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INDEPENDENT INSURANCE AGENTS

An Exploration & Analysis of
the Independent Agency System

2026 AGENCY UNIVERSE STUDY MANAGEMENT SUMMARY.



Growth • Technology • Strategy • Operations

ABOUT THE 2026 AGENCY UNIVERSE STUDY

On behalf of Future One, a cooperative effort of the Independent Insurance Agents & Brokers of America, Inc. (IIABA) and more than 16 leading independent insurance agency companies, we are pleased to present the 2026 Agency Universe Study Management Summary, highlighting some of the key findings of the Study.

The primary focus of the Agency Universe Study is to provide information on the size and characteristics of the independent agency system, which is beneficial to developing more effective marketing and business practices. Over the years, information from the study has been useful to independent agency principals, independent agency carriers and the Big "I" in its public information and education efforts.



Since it was first conducted in 1983, the study has had two primary goals:

1. Track changes in the independent agency system over time
2. Gauge agents' attitudes and opinions on issues pertinent to the independent agency community

The 2026 study examines both traditional topics and some new areas of focus:

- Agency Revenue Trends
- Market Conditions
- Carrier Relationships
- Agency Technology Use and Role of AI
- Social Media and Marketing
- Challenges and Needs

N=1,376

Enduring Truths & Emerging Insights

ENDURING TRUTHS

- Agents continue to **strongly prefer to own the customer relationship** and servicing.
- **Annual reviews, phone calls and referrals** remain key to customer relationships.
- **Wholesalers** continue to lead access channels.
- **Carrier placement drivers remain consistent** – ease of doing business, competitive pricing, underwriter responsiveness, claim performance.
- **Finding and screening talent** remains a top challenge.
- Agents remain extremely **confident in the independent agency channel's** resilience.

EMERGING INSIGHTS

- **AI use has tripled,** with **leveraging AI applications** emerging as a top concern.
- **AI-driven underwriting** is also an emerging issue in 2026.
- Agency **footprints have expanded,** as has the number of **carrier appointments.**
- The mix has started to **shift away from personal lines**.
- Anxiety about **carrier commitment to their market** has eased.

Key Findings: Market Overview

37,000

In 2026, independent agencies total an **estimated 37,000**, a small decrease from 2024, with the number continuing to remain stable over the last decade.

- **Size mix is shifting:** Small stands at 18% of the universe, while Large rose to 15%\% and Jumbo is steady at about 4%.
- **M&A stays concentrated in Large & Jumbo:** 13% did a deal in the past two years, and about a third plan activity within two.
- Agency staffing breakouts by **gender and ethnicity** are generally comparable to 2024.
- More than one in three anticipate **some type of ownership change** in the next five years.

Key Findings: Growth and Carrier Relationships

Growth & Conditions

- **A strong year: Three in four agencies grew revenue** from 2024 to 2025, and only 8% declined (down from 12% in 2024).
- **Broad-based gains:** 70% increased personal-lines revenue and 63% increased in commercial lines, with Jumbo agencies most likely to report growth.

Carrier Appointments

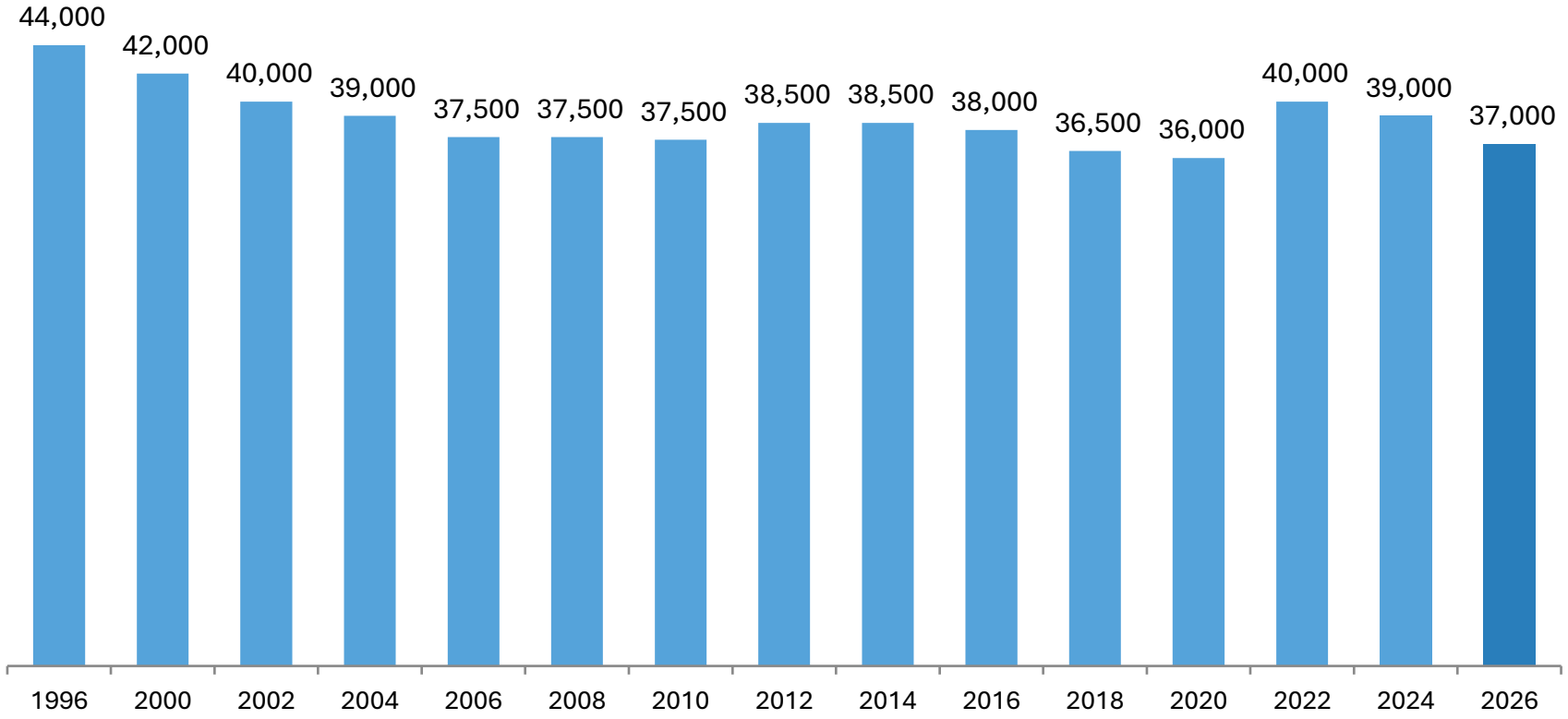
- **Agencies have 19.7 carrier appointments** on average, up from 17.2 in 2024; appointments increase with agency size.

Market Access

- **Wholesale brokers** remain the most-used access channel; among those that use them, wholesalers handle a third or more of personal and commercial business.

In 2026, independent agencies total an estimated 37,000, a small decrease from 2024, with the number continuing to remain relatively stable over the last decade.

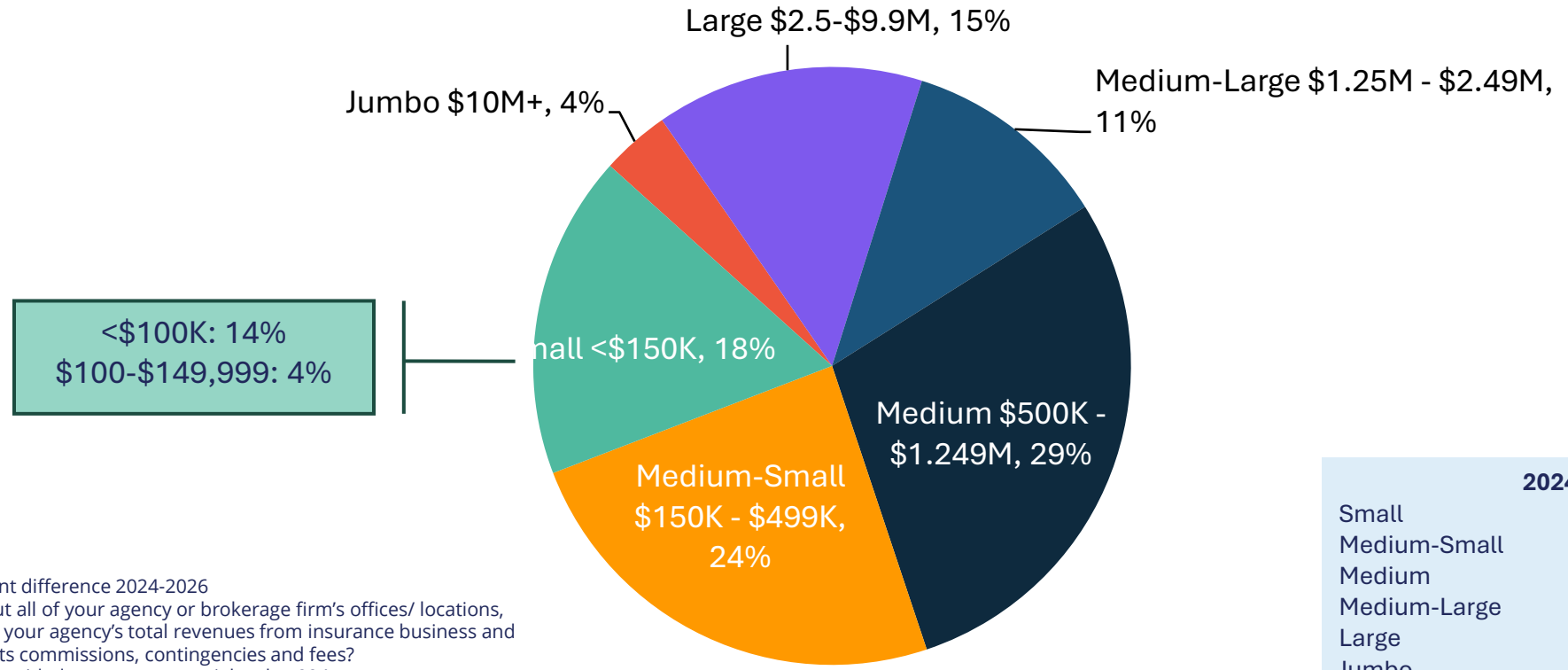
Total Number of Independent Agencies, 1996 - 2026



These estimates are rounded to the nearest 500 to avoid giving the impression that they are more precise than they actually are. (For details on how these estimates were made, see Appendix B.)

In 2026, small independent agencies and brokerages represent 18%, while large agencies rise to 15% and medium agencies hold steady.

Agency Distribution by Revenue Size - 2026



^Indicates significant difference 2024-2026
QA9: Thinking about all of your agency or brokerage firm's offices/ locations, in 2025, what were your agency's total revenues from insurance business and investment products commissions, contingencies and fees?
Base: Those who provided an answer unweighted n=994

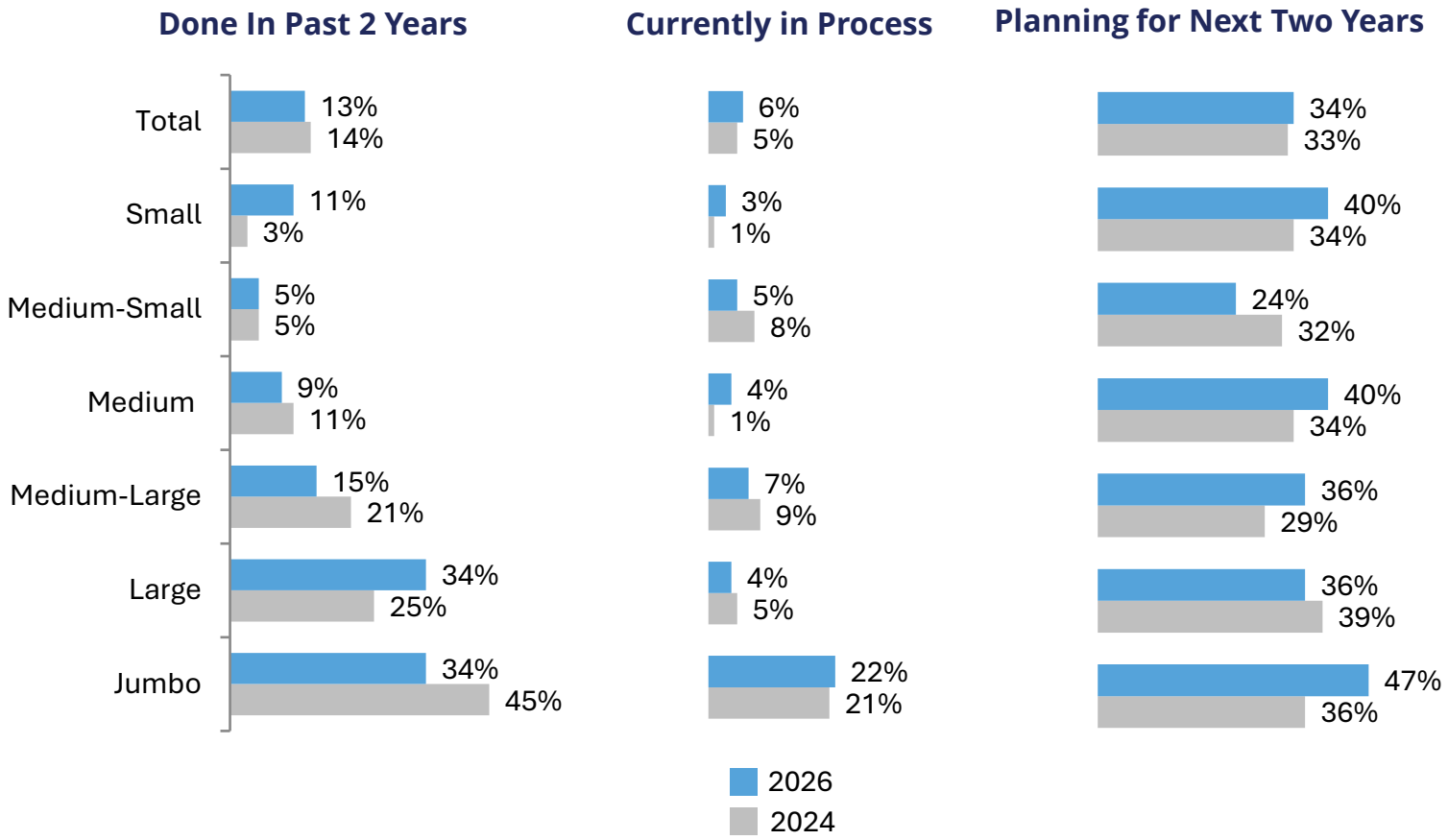
	2024
Small	27% ^
Medium-Small	25%
Medium	25%
Medium-Large	11%
Large	11% ^
Jumbo	3%

More than 1 in 10 agencies have been involved in acquisitions or mergers in the past two years. Overall merger & acquisition activity is most common among Large and Jumbo agencies.

- Overall, **13% have been involved with acquisitions** (acquiring another agency's book, operations, and/or merging with another agency.)
- **One-third of agencies have plans for merger/acquisition** activity in the next two years:
  - 19% plan to acquire another agency's book and operations
  - 19% plan to acquire another agency's book
  - 7% anticipate being acquired

^Indicates significant difference 2024-2026
QA6: Which of the following has your agency done, is your agency currently doing, or does your agency plan to do in the next two years?
Base: Among sole/headquarters locations unweighted n=463

% Involved in Acquisitions and/or Mergers



Agency staffing breakouts by gender and ethnicity are generally comparable to 2024.

All Jumbo agencies have at least one male principal/senior manager, significantly more than the proportion of Small and Medium-Small agencies with male principals or senior managers (68%, 70% respectively).

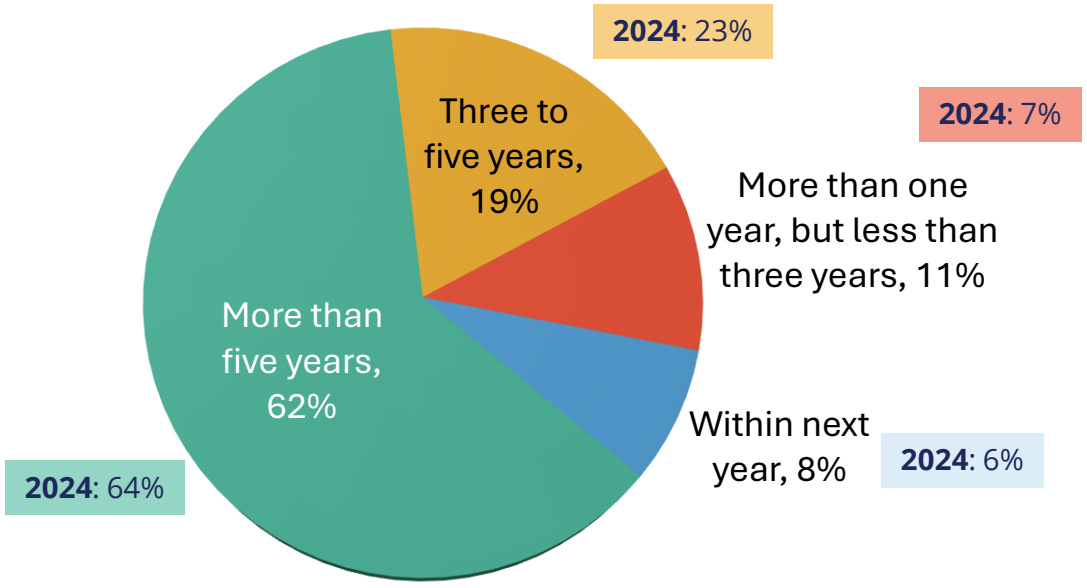
% of Agencies With Each Employee Type by Gender & Ethnicity

	Agency Principals/ Senior Mgrs	Non-Principal Agency Managers	Non-Principal Producers	CSRs	Other
Gender					
Men	76%	44%	70%	34%	32%
Women	46%	75%	74%	94%	82%
Non-binary	<1%	<1%	0%	1%	1%
Ethnicity					
Caucasian/Non-Hispanic White	89%	92%	92%	90%	87%
Latino/Hispanic	8%	11%	14%	18%	4%
African-American/Black	3%	2%	5%	7%	6%
Asian Indian/Other South Asian American	1%	1%	1%	3%	8%
East Asian-American/Pacific-Islander	1%	1%	<1%	1%	3%
Native American or Alaska Native	0%	0%	<1%	<1%	0%

QF2: How many women and men work in each type of position at your agency?
QF3: What ethnic groups are represented in your staff?
Base: Total Respondents per employee type unweighted n=481, 229, 358, 373, 180

More than one in three anticipate some form of ownership change in the next five years, but few expect one in the next year.

When Agencies Anticipate Major Ownership Changes (involving at least 20% of agency ownership)



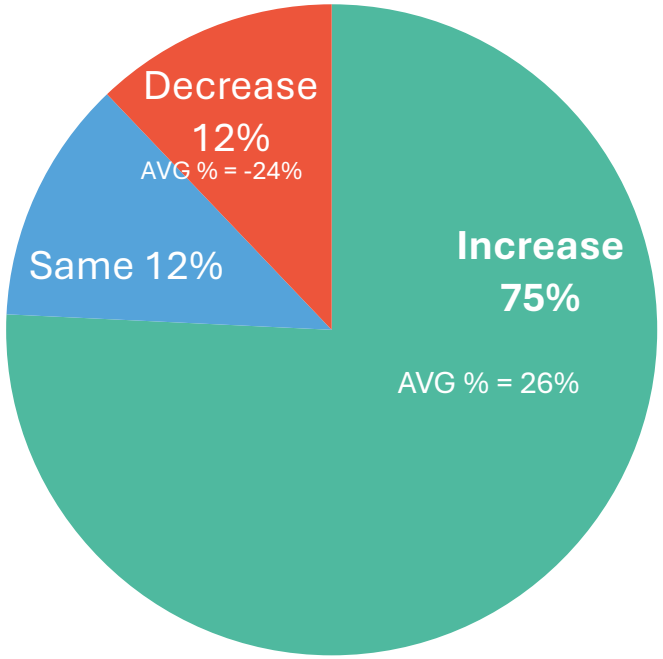
	Small	Med-Small	Med	Med-Large	Large	Jumbo
More than five years	69%	62%	62%	50%	48%	62%
Three to five years	15%	8%	24%	32%	27%	24%
One to three years	12%	19%	7%	9%	14%	14%
Within the next year	4%	11%	8%	9%	11%	0%

^Indicates significant difference 2024-2026
QH11: When does your agency anticipate a major ownership change (i.e., a change involving at least 20% of the agency ownership)?
Base: Agencies owned entirely/partially by principals unweighted n=469

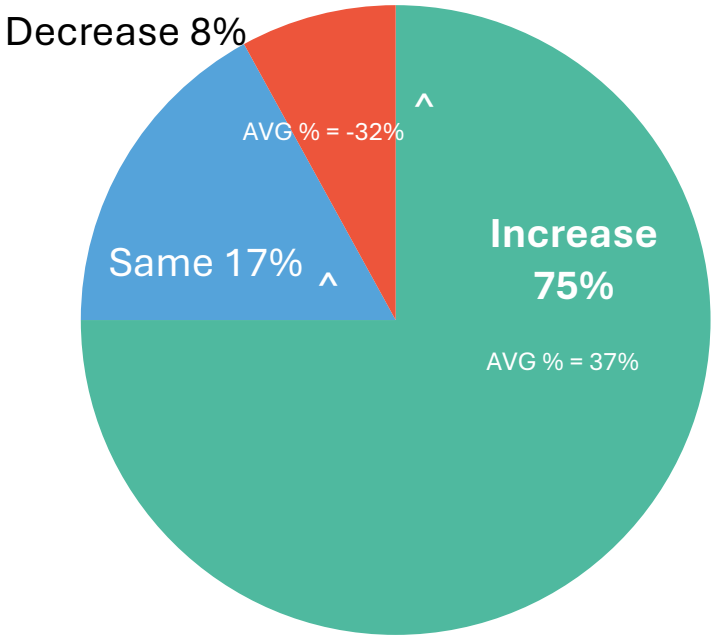
Three in four agencies saw revenue increases between 2024 and 2025, on par with 2024 findings; however, significantly fewer report a *decline* in revenue in 2025.

Jumbo agencies are most likely to report an increase in revenue (87% report an increase).

Change in Total Revenue
2022 vs. 2023



Change in Total Revenue
2024 vs. 2025

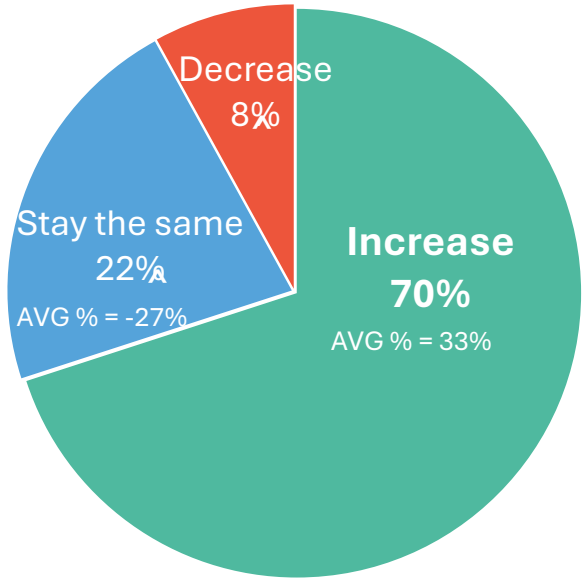


^Indicates significant difference 2024-2026 (averages not tested)
QA9B/B2: Approximately how much did your agency's insurance revenue change between 2024 and 2025?
Base: Total Respondents unweighted n=1376

Most agencies report increases across product lines, especially commercial lines, from 2024 to 2025.

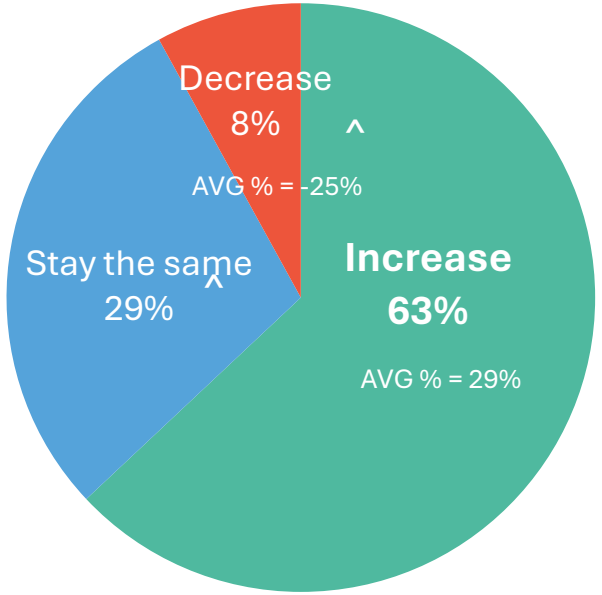
Jumbo agencies are most likely to report increases for both personal and commercial lines revenues.

Change in Personal Lines Revenue
2024 vs. 2025



2022 vs. 2023
Increase 72%
Stay the same 13%
Decrease 15%

Change in Commercial Lines Revenue
2024 vs. 2025



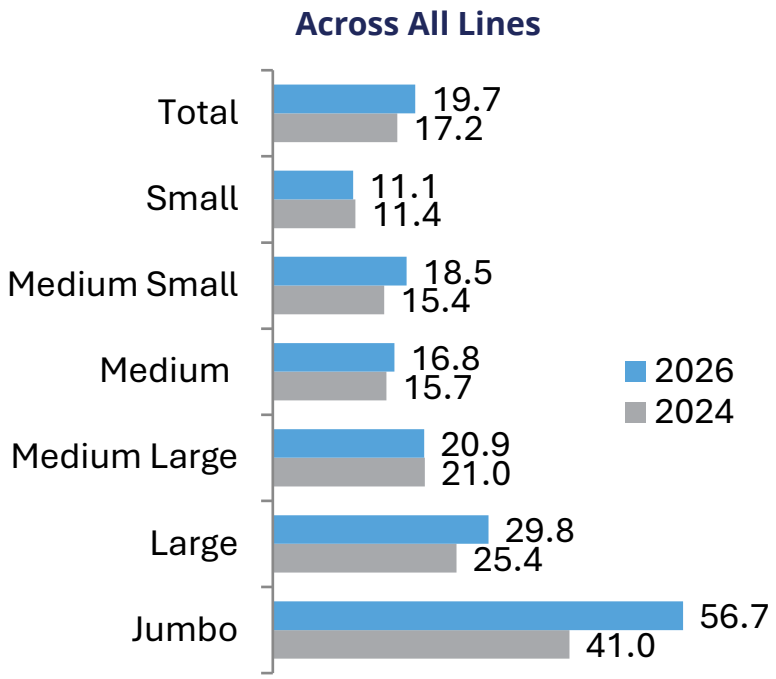
2022 vs. 2023
Increase 68%
Stay the same 17%
Decrease 15%

^Indicates significant difference 2024-2026 (averages not tested)
QA9B/B2: Approximately how much did your agency's insurance revenue change between 2024 and 2025?
Base: Total Respondents unweighted n=1376

Agencies have appointments/contracts with an average of about 11 standard personal lines carriers and about eight standard commercial lines carriers.

For all lines, the number of appointments/contracts generally increases with the size of the agency.

Average Number of Carrier Direct Appointments or Contracts



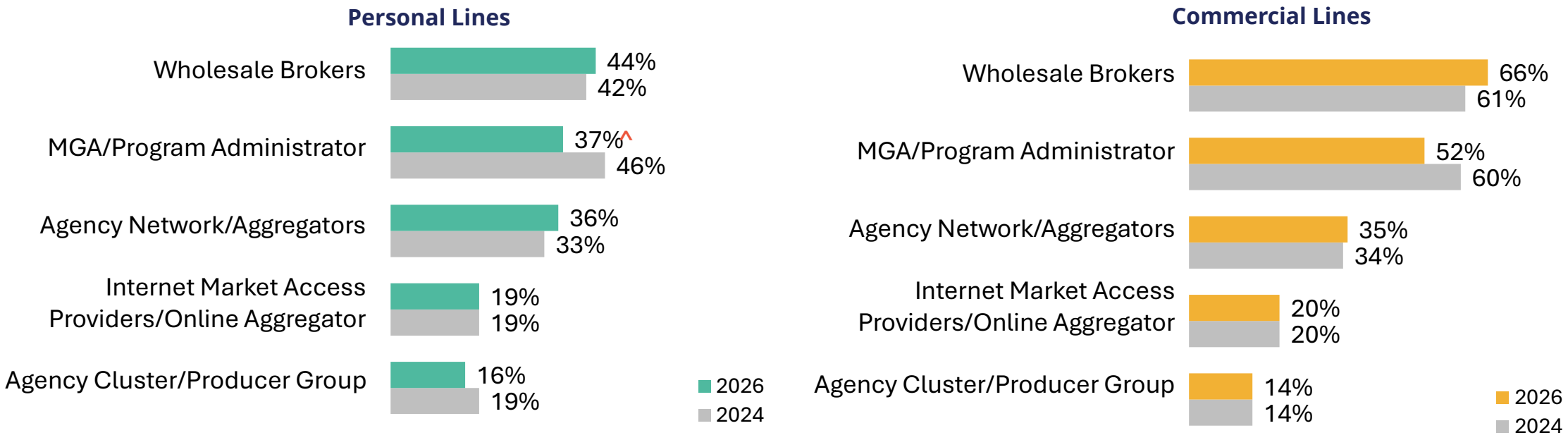
Personal Lines	Commercial lines	Bond & Surety	Life	Health	Employee Benefits
10.7	7.7	1.8	2.1	1.1	0.6
6.4	3.1	0.8	1.1	0.7	0.3
11.5	6.1	1.2	2.1	1.1	0.5
9.7	7.0	2.0	2.0	0.8	0.3
11.1	9.6	2.4	2.6	1.8	1.0
14.4	12.3	3.0	3.7	1.8	1.1
19.6	30.4	6.1	4.0	4.1	4.6

^Indicates significant difference 2024-2026
QD1: In total across all lines, how many carriers/providers does your agency currently have a direct appointment with? Total Respondents unweighted n=1268
QD2: For each category below, how many carriers/providers does your agency currently have a direct appointment with? Total Respondents unweighted n=1268

Wholesale brokers continue to be most popular for both personal and commercial lines; the incidence of MGA usage dropped for commercial versus 2024.

Small agencies are most likely to use Internet Market Access Providers for both personal and commercial lines and Agency Network/Aggregators for personal lines.

Market Access Providers Used



^Indicates significant difference 2024-2026
QC1: In Column A, indicate whether your agency places personal lines insurance through each type of market access provider.
In Column B, indicate whether your agency places commercial lines insurance through each market access provider.
Base: Total Respondents unweighted n=662

Key Findings: Technology and AI

Tech Adoption

- **Processing and communication tools are growing**. Nearly all use processing technology:
  - **E-signature, client texting** and PL/CL **downloads** are most common
  - **Claims download** has increased.
- **Online quoting for home and auto** is the most common **customer-facing technology**.
- **Dealing with multiple carrier interfaces** is still the **biggest technology challenge**.

AI Use

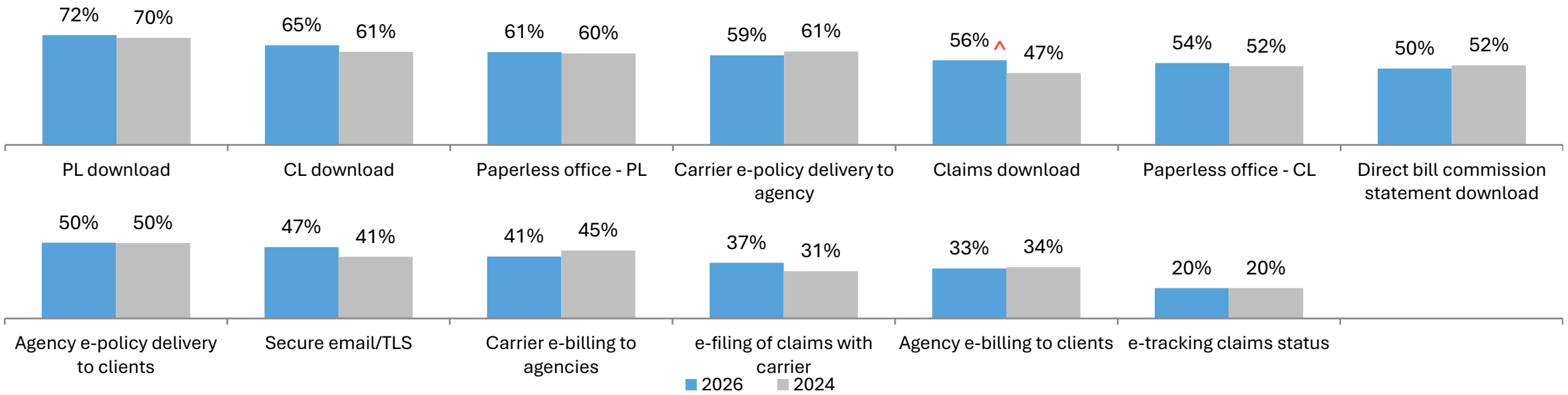
- **AI adoption jumped to 46%** (from just 15% in 2024); agencies are leveraging for **marketing, coverage analysis and contract review**.
- **Larger agencies** are much more likely to leverage AI.
- **Lack of knowledge and security concerns** remain the top barriers to AI adoption.
- **Robotic Processing Automation use stays low**, at only 6%.

Overall, the use of processing technology has risen significantly in 2026. Three in four agencies use personal lines download tools, and two-thirds use commercial lines download tools.

Claims download is being used significantly more in 2026. E-policy delivery is more common than e-billing. Small agencies are least likely to use most processing technologies.

Processing Technologies Used

Use at least one type of processing technology: 2026=97%^; 2024=93%

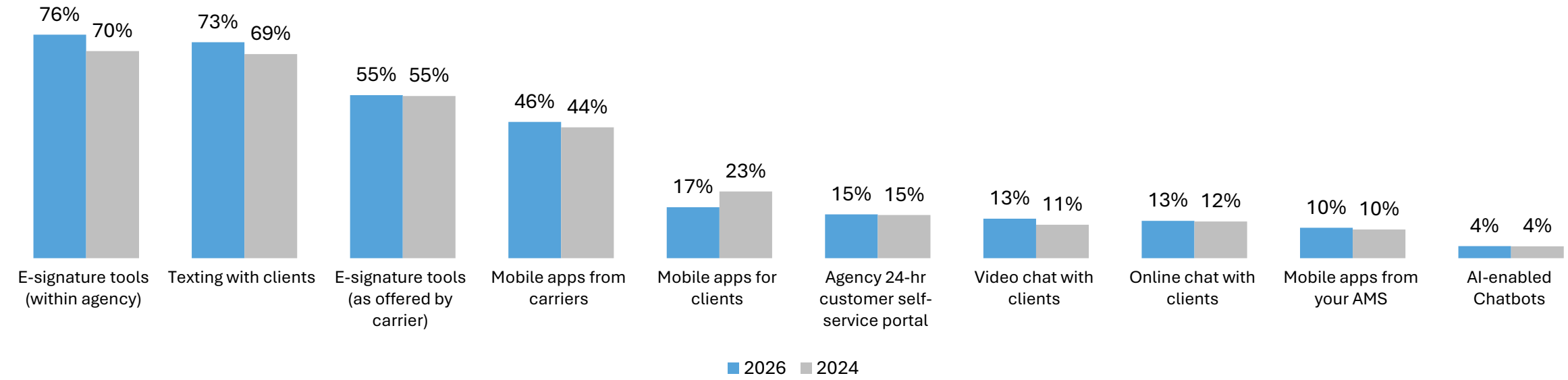


^Indicates significant difference 2024-2026
QL16: Which of the following technologies does your agency use for client communications?
Base: Total Respondents unweighted n=535

E-signature tools and texting with clients are the communication technologies used the most.

Electronic & Communication Technologies Used

Use of at least one type of electronic and communication technology: 2026=97%; 2024=95%

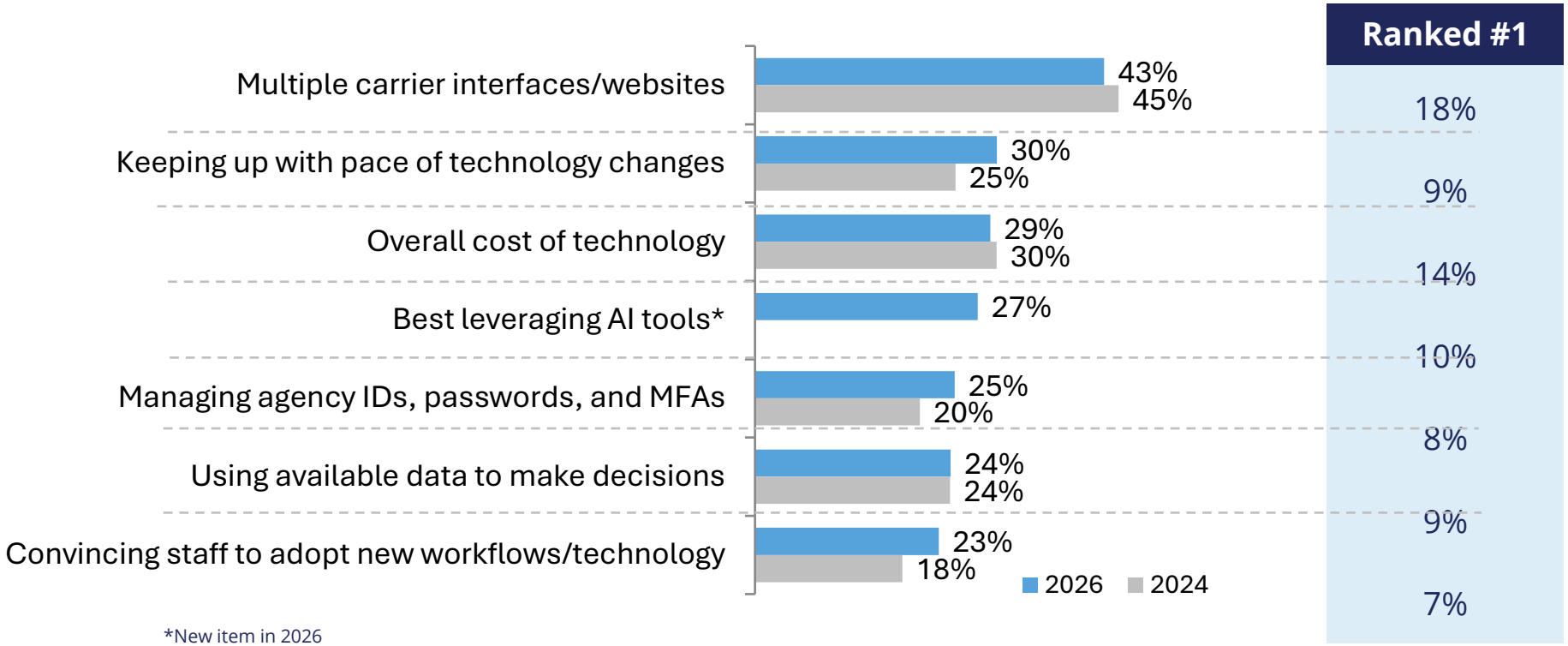


^Indicates significant difference 2024-2026
QL16: Which of the following technologies does your agency use for client communications?
Base: Total Respondents unweighted n=535

Dealing with multiple carrier interfaces continues to be the top technological challenge, while leveraging AI tools emerges as a top challenge in 2026, especially among larger agencies.

Small agencies feel particularly challenged to leverage technology to support digital marketing (37%) and to provide online quoting options (29%).

Top Technology Challenges - % Ranked 1, 2, or 3
(Only items with more than 10% Top 3 ratings are shown)

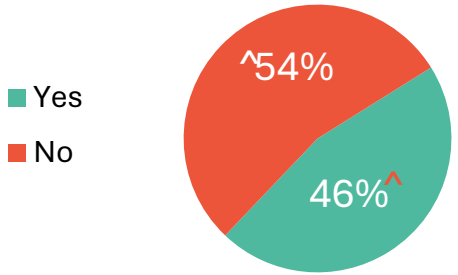


*New item in 2026
^Indicates significant difference 2024-2026
QL1: From the list below, please rank the top THREE challenges in managing your agency's technology/business process function.
Base: Total Respondents unweighted n=553

Nearly half of agencies are currently using AI—a sharp increase in 2026—while robotic processing automation usage remains low. Larger agencies are much more likely to leverage AI.

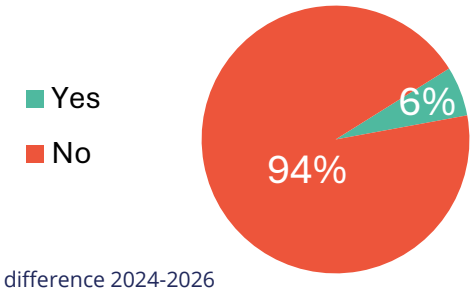
% Using Artificial Intelligence

2024
Yes: 15%
No: 85%

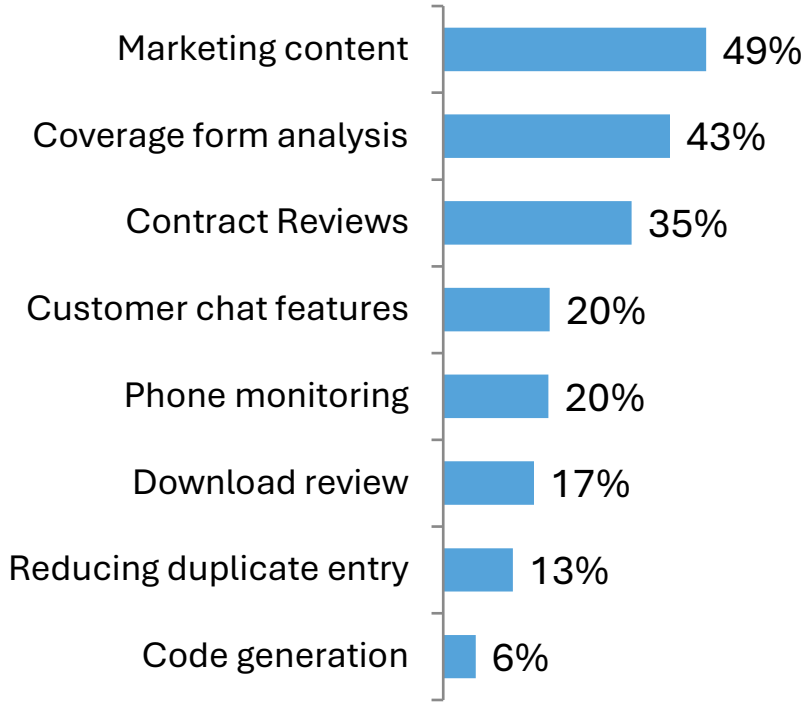


% Using Robotic Processing Automation

2024
Yes: 5%
No: 95%



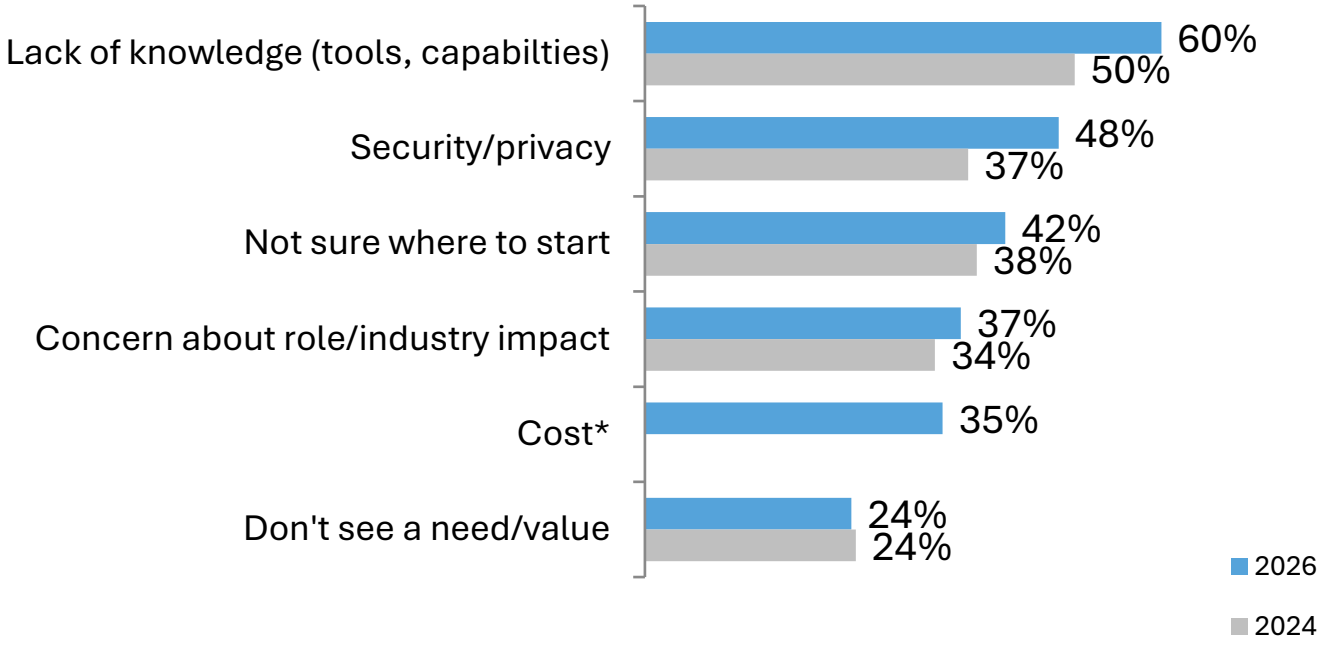
Current AI Uses



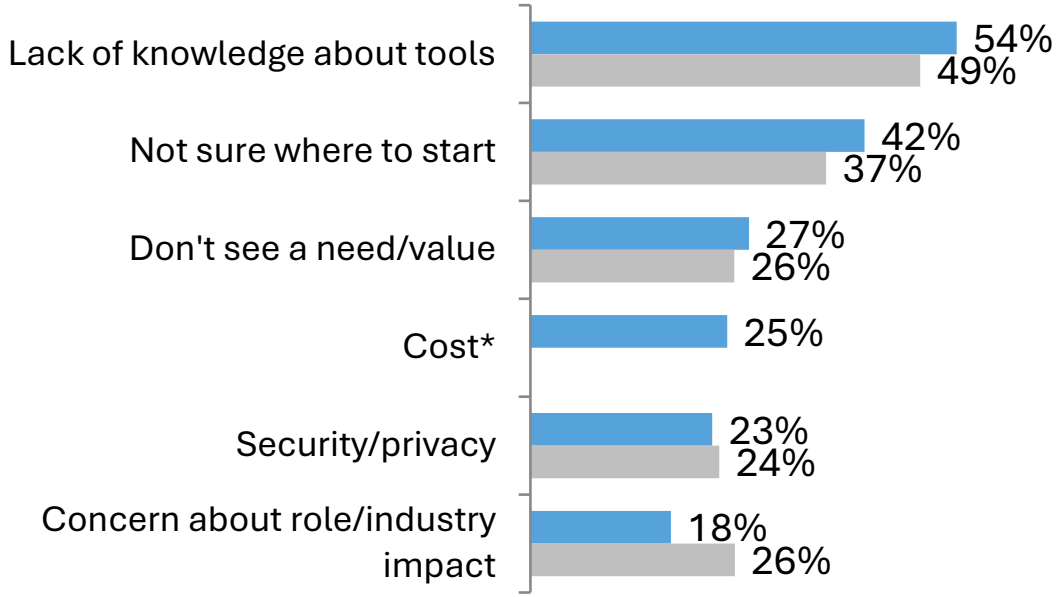
^Indicates significant difference 2024-2026
QL20: Is your agency currently using either of the following: Artificial Intelligence/Robotic Processing Automation?
Base: Total Respondents unweighted n=522
QL21: For which of the following capabilities is your agency using AI?
Base: Those using AI/RPA unweighted n=201
Note: RPA uses not shown due to low base size

The top barriers for using both AI and RPA are a lack of knowledge and not being sure where to start. Security is also a concern for AI.

Barriers to Using AI



Barriers to Using RPA



*New item in 2026
^Indicates significant difference 2024-2026
QL22: Which of the following does your agency view as barriers to using AI?
QL23: Which of the following does your agency view as barriers to using RPA?
Base: Those who do not use AI/RPA unweighted n=256/397

Key Findings: Marketing



Marketing

- **Social/digital marketing leads (47% rank it on top),** followed by Google Business, SEO, and websites.
- **Facebook still dominates channels (70%),** ahead of Instagram (46%) and LinkedIn (35%).
- Social media is used mainly for **brand (86%)** and **prospecting (82%).**

Nearly half cite social media activities as one of their top three marketing activities, followed by Google Business Profile, search engine optimization, and agency website.

Nearly all (93%) engage in at least one marketing activity.

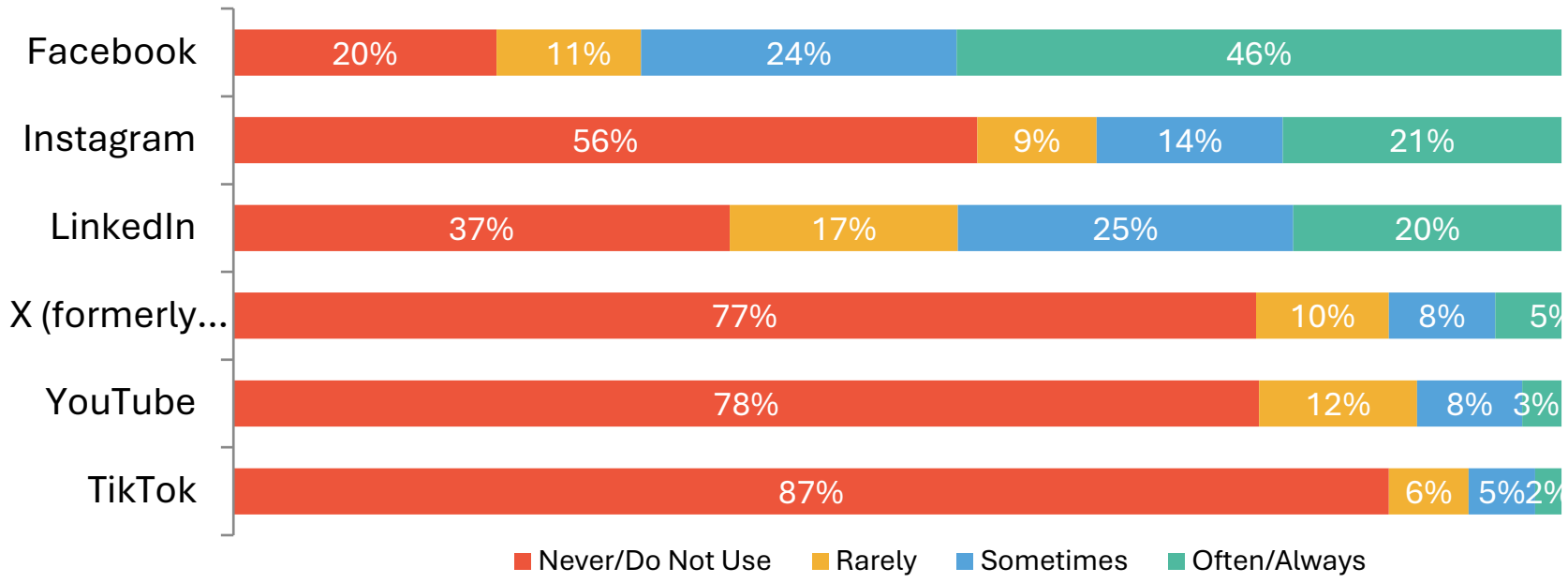


*Note: Cannot trend due to the addition of new items
QI3B: Please select below what you consider to be the top three most important marketing activities for your agency.
Base: Total Respondents unweighted n=536

Facebook is the primary social media channel used, followed by Instagram and LinkedIn.

Jumbo agencies are more likely to use LinkedIn ”sometimes” and "always/often” (72%).

Social Media Channels Used (Among Those Who Use Social Media in Marketing)



% Always/Often + Sometimes	
2026	2024
70%	68%
35%	31%
46%	40%
13%	11%
11%	7%
7%	4%

^Indicates significant difference 2024-2026
QI3FB: How often does your agency use each of the following digital/social media channels to keep in touch with customers and/or prospects?
Base: Those who use social media unweighted n=526

Key Findings: Challenges and Needs

Top Challenges

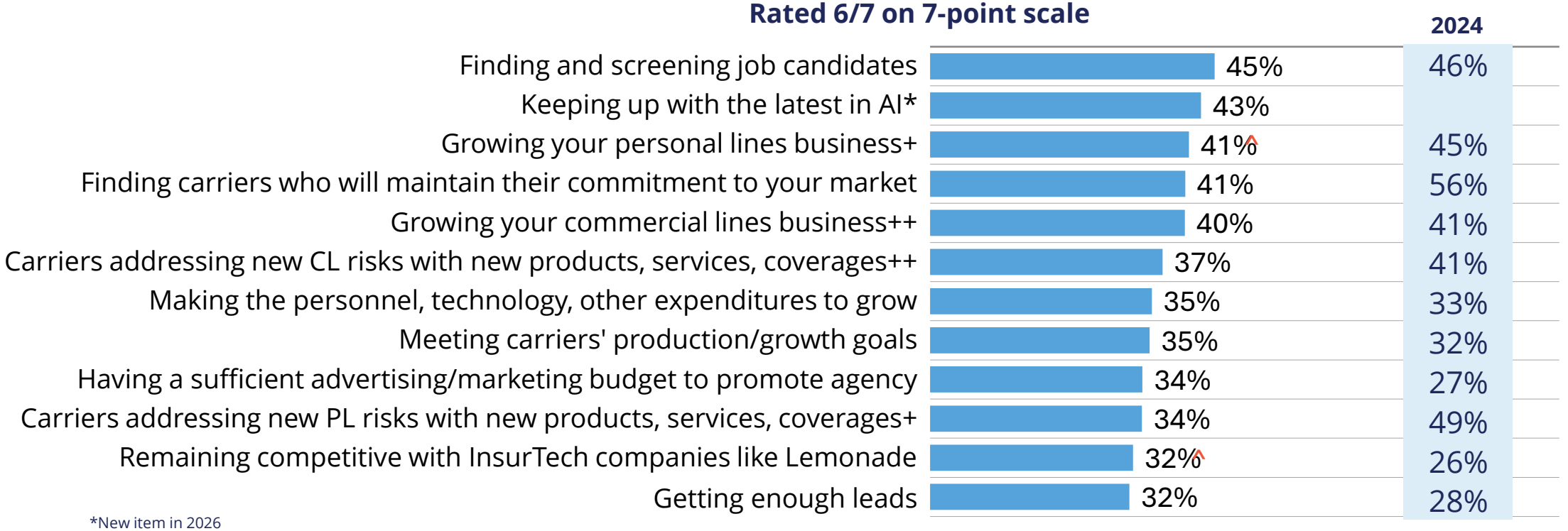
- **Top challenges include finding and screening talent,** keeping up with AI, and growing both personal and commercial lines books.
- Concerns about **carriers' market commitment** eased in 2026 (41%, down from 56% in 2024).
- Finding ways to **best leverage AI tools** is emerging as a new top concern.
- **Providing new coverages/products** remains the most important issue followed closely by the need for carrier API/AMS integrating solutions.
- About one in three agencies believe **emerging purchase channels will have a significant impact** on their agency within the next two years.

Carrier Support

- Agencies want carrier help in **finding new business**, support with **operating efficiencies for better service**, and **guidance about the current market/coverage.**

Finding talent and keeping up with the latest in AI are key challenges, along with growing personal and commercial lines business and finding carriers who will maintain their commitment to the market.

Top Agency Challenges
Rated 6/7 on 7-point scale

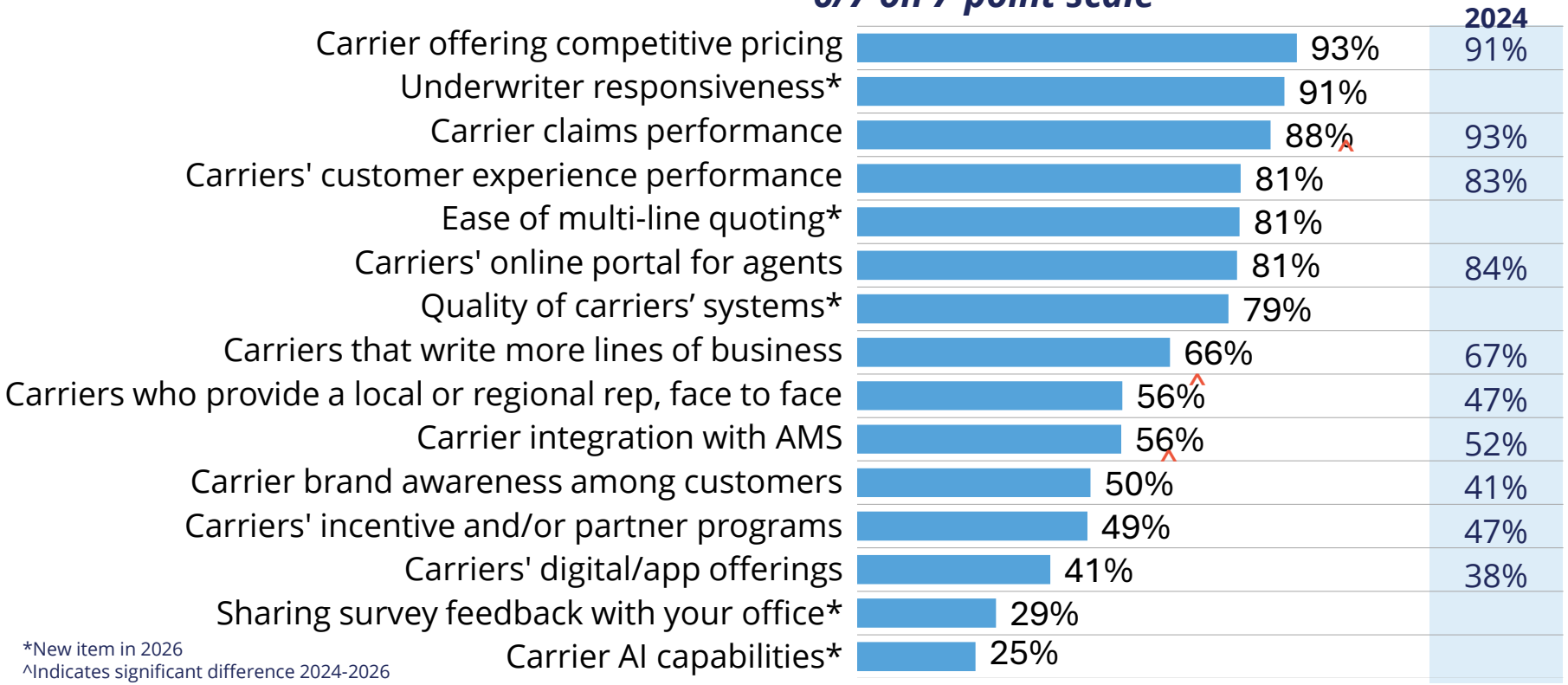


*New item in 2026
^Indicates significant difference 2024-2026
+/++Asked only for respondents who write personal lines/commercial lines, respectively.
QG4: How challenging are each of the following for your agency?
Base: Total Respondents unweighted n=571

As in the past, key carrier placement factors include competitive pricing and underwriter responsiveness.

Importance of Factors in Carrier Placement Decisions

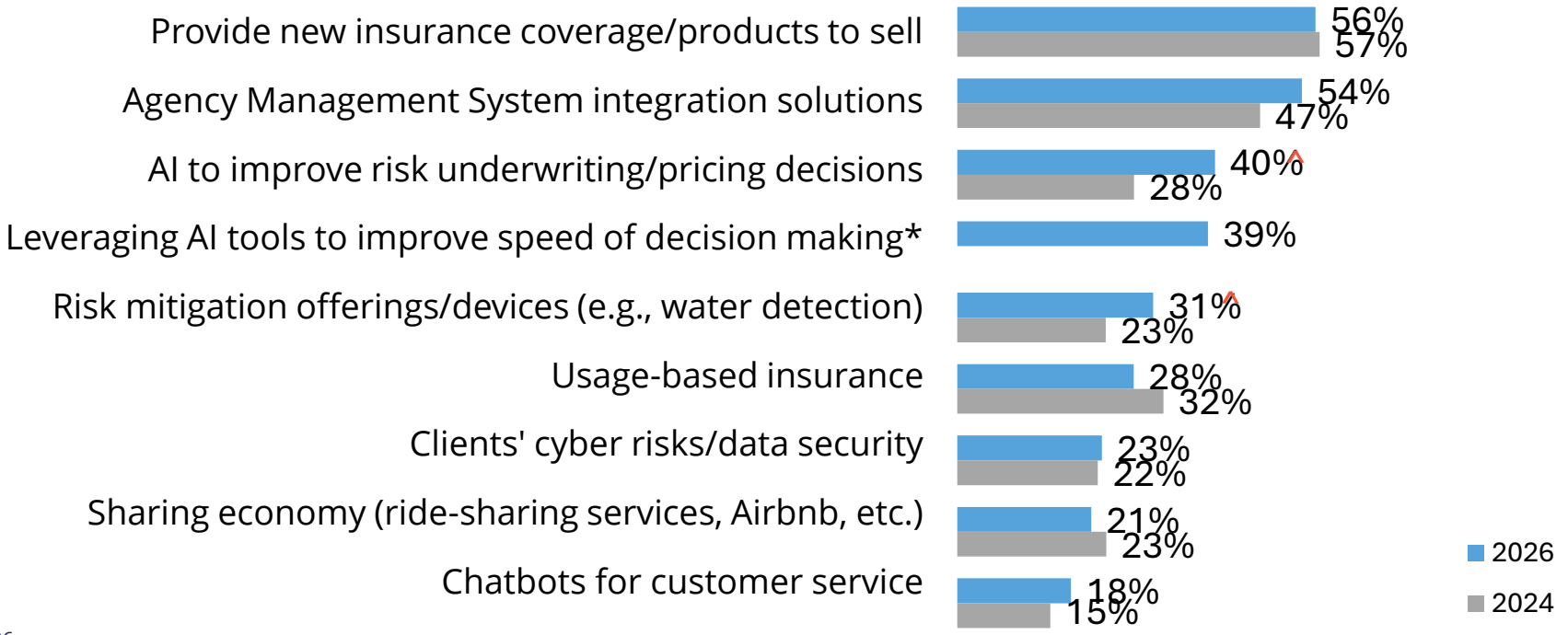
6/7 on 7-point scale



*New item in 2026
^Indicates significant difference 2024-2026
QG1B: Thinking about your carrier placement decisions, how important are each of the following factors?**
Base: Total Respondents unweighted n=586

Providing new coverages/products remains the most important issue followed closely by the need for carrier API/AMS integrating solutions.

Most Important Issues for Carriers to Address (mentioned by at least 10%)

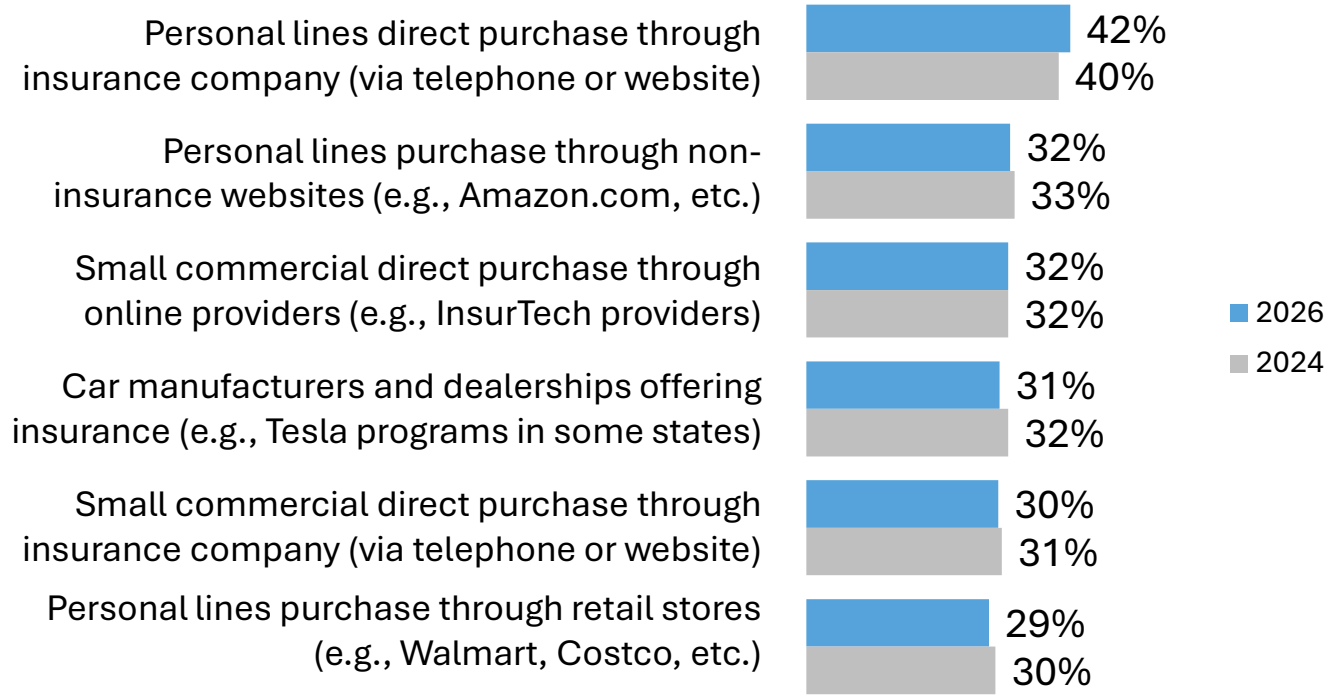


*New item in 2026
^Indicates significant difference 2024-2026
QG5B: Which of the following issues are most important for carriers to address to help your agency?
Base: Total Respondents unweighted n=556

About one-third believe emerging purchase channels will significantly impact their agency within the next two years, especially PL direct purchases through a carrier by phone or on a website.

Small agencies are most likely to think there will be a significant impact from all the emerging purchase channels.

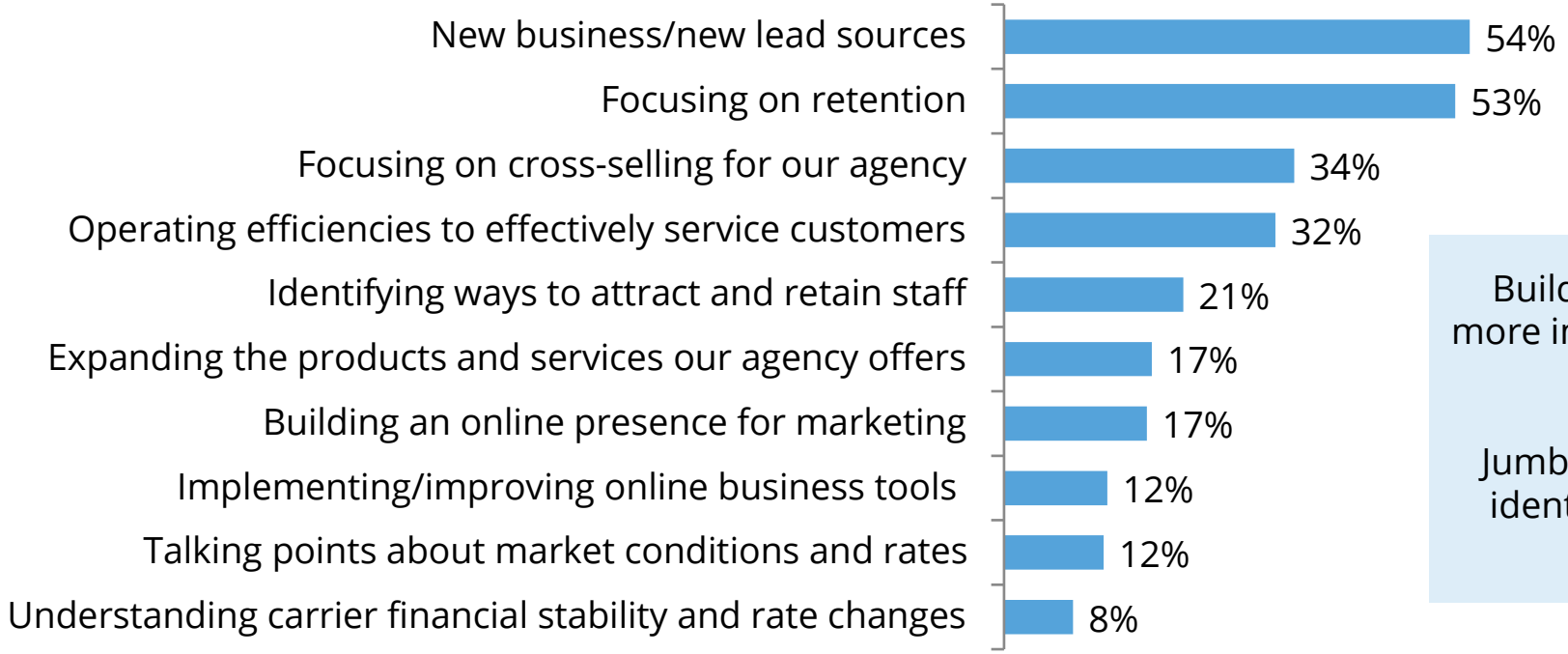
Anticipated Impact on Agency of Emerging Purchase Channels/Trends (6/7 on 7-point scale)



^Indicates significant difference 2024-2026
QG5A: Within the next 2 years, how much of an impact do you think each of the following emerging purchase channels for P&C insurance will have on your agency?
Base: Total Respondents unweighted n=558

Focusing on new business and retention are the most important factors to succeed in 2026, followed by focusing on cross-selling and identifying operational efficiencies.

Most Important Activities for Success in 2026*
% Selected as Top 3, top mentions



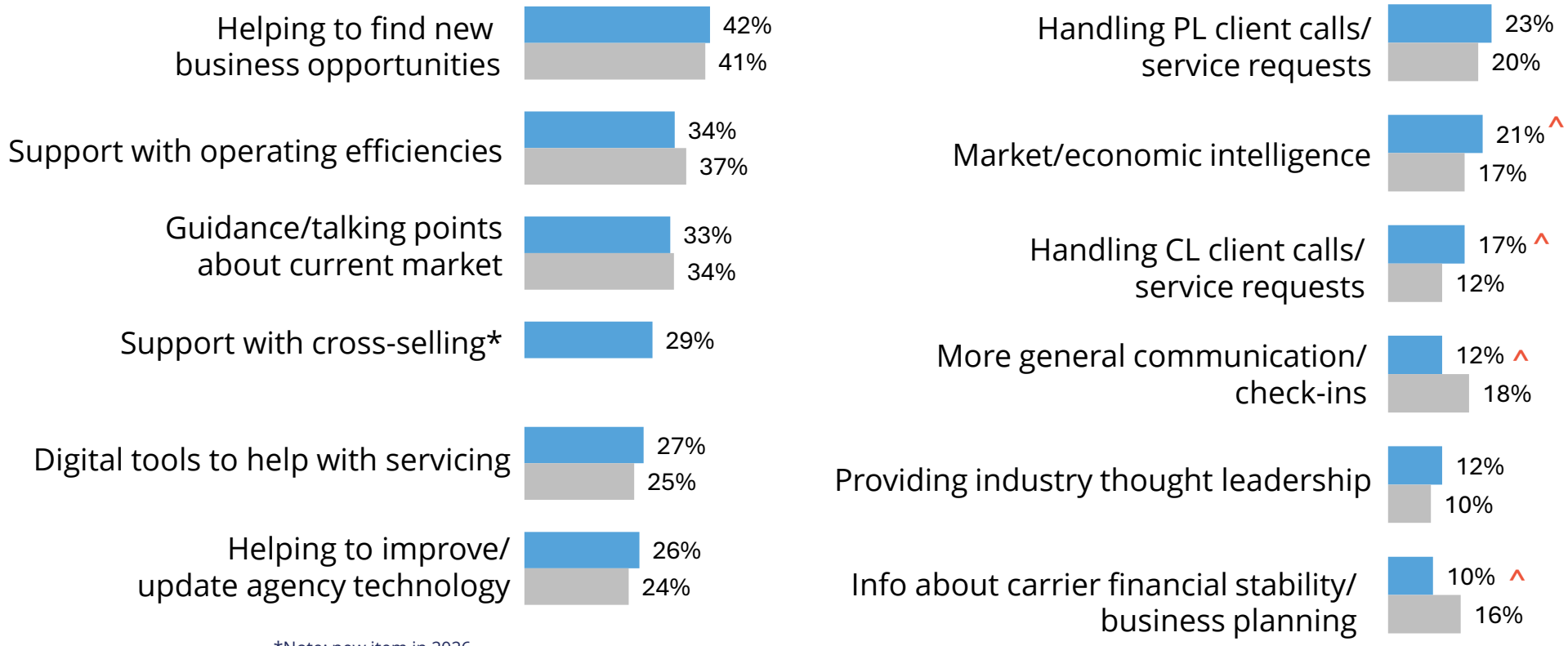
Building an online presence is more important for Small agencies (24%).

Jumbo agencies more often cite identifying ways to attract and retain staff (36%).

*Note: Cannot trend due to the addition of new items
QV6A: Which of the following do you feel will be most important for your agency to be successful in 2026?
Base: Total Respondents unweighted n=1376

Top areas needing support continue to be finding new business opportunities, providing support with operating efficiencies to provide better customer service, and guidance about the current market and coverage.

Areas Needing Support
% Selected as Top 5; 10% or more shown



*Note: new item in 2026
^Indicates significant difference 2024-2026
QV7: In which of the following areas do you need the most support from carriers?
Base: Total Respondents unweighted n=1376

Acknowledgements

Zeldis Research, an independent market research firm, directed the study. Since 1991, Zeldis Research has been designing customized market research to help clients understand their customers. Zeldis Research has extensive experience in the insurance industry, as well as consumer products, education, financial services, healthcare, and publishing, and offers the full spectrum of quantitative and qualitative techniques, including advanced analytic approaches.

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At Zeldis Research, this project was directed by Kristina Witzling, Executive Vice President, and Bob Jakubowski, Senior Research Director. Kristina Witzling can be reached by e-mail at kristina@zeldisresearch.com. Bob Jakubowski can be reached by e-mail at bob@zeldisresearch.com.

For more information on the Future One Coalition:

Nathan Riedel

Senior Vice President, Federal Government Affairs
Independent Insurance Agents & Brokers of America, Inc.

nathan.riedel@iiaba.net

(800) 221-7917

For more information on the Future One Agency Universe Study Research:

Jennifer Becker

Executive Director, Research and Education
Independent Insurance Agents & Brokers of America, Inc.

jennifer.becker@iiaba.net

(800) 221-7917

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Nina Barker
AVP, Strategy & Analytics, CNA

Jennifer Becker
Executive Director, Research and Education, Big I

Michelle Berry
Senior Marketing IM, Progressive

Wes Bissett
Gov't Affairs Outside Senior Counsel, Big I

Hannah Bowen
Integrated Marketing Strategist, Central Insurance

Katie Brink
Data Analyst/Market Researcher, Progressive

Dawn Cammarato
AVP, National Partner Distribution, Selective

Carol Castelloni
VP Strategy & Transformation, CNA

Jordan Damashek
Sr. Manager of Data Analysis, Progressive

Racheal Greene
Director of PL Sales, Northeast, Nationwide Mutual Insurance

Laura Hays
VP Small Business, CNA

Bryan Healey
AVP, Commercial Lines Agency Insights, The Hanover Insurance Group

Tammy Hessberger
Director, The Hanover Insurance Group

Joe Kaffenberger
Market Research Manager, Foremost, a Farmers Insurance Company

Missy Kahl
National Partner Sales Manager, Central Insurance

Noelle Kimble
Director of IA Marketing, Foremost, a Farmers Insurance Company

Ryan Landers
Sr. Director, Core Research, Travelers

Susan Mango
Sr. Director, Voice of Agent Research, Travelers

Shaun Marsh
Nationwide

Beth Montgomery
VP, Company Relations, Big I

Kylie Moskevich
Market Research Lead, Westfield

Robert Nicholas
VP, Marketing & Sales Enablement, Amerisure

Kevin Nickerson
AVP, Analytics and Sales Enablement, Chubb

Teddie Norton
Chief of Staff, Big I

Stephanie Pennington
Director Marketing & Sales Experience, Main Street America Insurance

Rick Pierce
Director, Agency Development and Industry Relations, National General, an Allstate Company

James Preskar
Customer Research Lead, Hartford Steam Boiler

Bob Redden
Vice President, Distribution Strategies, Selective

Nathan Riedel
Senior VP, Federal Gov't Affairs, Big I

Venita Reidy
Research Director, GEICO

Jay Rhoads
VP of Sales, Red River Region, National General, an Allstate Company

Jonathan Somich
Director, Agency Communications, GEICO

David Teal
Research Director, Liberty Mutual

Richard Vaughn
Vice President, Head of Sales, Main Street America Insurance

Curt Wohlers
VP Sales, East PL, Nationwide

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