

MGAs 2026:

The Data Advantage in a Turning Market

Introduction

A Comment from MGAA CEO, Mike Keating

The attached white paper provides an excellent reference point and key recommendations in how MGAs can navigate the current rapidly softening of market rates and increased competition.

With MGAs always adopting the non-negotiable principle of protecting their capital in all market cycles, the opportunity to execute the Data Advantage, especially in a challenging market environment, cannot be understated.

The paper clearly and articulately takes MGAs on a structured journey addressing key opportunities where data and enhanced analytics tools can be deployed to:

- Manage Portfolio Trends
- Enhance Underwriting & Triage
- Improve Workflow and Operational Efficiencies
- Assist Oversight & Regulatory Requirements

Following several years of organic rate growth, the paper also highlights where data can identify 'rate redundancy' within portfolios which could be used in the competitive environment therefore protecting burning cost rate parameters.

A strong and relevant recommendation to start with low-risk productivity tools, utilising readily available analytics and AI applications, makes this paper relevant and inclusive to MGAs of all sizes.

In past soft cycles, MGAs were often considered high-risk by capital providers as they lacked the appropriate underwriting tools and data to successfully trade in a competitive market. This is no longer the case with the MGA community enjoying clean IT stacks, access to real-time data and critically, unrivalled underwriting expertise in their chosen sectors.

This paper successfully combines those ingredients in providing a clear roadmap in delivering consistent underwriting returns.

The Data Advantage in a Turning Market

How Enhanced Analytics and Responsible AI Can Help MGAs Compete Through a Softening Cycle

A Market Turning, A Moment for Data

After several years of hard-market conditions, signs of softening are emerging across multiple specialty and commercial lines. Increased capacity, heightened competition, and moderating rate increases are placing renewed pressure on underwriting margins.

In this environment, the traditional levers that supported growth in a hard market, pricing power and capacity scarcity, become less reliable.

For MGAs, whose value lies in specialist underwriting expertise and disciplined portfolio management, this shifting market represents both a risk and an opportunity. The risk is that performance dispersion widens as competition intensifies. The opportunity is that sharper, more data-driven decision-making can differentiate the best-performing MGAs from the rest.

Data analytics and applied artificial intelligence (AI) are no longer experimental tools reserved for large carriers. Advances in data availability, computing power, and off-the-shelf analytical capabilities mean that MGAs can now access insights that were previously out of reach. Used thoughtfully, analytics can enhance underwriting judgement, strengthen portfolio oversight, and improve operational efficiency—precisely the capabilities that matter most in a softening market.

The Data Advantage in a Soft Market

In softer conditions, success depends less on writing volume and more on writing the right risks, at the right price, with early visibility of deteriorating performance. This is where data becomes a strategic asset.

Enhanced analytics allow MGAs to:

- Improve precision underwriting by combining internal experience with external data sources, enabling a more granular view of risk selection and pricing adequacy.
- Detect performance issues earlier, using portfolio-level indicators that surface adverse trends before they are visible in traditional lagging metrics.
- Allocate underwriting attention more effectively, focusing human expertise on the submissions and risks where judgment adds the most value.

Emerging AI practices, particularly those that can process unstructured information such as text, images, and documents, extend these benefits further. Claims notes, loss descriptions, and submission narratives, long treated as qualitative inputs, can now be analyzed systematically to support triage, prioritisation, and early intervention.

Importantly, this is not about replacing underwriting expertise. Rather, analytics act as a force multiplier, allowing experienced underwriters to make better decisions faster and with greater consistency across a growing or diversifying portfolio.

P&C Use Case Framework

Area	Description	Commodity Tools Exist	Requires Deep Expertise	Value	Impact Horizon
Everyday AI	Productivity tools for planning, summarising, drafting	Yes	No	Moderate	Short-term
Workflow Optimisation	Automation using prompts, macros, off-the-shelf integrations	Yes	Sometimes	High	Short to medium-term
Customer Interactions	Chatbots, email triage, form/document intake	Yes	Sometimes	High	Short to medium-term
Performance Intelligence	Predictive models on internal data: claims risk, broker segmentation	No	Yes	Very High	Medium to long-term

Source: MGAA Market Briefing from July 15, 2025

 Popular off-the-shelf tools from OpenAI, Anthropic, Meta, Microsoft

 Harder to pull off but huge potential value

Practical Use of Data & AI for MGAs Today

While advanced analytics can sound abstract, many of the highest-value use cases for MGAs are practical, incremental, and achievable today.



Portfolio-Level Intelligence and Early Warning Signals

At the portfolio level, analytics can provide MGAs with a clearer, timelier view of emerging risks. Examples include:

- Monitoring claim frequency and severity trends relative to expectations.
- Identifying concentrations by geography, peril, or exposure type.
- Integrating third-party indicators, such as weather, economic, or environmental data to contextualise performance shifts.

These tools support proactive management, enabling course correction before adverse trends are fully embedded in results.

Underwriting Vision Models

Novel data sources - like sensors, images, and third-party feeds - are now easier and cheaper to access and analyse.

Risk analysis that once required major capital investment is increasingly available to smaller, agile organisations.

Example: Satellite imagery used in US wildfire risk assessments - automated, scalable, and affordable.





Underwriting Enhancement and Triage

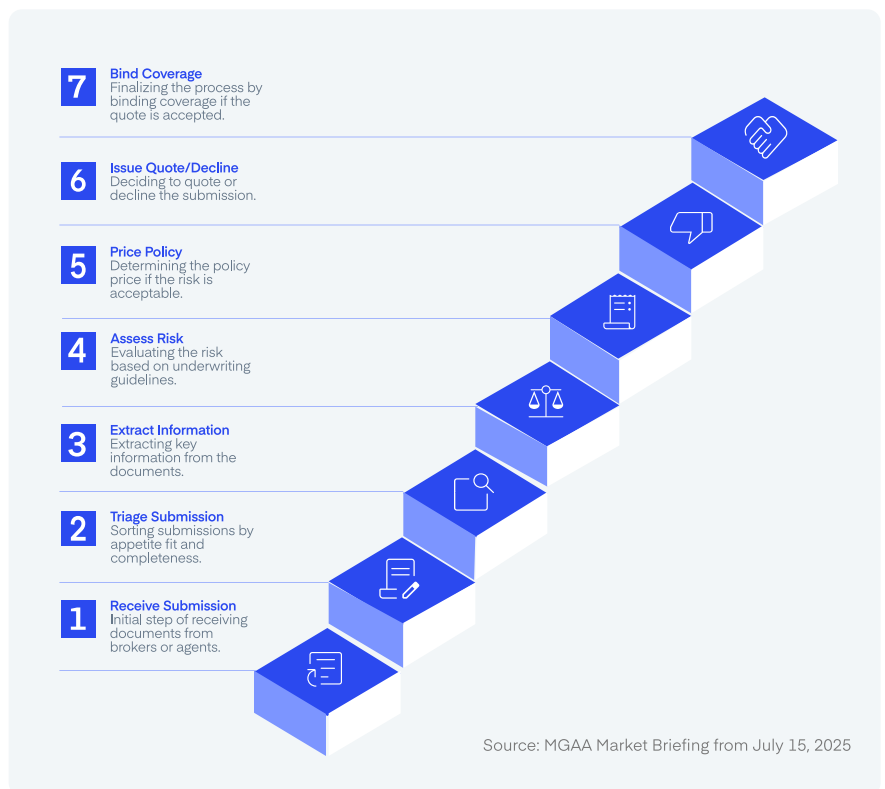
Analytics and AI can also support day-to-day underwriting decisions through:

- Submission scoring and prioritisation, helping teams focus on the most attractive or time-sensitive risks.
- Predictive claims indicators, highlighting submissions with characteristics associated with higher loss potential.
- Exposure verification, using external data and automated checks to validate declared information.
- Straight-through processing (STP) workflows for low-complexity, low-risk submissions, freeing capacity for specialist judgement elsewhere.

These applications are particularly valuable in softer markets, where submission volumes often increase as competition intensifies.

Submission/Underwriting Triage

- Underwriting is often fragmented—with handoffs between systems, people, and tools, and significant manual effort.
- AI can act as the glue, automating repetitive steps and smoothing data flow. It's not about replacing humans but enhancing productivity with well-placed automation.
- Oversight is key—especially for risk, pricing, and final decisions.
- Used well, AI boosts speed and consistency, freeing underwriters for higher-value work.





Workflow Optimisation and Operational Efficiency

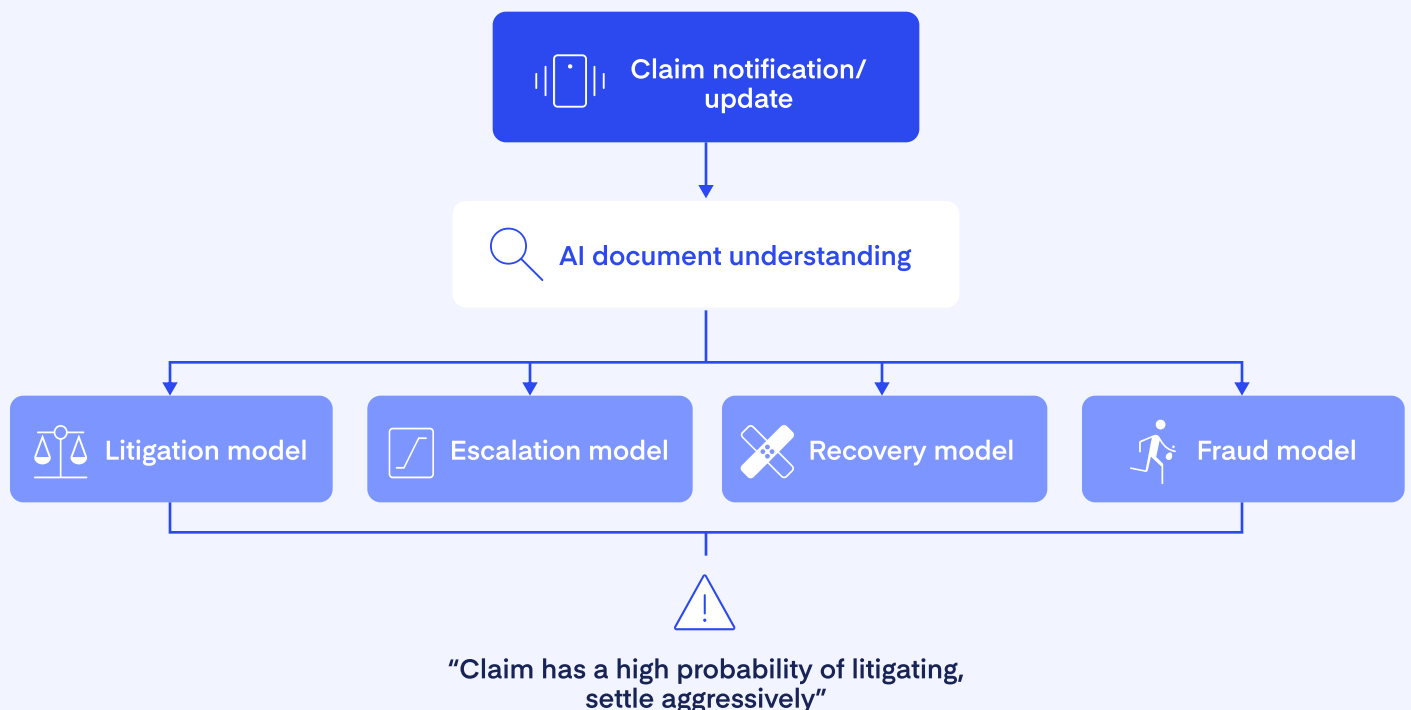
Beyond risk selection, analytics can improve how MGAs operate by:

- Automating data extraction from submissions and endorsements.
- Classifying documents and claims correspondence.
- Reducing manual re-keying and hand-offs between systems.

The result is lower friction, faster turnaround times, and improved scalability. Benefits that directly support profitability when margins are under pressure.

Claims Lifecycle

- Claims payments are the largest cost in the P&C insurance value chain; managing them is complex and expertise-intensive.
- Language data dominates the claims lifecycle—adjuster notes, emails, reports—but has historically been underutilised.
- Modern language models now enable the identification of anomalies and high-risk claims earlier in the process, supporting triage and intervention strategies.



Source: MGAA Market Briefing from July 15, 2025



Responsible Adoption: Governance, Fairness & Regulation

As analytics and AI become more embedded in insurance workflows, responsible adoption is essential.

Many of the safeguards required for AI align closely with established insurance practices, including:

- Accuracy and validation – Models must be tested, monitored, and recalibrated to ensure they perform as intended.
- Bias mitigation – Care is required to avoid embedding or amplifying historical biases present in training data.
- Explainability – Decisions supported by models should be understandable to underwriters, management, and regulators.
- Human oversight – AI should support, not replace, accountable human decision-making.

Regulatory frameworks in the UK, EU, and other jurisdictions are increasingly explicit about these expectations. While this adds complexity, the frameworks should be viewed as an evolution rather than a barrier. Insurance is already accustomed to model governance, auditability, and oversight; AI extends these disciplines rather than overturning them.

Common challenges MGAs face include limited internal data resources, uncertainty around regulatory expectations, and concerns about cost or implementation complexity. These can be addressed through phased adoption, clear governance checklists, and partnerships with experienced analytics providers.



Recommendations for MGAA Members for 2026

To position themselves strongly for the next phase of the market cycle, MGAs should consider the following practical steps:

1. Start with low-risk productivity tools

Use readily available analytics and AI applications to support research, summarisation, and routine tasks.

2. Pilot analytics in select lines of business

Focus on areas where data is relatively strong and the potential impact is clear, demonstrating value before scaling.

3. Establish an internal AI governance checklist

Define standards for data quality, validation, oversight, and documentation from the outset.

4. Build strong data foundations

Invest in data consistency, accessibility, and integration to enable more advanced analytics over time.

5. Encourage a hybrid culture of underwriters and data

Promote collaboration between technical experts and underwriting teams, ensuring analytics enhance, not override, human judgement.



Looking Ahead

Discipline, Data, and Differentiation

A softening market highlights what has always set strong MGAs apart: underwriting expertise, discipline, and the ability to adapt quickly. As competition increases and pricing pressure returns, the coming cycle will reward MGAs that can demonstrate clarity over portfolio performance, consistency in risk selection, and alignment between growth and underwriting intent.

Data analytics and applied AI are becoming essential tools in delivering that clarity. Used wisely, they help MGAs identify emerging risks earlier, allocate underwriting attention more effectively, and maintain control as volumes rise. Industry experience shows the greatest value comes when analytics supports underwriters rather than replaces them, enhancing judgement, improving focus, and strengthening confidence in decisions made across the portfolio.

For MGAA members, the opportunity to leverage data in a turning market is practical and achievable. By investing in solid data foundations, piloting analytics in targeted lines, and adopting AI within clear governance frameworks, MGAs can strengthen resilience through the next market phase. Those who act decisively and thoughtfully will be best positioned to protect margins, build credibility with capital partners, and sustain profitable growth through a softening cycle.

Sources

[AI and MGAs: Opportunities and considerations, Kenny Holms](#)

[McKinsey: How data and analytics are redefining excellence in P&C underwriting](#)

[MGAA webinar: AI a practical perspective for MGAs, Kenny Holms](#)

[Insurance Business: How a softening market could stress-test MGAs in 2026](#)

[Deloitte: Is the insurance market turning soft again, and what should insurers do about it?](#)