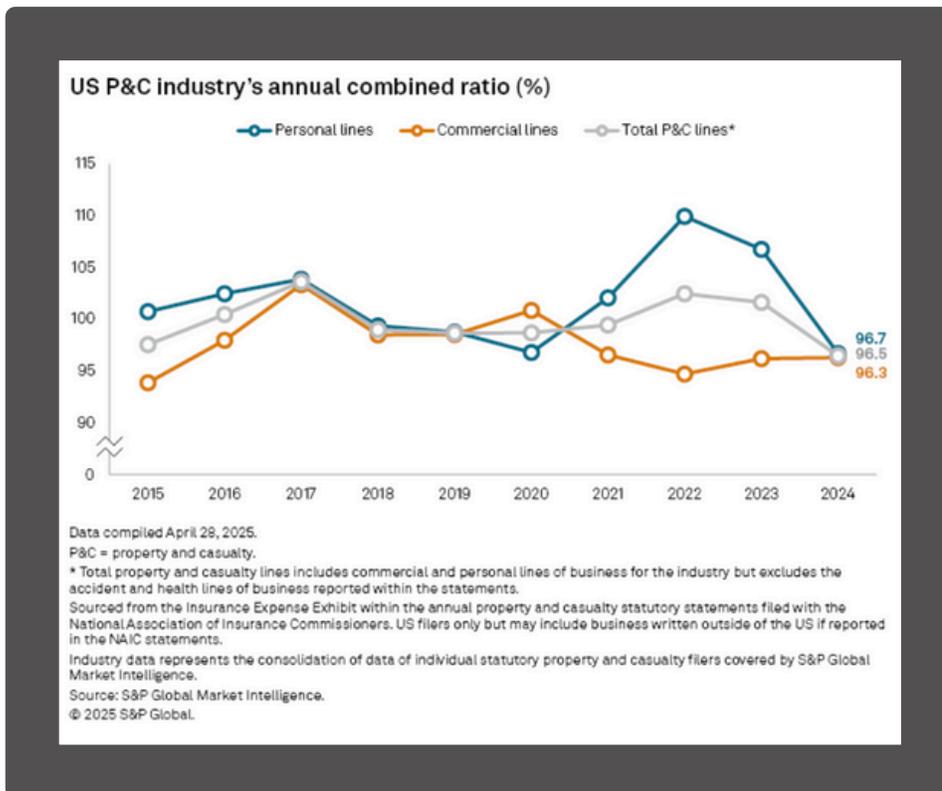
⁸Independent Agent magazine / Future One (Jan 2026)

Section 3: Loss Ratios and Profitability Trends



Combined Ratios Signal Normalized Underwriting Results

In 2024 and into 2025, U.S. property & casualty carriers experienced a notable improvement in underwriting performance, in large part because catastrophe losses were unusual in their pattern and timing. Industry data show that homeowners combined ratios – a key measure of underwriting profitability that combines loss and expense costs relative to earned premiums – improved significantly. The net combined ratio for the U.S. P&C homeowners business was 99.7% in 2024, down sharply from 110.9% in 2023⁹ after several years of underwriting strain, marking the first underwriting profit in that line in years.



Overall, industry-wide combined ratios are projected to remain near or slightly below 100% into 2026. According to Fitch and other analysts, the sector is expected to report combined ratios of 94% in 2025 and around 96-97% in 2026¹⁰, indicative of more normalized underwriting results following a benign hurricane season.

⁹S&P Global - US P&C industry achieves best underwriting results in over a decade in 2024 (May 7, 2025) <https://www.spglobal.com/market-intelligence/en/news-insights/articles/2025/5/us-pc-industry-achieves-best-underwriting-results-in-over-a-decade-in-2024-88826743>

¹⁰Reinsurance News - US P&C set for strong 2026 despite shifting landscape: Fitch (December 31, 2025) <https://www.reinsurancene.ws/us-pc-set-for-strong-2026-despite-shifting-landscape-fitch/>



Why 2025 Looks Better – A Largely Hurricane-Free Year

A significant contributor to the strong loss ratio environment in 2025 was the absence of major U.S. hurricane landfalls, a rare occurrence relative to historical patterns. Munich Re's annual industry loss estimates show global insured catastrophe losses at \$108 billion¹¹, unusually subdued for the U.S. given the lack of hurricane impacts on the mainland for the first time in roughly a decade.

This hurricane lull materially reduced the catastrophe load on carrier results, especially in homeowners portfolios where hurricane losses have historically been among the largest drivers of underwriting volatility. The result is an abnormally good year in aggregate loss ratios, which should be understood as the result of a fortuitous weather cycle, not structural risk elimination.



Beware of Underpricing Pressure

As the market stabilizes and carriers compete for new business, pricing behavior is becoming more aggressive in some segments. Agents should be cautious of carriers that appear to be undercutting rate levels significantly to gain share, especially after a benign hurricane year. The 2025 performance cleanup has made results look attractive on the surface, but carriers with overly optimistic pricing assumptions, especially where reinsurance costs are shifting, risk deteriorating loss ratios once normal catastrophe frequency returns.

The instinct to chase volume at the expense of adequate pricing can lead to risk accumulation and a softening of underwriting discipline. Without disciplined pricing, carriers may need to rely on reinsurance more heavily to manage volatility, which in turn can strain treaty structures and reduce surplus levels when losses emerge. This creates risk not only for carriers but also for the agents who depend on their capacity and stability.



Homeowners and agents alike can have short memories when it comes to hurricanes, and carriers that undercut pricing today are likely to face challenges down the road, particularly when reinsurance costs and catastrophe losses reassert themselves.

Brent Radeloff, EVP Product, Pricing and Underwriting, American Integrity

¹¹Reuters Wildfires, storms fuel 2025 insured losses of \$108 billion, Munich Re says (January 13, 2026)
<https://www.reuters.com/sustainability/climate-energy/wildfires-storms-fuel-2025-insured-losses-108-billion-munich-re-says-2026-01-13/>

AGENT IMPACT

2025 was an abnormally good year in aggregate loss ratios, which should be understood as the result of lack of hurricane activity, not structural risk elimination.



The Importance of Reinsurance

Reinsurance serves as the primary risk-transfer mechanism for carriers when large or correlated losses, such as hurricanes, occur. It allows insurers to manage volatility, protect capital, and ensure they can pay claims without jeopardizing solvency. When carriers purchase reinsurance, they cede portions of risk to reinsurers in exchange for a share of premium. That risk transfer helps smooth loss experience for both periods of high catastrophe activity and benign periods like 2025.

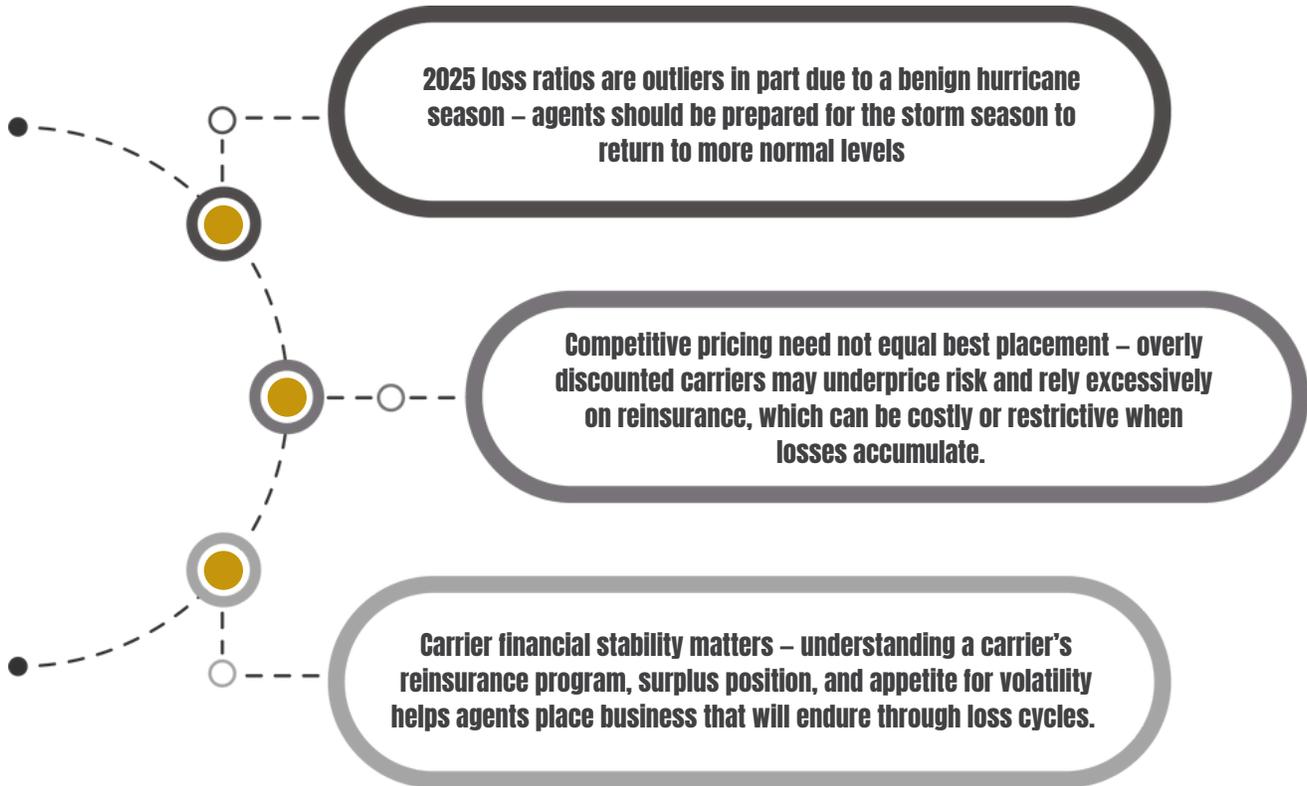
Recent reinsurance market dynamics reflect this role. After several years of strong results, reinsurance capacity expanded by approximately 9% in 2025¹², improving pricing and availability for insurance companies while supporting underwriting profitability. However, that expanded capacity has been supported in part by lower-than-expected catastrophe loads in 2025, which will not be reliable as the sole foundation of long-term profit.

When carriers underprice their insurance portfolios, they may retain more risk than they can comfortably manage, especially if adverse events return to historical norms. In those cases, reinsurers can decline to renew treaties or increase terms, leaving carriers exposed. Conversely, carriers with disciplined pricing and robust reinsurance design - including adequate catastrophe layers - stand a far better chance of maintaining claims-paying ability and competitive capacity through market cycles.

¹²Risk & Insurance - Reinsurance Market Cooling as Expanded Capacity Drives Down Prices (January 5, 2026)
<https://riskandinsurance.com/reinsurance-market-cooling-as-expanded-capacity-drives-down-prices/>

What This Means for Agents

For independent agents, the lessons are clear:



By recognizing that improved loss ratios in 2025 reflect both disciplined underwriting and fortunate catastrophe timing – and by appreciating how reinsurance underpins industry stability – agents can make more informed placement decisions and counsel clients with confidence about long-term risk and pricing expectations.

The most successful agents add meaningful value for their clients, serving as trusted financial advisors when it comes to insurance decisions.

Section 4: Premium Growth Rates – What Agents Should Expect



The Long-Term Premium Reset

Homeowners insurance premiums have undergone a structural reset over the past several years, with pricing levels in 2026 reflecting long-term cost pressures rather than short-term volatility. Since 2019, home insurance premiums have risen more than 40% nationally¹³, a shift driven by sustained increases in construction costs, catastrophe exposure, litigation, and reinsurance pricing. According to Kiplinger, the average annual premium for a home with \$300,000 in dwelling coverage is approximately \$2,409.

The Bankrate True Cost of Home Insurance report places the average annual homeowners insurance premium at approximately \$2,470¹⁴. Together, these figures establish a new pricing baseline for homeowners insurance: one that is materially higher than pre-2020 norms and unlikely to reverse meaningfully, even as certain markets soften.



What Is Driving Premium Growth Beyond Rate Filings

Premium growth in 2026 is not solely the result of rate increases filed with regulators. Instead, pricing reflects a combination of embedded cost drivers that have permanently raised the cost of insuring homes. Replacement cost inflation continues to influence insured values as labor and materials remain elevated compared to historical averages. Catastrophe modeling assumptions have also evolved, incorporating more frequent and severe loss scenarios across a broader geographic footprint.

In addition, reinsurance costs - which directly impact carriers' expense structures - are increasingly built into premium levels. Even in years with favorable loss experience, such as 2025, carriers must price policies to support long-term claims-paying ability across future catastrophe cycles. As a result, premium moderation in select markets does not necessarily signal a return to historically low pricing.



Consumer Response to Higher Premiums

As premiums have risen, consumer sensitivity has increased across all states. TransUnion reports that property insurance shopping activity, which is measured by new quotes initiated, increased 9% year over year in Q2 2025¹⁵, with shopping activity up in every state. This indicates that even when rate momentum slows, homeowners continue to feel pressure and are actively seeking alternatives.

For independent agents, this behavior underscores a key reality: premium growth remains top of mind for consumers, regardless of whether rates are rising rapidly or stabilizing. Shopping activity reflects concern and uncertainty as much as dissatisfaction, reinforcing the importance of proactive communication and expectation-setting.

¹³Kiplinger (Nov 2025) <https://www.kiplinger.com/personal-finance/home-insurance/what-factors-affect-your-home-insurance-cost>

¹⁴Bankrate – True Cost of Home Insurance Report (Aug 25, 2025)

¹⁵TransUnion, "Insurance Shopping Report: U.S. Insurance Shopping Increased 10% in Q2 2025" (July 2025); Bankrate – True Cost of Home Insurance Report (Aug 25, 2025)

AGENT IMPACT

Premiums are higher because the risk environment is fundamentally different. Agents who lead with education and context, rather than price alone, will outperform in both retention and long-term growth.



Managing Affordability and Renewal Conversations

Higher premium levels inevitably affect renewal dynamics. Homeowners facing steady or modest increases may be less inclined to shop, but those experiencing larger spikes are more likely to question coverage and pricing. Agents who wait until renewal to address premium changes often encounter friction, while those who proactively explain the drivers of premium growth are better positioned to retain trust.

In this environment, agents play a critical role in reframing affordability conversations. Explaining how premiums support adequate coverage limits, catastrophe protection, and carrier financial stability helps shift the discussion from short-term price comparison to long-term protection. Where appropriate, agents can also explore coverage structure adjustments or complementary products that improve value without undermining protection.



What This Means for Independent Agents

Premium growth remains a defining feature of the homeowners insurance landscape in 2026. While competition may increase in select markets, the underlying cost structure of the product has changed. Agents who understand these dynamics and can clearly articulate them to clients are better equipped to reduce reactive shopping, protect retention, and reinforce their role as trusted advisors.

Premium Growth Snapshot



U.S. homeowners insurance premiums have increased 40%+ since 2019, with average annual premiums now approaching \$2,400-\$2,500 for typical coverage levels.

Source: Kiplinger; Bankrate

Consumer Behavior Signal



Property insurance shopping activity increased 9% year over year in Q2 2025, with higher shopping reported in every state.

Source: TransUnion
Insurance Shopping Report

Section 5: Appointment Growth and Distribution Trends



The Independent Agent Channel Continues to Gain Share

The independent agency channel remains the dominant force in the U.S. P&C insurance market, and its influence continues to grow. According to the Independent Insurance Agents & Brokers of America (Big “I”) 2025 Market Share Report, independent agencies wrote 61.5% of all U.S. P&C direct written premium in 2024¹⁶, reinforcing the channel’s central role in distribution and risk placement.

Momentum is particularly notable in personal lines. Independent agencies accounted for 39.0% of U.S. personal lines P&C direct written premium in 2024, up from 35.7% in 2020, demonstrating steady gains in lines such as homeowners insurance. This growth reflects carriers’ continued reliance on independent agents to navigate underwriting complexity, explain coverage changes, and maintain disciplined distribution in a volatile risk environment.

For agents, this expanding share underscores both opportunity and responsibility. As the channel grows, carriers are increasingly selective about which agencies they partner with and how much capacity they allocate.



Concentration in the Homeowners Market Shapes Carrier Strategy

While the independent channel is growing, the homeowners insurance market itself remains highly concentrated. Data from the Insurance Information Institute shows that the top 10 homeowners writer groups controlled approximately 62.0% of direct premiums written in 2024.¹⁷ This concentration has important implications for appointment strategy and competition.

Large carriers with significant market share tend to manage growth carefully, balancing volume with profitability and reinsurance constraints. As a result, appointment expansion is rarely indiscriminate. Instead, carriers focus on agencies that demonstrate underwriting discipline, geographic alignment, and sustainable growth practices. Smaller and regional carriers may pursue more targeted expansion, but they too remain constrained by capital, catastrophe exposure, and reinsurance considerations.

For agents, this concentration means that access to appointments, particularly in the homeowners segment, is influenced as much by market structure as by agency demand.

AGENT IMPACT

Growth favors agents who are informed, selective, and aligned – not reactive or price-driven.

¹⁶Big ‘I’ 2025 Market Share Report release (July 2025) <https://www.independentagent.com/news/big-i-releases-2025-market-share-report/>

¹⁷Insurance Information Institute (III), Insurance company rankings (Homeowners, 2024 DPW)



Appointment Growth Is Becoming More Selective

In 2026, appointment growth is less about expanding distribution broadly and more about refining partnerships. Carriers are increasingly evaluating agencies based on four considerations: quality and completeness of submissions; alignment with underwriting appetite and geographic focus; retention performance and loss experience; and willingness to support disciplined growth rather than opportunistic volume.

As competition for new business increases in some markets, carriers are cautious about adding appointments that could dilute underwriting results or strain reinsurance protections. Agencies that pursue growth without regard to risk quality may find appointment opportunities limited or short-lived.

Conversely, agencies that demonstrate professionalism, consistency, and long-term thinking are more likely to secure and retain appointments, even as carriers reduce overall distribution footprints.



What This Means for Independent Agents

The data makes one thing clear: independent agents are gaining market share, particularly in personal lines, but appointment growth is no longer automatic. In a concentrated homeowners market, carriers are deliberate about where and how they deploy capacity.

For independent agents, success in 2026 will hinge on positioning themselves as trusted distribution partners, not just sources of premium. Agencies that align with carrier strategy, maintain underwriting discipline, and focus on retention and account quality will be best positioned to attract appointments and compete effectively.

Agency Evaluations:



QUALITY AND COMPLETENESS OF SUBMISSIONS



ALIGNMENT WITH UNDERWRITING APPETITE AND GEOGRAPHIC FOCUS



RETENTION PERFORMANCE AND LOSS EXPERIENCE



WILLINGNESS TO SUPPORT DISCIPLINED GROWTH RATHER THAN OPPORTUNISTIC VOLUME

Section 6: Retention Trends and Customer Behavior



Retention Is Improving While Customer Sentiment Is Under Pressure

While retention metrics are stabilizing in parts of the market as rate volatility moderates, customer sentiment tells a more complex story. According to the J.D. Power 2025 U.S. Independent Agent Satisfaction Study, overall independent-agent satisfaction declined 9 points year over year¹⁸, driven primarily by continued premium increases and friction related to claims and catastrophe events.

This disconnect highlights an important dynamic for 2026: homeowners may be less inclined to shop when premiums stabilize, but they remain more anxious, cost-conscious, and sensitive to service disruptions than in prior cycles. Building trust and satisfaction requires more intentional effort from agents, and effective retention strategies play a key role in both the short and long term.

Retention is expected to face increasing pressure beyond 2026, making it essential for agents to prioritize focused retention strategies.



Shopping Activity Remains at Record Levels

Even as some markets soften, consumer shopping behavior remains elevated. The LexisNexis Risk Solutions Demand Meter reports that 46.5% of policies in force had been shopped at least once in the prior 12 months as of the end of Q2 2025¹⁹, marking a record high.

This level of shopping pressure underscores that premium concerns remain top of mind nationwide. Importantly, shopping does not always result in switching, but it does signal heightened comparison behavior and uncertainty. For independent agents, this means retention strategies must account for latent churn risk, even when policies ultimately renew.

¹⁸J.D. Power, "Independent Agent Satisfaction Declines as Premium Increases Continue" (Oct. 2025): <https://www.jdpower.com/business/press-releases/2025-us-independent-agent-satisfaction-study>

¹⁹LexisNexis Risk Solutions press release (Aug 19, 2025) <https://risk.lexisnexis.com/about-us/press-room/press-release/20250819-q2-demand-meter>



Claims and Catastrophe Experience Shape Loyalty

Claims handling and catastrophe response continue to play an outsized role in customer behavior. J.D. Power's findings point to claims-related friction as a key contributor to declining satisfaction, reinforcing that retention is influenced as much by experience as by price.

Clients who feel uninformed during catastrophes, surprised by deductibles or exclusions, or frustrated by claims timelines are more likely to question both their carrier and their agent, even if the outcome is ultimately resolved. In this environment, proactive education before losses occur and clear guidance during events are critical retention tools.



Retention Strategies That Align With 2026 Realities

In a high-premium environment, the most effective retention strategies extend beyond carrier switching. When rate pressure persists, agencies that focus on expanding wallet share through options flood, equipment breakdown or home systems warranty, cyber coverage, and bundled solutions are better positioned to maintain revenue while preserving relationships.

Equally important is communication cadence. Agents who engage clients before renewal, explain why pricing looks the way it does, and reinforce the value of coverage and carrier stability consistently outperform peers on retention. Education, transparency, and proactive outreach are increasingly the differentiators that keep clients in place.

AGENT IMPACT

Retention is strongest where agents reduce uncertainty - not just premiums.



Florida as a Case Study in Churn Dynamics

Florida offers a clear illustration of how regulatory structures can influence retention and shopping behavior. Under current Citizens Property Insurance Corporation depopulation rules, policyholders who receive an offer from the private market are permitted to remain with Citizens if the offer exceeds a 20% premium increase threshold.²⁰

This dynamic creates additional churn potential and reinforces shopping behavior, even among homeowners who have recently transitioned carriers. For agents, this underscores the importance of expectation-setting, particularly when moving clients from residual markets into the private market.



What This Means for Independent Agents

Retention in 2026 is less about suppressing shopping entirely and more about managing behavior through trust and education. Elevated shopping activity and declining satisfaction scores signal that homeowners remain uneasy, even when they ultimately renew. Agents who anticipate questions, address concerns early, and guide clients through both pricing and claims realities are best positioned to retain business and deepen loyalty.

²⁰Axios Tampa Bay (Jun 27, 2025) <https://www.axios.com/local/tampa-bay/2025/06/27/citizens-insurance-prices-policies-fall-florida-2025>

Section 7: Technology Adoption Across the Agent Channel

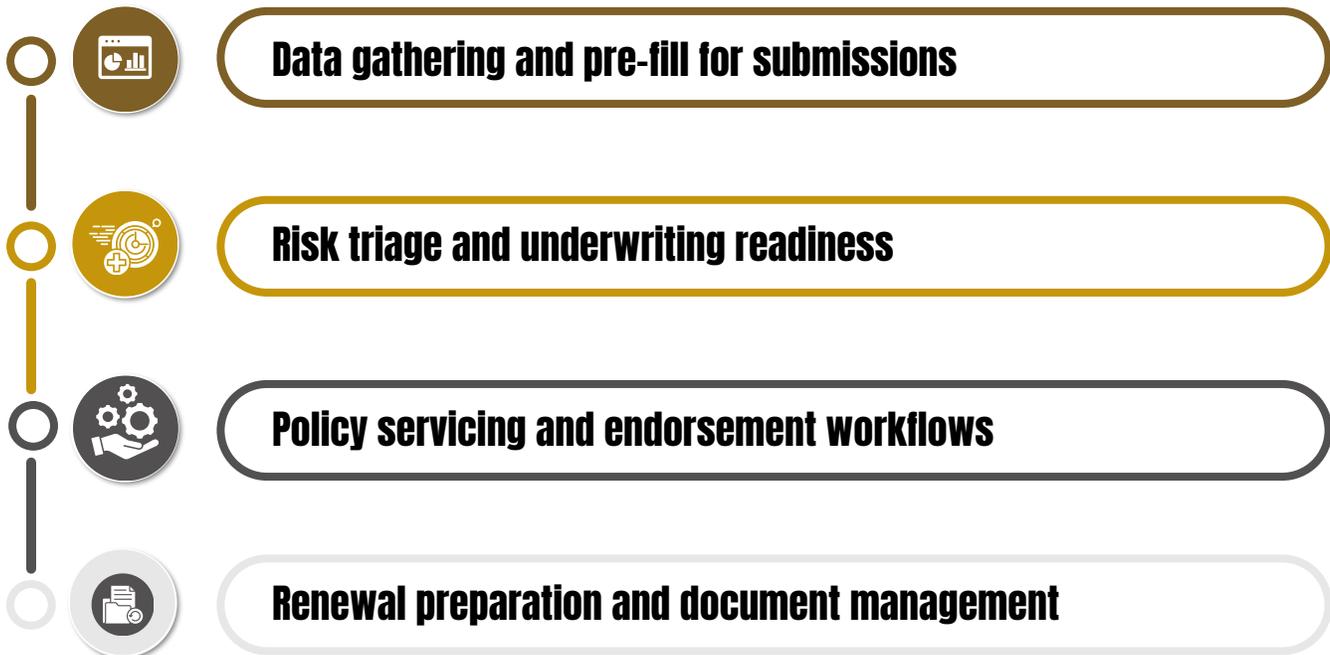
Digital Tools Are Now Table Stakes

Technology adoption across the insurance ecosystem continues to accelerate, reshaping how policies are quoted, underwritten, serviced, and supported. Digital quoting platforms, automated underwriting workflows, and self-service policy tools are no longer differentiators: they are baseline expectations for both carriers and agents.

This acceleration is being driven largely at the carrier level. A Conning 2025 insurance AI survey found that 90% of insurers are evaluating or piloting AI, while 55% have already adopted AI in some form²¹, primarily to improve process automation and decision support in underwriting and claims. As these capabilities mature, they increasingly shape the tools and workflows agents interact with daily.

For independent agents, the takeaway is clear: technology will continue to influence speed, efficiency, and expectations across the value chain, whether or not an agency actively invests in it.

Benefits of AI for Insurance Agents



²¹Conning (Oct 2025)



Where AI and Automation Deliver the Most Value

Despite widespread experimentation, the impact of artificial intelligence is uneven. According to Boston Consulting Group, only about 7% of insurers have successfully brought AI to scale across their organizations. However, when deployed effectively, AI assistants and automation tools can deliver productivity improvements of 30% or more for frontline roles.²²

In the agent context, the most meaningful benefits tend to concentrate in: data gathering and pre-fill for submissions; risk triage and underwriting readiness; policy servicing and endorsement workflows; and renewal preparation and document management.

These applications reduce manual effort and administrative friction, allowing agents to focus less on processing and more on client-facing activity. Importantly, AI's value is greatest when it supports judgment and prioritization – not when it attempts to replace expertise.



The most successful agencies use technology to amplify human expertise, not substitute for it.

Brent Radeloff, EVP Product, Pricing and Underwriting, American Integrity



Allowing Technology to Enable (Not Replace) Selling Tactics

As automation expands, concerns persist about technology displacing the advisory role of the agent. In practice, the opposite is proving true. The most successful agencies use technology to amplify human expertise, not substitute for it.

By streamlining routine tasks, digital tools create space for deeper conversations around coverage adequacy, risk trade-offs, claims expectations, and long-term planning. This dynamic reinforces the agent's role as interpreter and advocate in an increasingly complex insurance environment.

Industry engagement reflects this focus. The Big I Agents Council for Technology (ACT) has launched its 2025 Insurance Tech Trends research, signaling continued emphasis on how agents can leverage emerging tools while preserving independence, trust, and personalization. The agent community's involvement in this research highlights a shared recognition: technology adoption must be intentional and aligned with real-world agency needs.

²²Boston Consulting Group (Jun 2025)



Closing the Gap Between Efficiency and Personalization

One of the defining challenges of 2026 is balancing operational efficiency with personalized service. Digital platforms excel at consistency and speed, but clients continue to value empathy, explanation, and guidance, particularly in high-stress moments such as renewals or catastrophes.

Agents who strike this balance use technology to anticipate client needs before renewal. This technology also allows them to flag coverage gaps or exposure changes and standardize follow-up and communication cadence. Agents who use AI technology to deliver faster responses without sacrificing clarity or the human element generally find the most success.

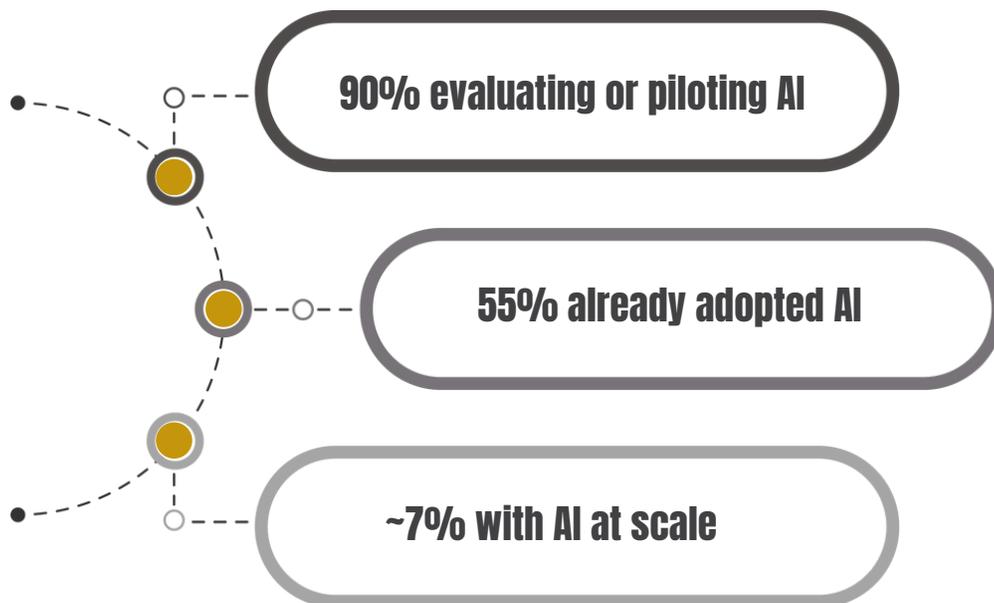
The result is a client experience that feels both modern and human. Agencies that rely solely on automation risk commoditization, while those that resist technology entirely risk inefficiency and burnout.



What This Means for Independent Agents

Technology adoption is accelerating, but it is not a race to replace relationships. The agents who will outperform in 2026 are those who understand where automation adds value – and where human judgment remains essential. Leveraged correctly, technology becomes a force multiplier, improving productivity while reinforcing the advisory role that distinguishes independent agents.

AI adoption is widespread, but meaningful scale remains limited



Section 8: Regulatory and Legislative Impacts



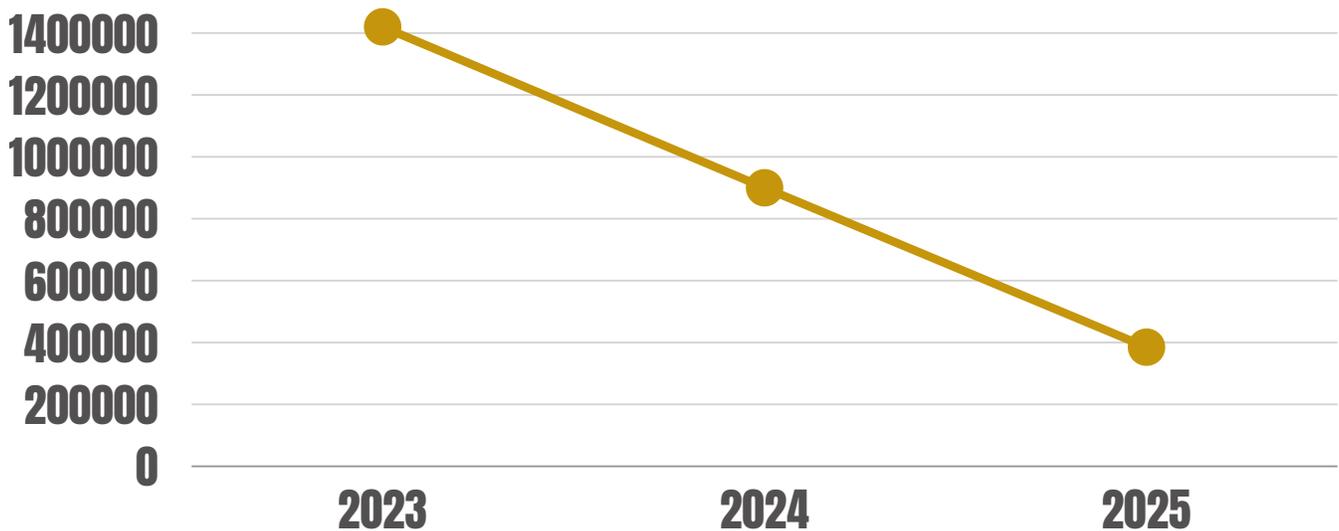
State-Level Reform Is Actively Reshaping Market Availability

State-level legislative and regulatory action continues to be one of the most powerful forces shaping underwriting, pricing, and capacity in 2026. Florida provides the clearest example of how reform can materially alter market structure in a relatively short period of time. Following legislative changes and regulatory oversight aimed at stabilizing the homeowners market, Citizens Property Insurance Corporation has significantly reduced its exposure.

According to Citizens, approximately 546,000 policies were transferred to private insurers during 2025, reducing its policies in force from roughly 1.4 million to fewer than 850,000, with projections indicating a further decline by year-end 2025.²³ This level of depopulation signals a meaningful shift in market participation and illustrates how regulatory frameworks can accelerate private-market reentry when conditions align.

In late 2025, Citizens also filed to lower its rates, despite its role as a carrier of last resort for the state. If these rate reductions are approved and take effect, they could influence consumer behavior and affordability dynamics in the coming renewal cycles. Lower rates in the residual market may bring some relief to homeowners in certain areas, but they can also prompt more people to shop around or switch carriers, especially if private-market insurance remains noticeably more expensive.

Citizens Depopulation Trend (2023-2025)



Regulatory reform and depopulation are materially reducing residual market exposure.

²³Citizens Property Insurance Corporation press release, “Citizens Policy Count Falls Below 900,000” (Dec. 2025): <https://www.citizensfla.com/-/citizens-policy-count-falls-below-900-000>



Regulatory Oversight Shapes Carrier Participation

The depopulation process in Florida is not market-driven alone – it is tightly governed by regulatory oversight. The Florida Office of Insurance Regulation (OIR) maintains and publishes an approved list of “take-out companies” eligible to assume Citizens policies. Carriers must meet financial, operational, and regulatory requirements before being authorized to participate, reinforcing the role regulators play in determining which insurers can deploy capacity in re-entering markets.

This approval process influences both the pace and quality of market expansion. While increased carrier participation can improve availability and competition, it also introduces variation in underwriting appetite, pricing strategy, and long-term stability. For independent agents, understanding which carriers are approved and how they approach depopulated business is critical to managing expectations and placement decisions.



Depopulation Programs and Consumer Behavior

Florida’s depopulation framework also illustrates how regulation influences consumer behavior and retention dynamics. Under Citizens rules, policyholders who receive an offer from the private market are permitted to remain with citizens if the premium in that offer exceeds a defined threshold. This structure introduces additional shopping and churn potential, in light of Citizens’ rate decrease in early 2026.

From an agent perspective, this dynamic reinforces the importance of clear expectation-setting when placing depopulated business. Clients must understand not only the immediate pricing and coverage differences, but also how future regulatory thresholds may affect their options. Without proactive communication, regulatory complexity can undermine trust – even when the underlying market is stabilizing.



Compliance Expectations for Independent Agents

As regulation grows more complex, compliance expectations for agents continue to rise. Regulatory scrutiny around rate changes, cancellations, non-renewals, and disclosures places greater responsibility on agents to document conversations, explain outcomes, and ensure clients understand coverage decisions. While agents are not responsible for carrier filings or approvals, they are often the primary point of contact for explaining regulatory-driven change.

Agents who remain informed about state-level reform, particularly in markets experiencing rapid transition, are better positioned to answer questions, reduce friction, and protect themselves from E&O exposure. Compliance, in this context, is not simply about avoiding violations; it is about maintaining credibility and confidence in moments of uncertainty.

Regulatory change doesn't just shape the market. It shapes how agents guide clients through pricing, availability, and coverage decisions.



How Regulation Shapes Carrier Appetite and Availability

Regulatory environments directly influence how carriers deploy capital and capacity. States with clearer reform pathways and predictable oversight tend to attract more private-market participation, while states with prolonged uncertainty often see tighter underwriting and limited availability. Even within a single state, regulatory mechanisms such as depopulation programs can create pockets of rapid change.

For independent agents, this means carrier appetite is not static: it is shaped by legislation, regulatory approval, and market signals. Agents who track these factors are better equipped to align placements with carriers positioned for long-term participation, rather than short-term opportunity.



What This Means for Independent Agents

Regulatory and legislative change will remain a defining feature of the P&C market in 2026. While reform can improve stability and expand availability, it also introduces complexity that agents must help clients navigate. Independent agents who stay informed, communicate clearly, and align with approved, well-capitalized carriers are best positioned to remain compliant while guiding clients through transition.

AGENT IMPACT

Informed agents translate regulatory changes into clarity and confidence for their clients.

Section 9: What It All Means for Independent Agents in 2026

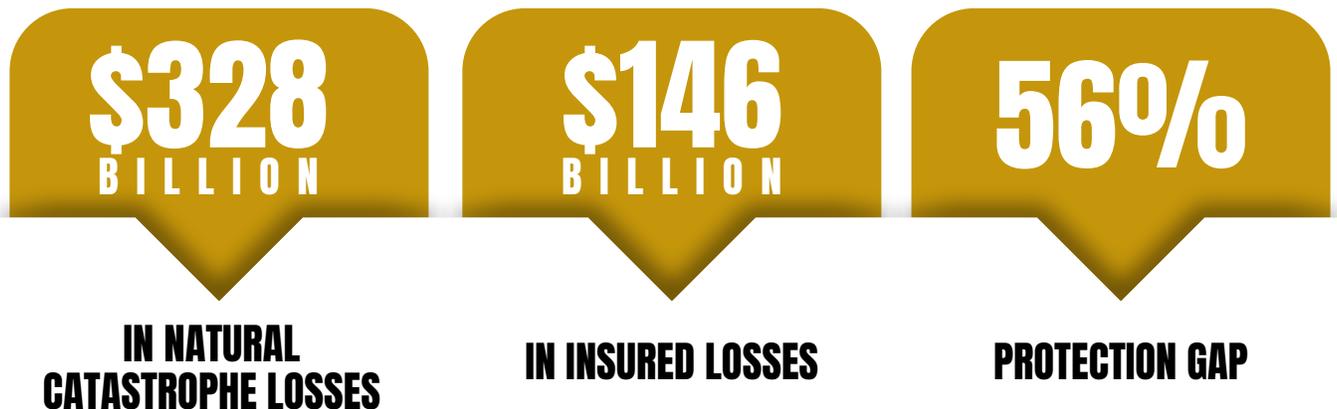


Turning Market Signals Into Agency Strategy

The collective trends shaping the P&C market in 2026 (premium growth, underwriting discipline, regulatory reform, elevated shopping behavior, and accelerating technology adoption) point to a central truth: volatility has not disappeared, even as conditions stabilize in select markets. Independent agents who succeed in this environment will be those who translate macro-level signals into intentional agency strategy.

Catastrophe risk remains a defining backdrop. According to the Swiss Re Institute, global natural catastrophe losses reached approximately \$328 billion in economic losses in 2024, while insured losses totaled about \$146 billion, leaving a protection gap of roughly 56%²⁴. This gap underscores the persistent mismatch between risk exposure and insurance penetration, reinforcing the importance of adequate coverage, disciplined underwriting, and long-term market stability. It also emphasizes the need for agents to play an even greater consultative role in discussions with their clients about the risks they face.

For agents, these figures are not abstract. They explain why pricing remains elevated, why underwriting is selective, and why carriers continue to prioritize capital preservation over rapid expansion.



²⁴Swiss Re Institute (Dec. 2024): <https://www.swissre.com/institute/research/sigma-research/natcat-and-man-made-disasters/natural-catastrophes-insured-losses-to-hit-usd-145-billion-in-2025.html>



From Reactive to Proactive – How Agents Adapt

In prior cycles, agents were often forced into reactive mode, responding to sudden non-renewals, abrupt rate changes, or capacity withdrawals. In 2026, the opportunity exists to shift toward a more proactive posture. Doing so requires understanding not just what is happening today, but what the risk environment suggests about tomorrow.

The Swiss Re Institute projects global insured natural catastrophe losses of approximately \$145 billion in 2025, while cautioning that insured losses could reach \$300 billion in a peak year over time. This forward-looking benchmark reinforces a critical lesson: benign years do not eliminate risk - they simply delay its financial expression.

Agents who prepare clients for this reality through education, expectation-setting, and coverage planning reduce surprise and friction when volatility returns. Proactive agencies engage earlier in renewal cycles, emphasize mitigation and preparedness, and position coverage as protection against long-term risk – not just annual price changes.



Aligning Business Placement With Long-Term Carrier Stability

As catastrophe severity increases and protection gaps persist, carrier stability becomes a central consideration in placement decisions. Insurers must balance growth ambitions with reinsurance costs, capital adequacy, and regulatory expectations. Those that overextend in competitive moments may struggle when losses normalize.

Independent agents play a critical role in this ecosystem. By aligning business with carriers that demonstrate disciplined pricing, robust reinsurance programs, and a commitment to long-term participation, agents help protect both their clients and their own agencies. Stability matters not only at the point of sale, but when claims must be paid, often under extraordinary circumstances.

This alignment also supports agency sustainability. Fewer emergency remarkets, stronger retention, and more consistent underwriting outcomes create operational efficiency and reputational strength over time.



The Agent Advantage in a Complex Risk Environment

The widening protection gap and the potential for extreme loss years highlight the enduring value of the independent agent. As risk grows more complex and less intuitive, homeowners increasingly need guidance, not just quotes.



Agents who can explain why coverage matters, why premiums are priced as they are, and why carrier strength is essential differentiate themselves in a crowded market.

Brent Radeloff, EVP Product, Pricing and Underwriting, American Integrity

The widening protection gap and the potential for extreme loss years highlight the enduring value of the independent agent. As risk grows more complex and less intuitive, homeowners increasingly need guidance, not just quotes.



What This Means for Independent Agents

Independent agents are not just navigating a changing market: they are helping shape how homeowners understand and respond to risk. Those who align strategy with long-term trends, adapt proactively, and place business with stability in mind will be best positioned to grow profitably and sustainably.

WHO IS BEST POSITIONED TO GROW PROFITABLY AND SUSTAINABLY?

AGENTS WHO...

**ALIGN STRATEGY WITH
LONG-TERM TRENDS**

AGENTS WHO...

ADAPT PROACTIVELY

AGENTS WHO...

**PLACE BUSINESS WITH
STABILITY IN MIND**

Section 10: Conclusion – Turning Insight Into Action

The P&C insurance market entering 2026 is neither a return to the past nor a continuation of crisis. It is a more disciplined, data-driven environment shaped by higher underlying risk, evolving regulation, technological acceleration, and heightened consumer sensitivity. While certain markets are stabilizing and competition is increasing, the fundamental realities of catastrophe exposure, capital requirements, and protection gaps remain firmly in place.

For independent agents, this moment presents both challenge and opportunity. The data are clear: premiums are higher because risk is higher; underwriting is selective because losses are volatile; and regulation is active because market stability matters. Agents who understand these forces and can explain them clearly move beyond transactional quoting and into true advisory roles.

The most successful agencies in 2026 will be those that act intentionally rather than reactively. That means aligning growth strategies with regional market conditions, prioritizing retention through education and relationship-building, leveraging technology to reduce friction without sacrificing personalization, and placing business with carriers positioned for long-term stability. It also means helping clients understand not just what coverage costs, but why it matters, especially in a world where insured losses may only represent a fraction of total economic damage.

Independent agents remain the connective tissue of the P&C ecosystem. They translate complexity into clarity, volatility into preparation, and data into decisions that protect households and communities. In a market defined by change, that role has never been more valuable.

AGENT IMPACT

Informed, proactive agents don't just navigate the market, they lead through it.
