



MGA Market Trends

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Technology's Role in Fueling Growth and Competitive Advantage

How MGAs are using AI, data, and automation to navigate a fast-evolving insurance landscape

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Introduction

The MGA market continues to grow at an accelerated rate. The estimated MGA premiums written by U.S. insurance companies increased by 13%, and the total property-casualty premiums rose by 10%, according to Conning. And there are more opportunities than ever for MGAs to write new business. More than 40% of MGAs confirmed that they saw increases in underwriting capacity, according to a survey by Xceedance conducted in partnership with the Program Manager.



Emerging risks, including cyber liability, supply chain disruptions, and climate change, to name a few, are experiencing the most attention for the specialized and niche products that MGAs provide. The explosion of the E&S market is also fueling segment growth as insureds turn to specialized coverage that they cannot acquire in the admitted market, such as property insurance in high flood- and hurricane-exposed areas of the country. There has also been increased interest in leveraging MGAs for Embedded Insurance, where non-insurance companies form MGAs to embed insurance products into their sales transactions, such as adding travel insurance when purchasing an airline ticket.

But with market growth comes increased competition. Highly specialized knowledge is table stakes for today's MGAs. Digitally enabled MGAs and new startups are marrying specialized knowledge with sophisticated technology, allowing them to bring new products to market faster and provide a better experience to customers throughout the entire insurance lifecycle. According to the survey, eighty percent of MGAs said their use of technology was highly or moderately advanced.

New partnerships may be one way MGAs can quickly advance their capabilities. For example, some MGAs are partnering with insurtechs, adapting their processes, and incorporating new solutions to increase efficiency and stay ahead.

This report identifies four technology trends among MGAs in a competitive market.

01

Next-level AI is agentic

MGAs have been seeing great value from gen AI capabilities for scanning documents and pulling information from disparate data sources. But this is just the tip of the iceberg for generative AI capabilities. Agentic AI is the next evolution of gen AI, where autonomous AI agents can be trained to complete tasks independently.

MGAs will begin to incorporate agentic AI into their existing processes, enabling them to grow their book of business while keeping their staff lean. These AI agents can take on more straightforward tasks, such as determining if a risk is in or out of appetite or if a claims submission is missing information, allowing the MGA team members to focus on more complex tasks.





02

Content generation capabilities propel fast product launch

Speed to market is often the name of the game for MGAs. These organizations will be taking advantage of Gen AI's content generation capabilities to boost productivity. Gen AI can assist with code generation, making it easier for them to program new products into their policy platforms. The technology can also help create business requirements for new products. Once the product is ready to launch, MGAs will use gen AI to generate marketing content, enabling more tailored and customized outreach to their distribution network.

03

Technology bridges the talent gap

MGAs are not immune to the industry's talent shortage. According to the survey, 45% of respondents said talent acquisition and retention was a significant operational challenge. Insurance professionals are retiring.

MGAs require highly skilled talent with deep sector knowledge to fill those gaps. MGAs will utilize gen AI technology to help bridge gaps and transition new talent. Gen AI tools can learn from experienced professionals and be used by newer employees.



The power of Gen AI on risk assessment

Gen AI technology can also improve the accuracy of risk assessment. Underwriting is an art and a science. Different underwriters at the same organization can come up with different assessments for the same risk. The same is true with claim assessments.

MGAs can provide a more uniform assessment for similar risks and reduce volatility by programming underwriting and claims guidelines into AI platforms.



04

Hyper focus on data management

It does not matter how sophisticated a technology is if the data is incorrect, outdated, or full of errors. As MGAs embrace new solutions, they will make good data management practices a top priority. In fact, according to the survey, data management and analytics were the number one operational challenge for MGAs.

Expect MGAs to implement robust data controls to ensure information is captured accurately and secured. These controls will help ensure their technology solutions deliver accurate outputs and improve relationships with fronting carriers. Overall, 65% of carriers said that data and technical expertise are the top factors they seek when evaluating potential MGA partners, according to Clyde & Co. Efficient processes to capture, clean, and report data to carriers can help an MGA stand out among carrier partners.



Best Practices for Maintaining Data

- Create safeguards for data capture. Data processing solutions can help MGAs implement standardization when capturing data. Other technologies can review data, identify outliers, and determine if information is missing or complete.
- Limit who has access to data. MGAs should remove data silos to make processes more efficient and reduce data duplication. However, sharing data doesn't mean everyone needs access to all information. Create user access rules so team members can only access the necessary information.
- Perform routine cleaning, conduct quarterly data audits, and develop a process to standardize information, remove outliers, and correct incomplete information.
- Develop a data governance plan. The plan should include how the MGA will protect customer privacy, comply with government regulations, and provide transparency into how information is being collected and used by the organization and its technology partners.

About the survey

The survey was conducted online among program managers, MGAs, and others via a partnership between Xceedance and the Program Manager.



About the author



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Michael Parcelli, MS, CPCU, ARM, CRIS, PMP, LSSGB, has held senior roles for four decades in underwriting, claims, and technology within both insurance carriers and distribution channels. He has managed divisions in both brokerage and MGA environments.

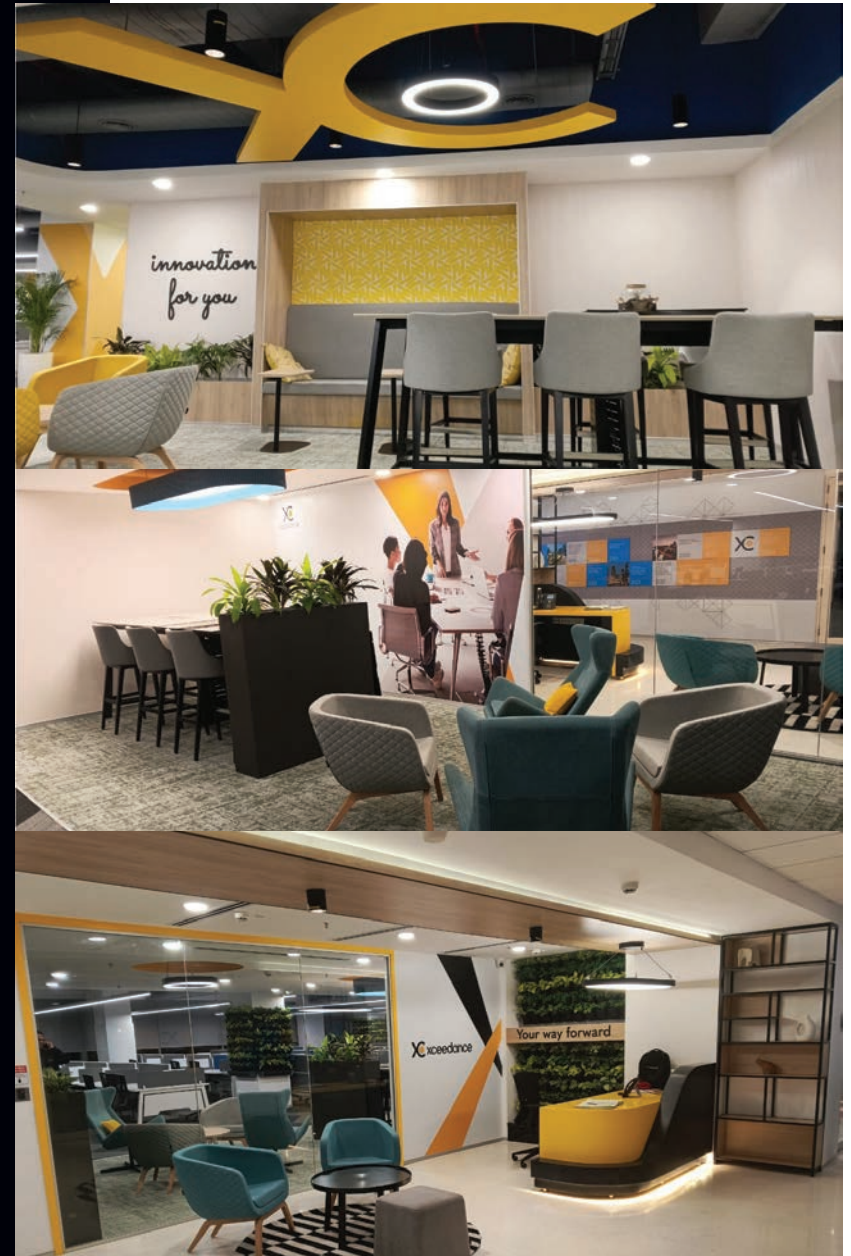
Michael leverages a technology-centric approach to address business challenges, driving profitable growth and operational excellence for insurance organizations. His extensive underwriting expertise and deep technical understanding of automation enable him to deliver holistic, future-ready solutions across the insurance lifecycle.

About Xceedance

Xceedance delivers insurance-focused consulting, technology, operations support, and data solutions to many of the world's largest P&C insurance organizations. With 4,000+ team members across the Americas, EMEA, and APAC, our rightshoring delivery model blends deep insurance domain knowledge with AI and next-generation technologies to provide localized services and digital-first platforms.

We empower 250+ diverse clients, including commercial, personal, and specialty lines re/insurers, mutuals, program administrators, brokers and agents, and Lloyd's of London entities, to navigate market challenges and propel business growth.

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