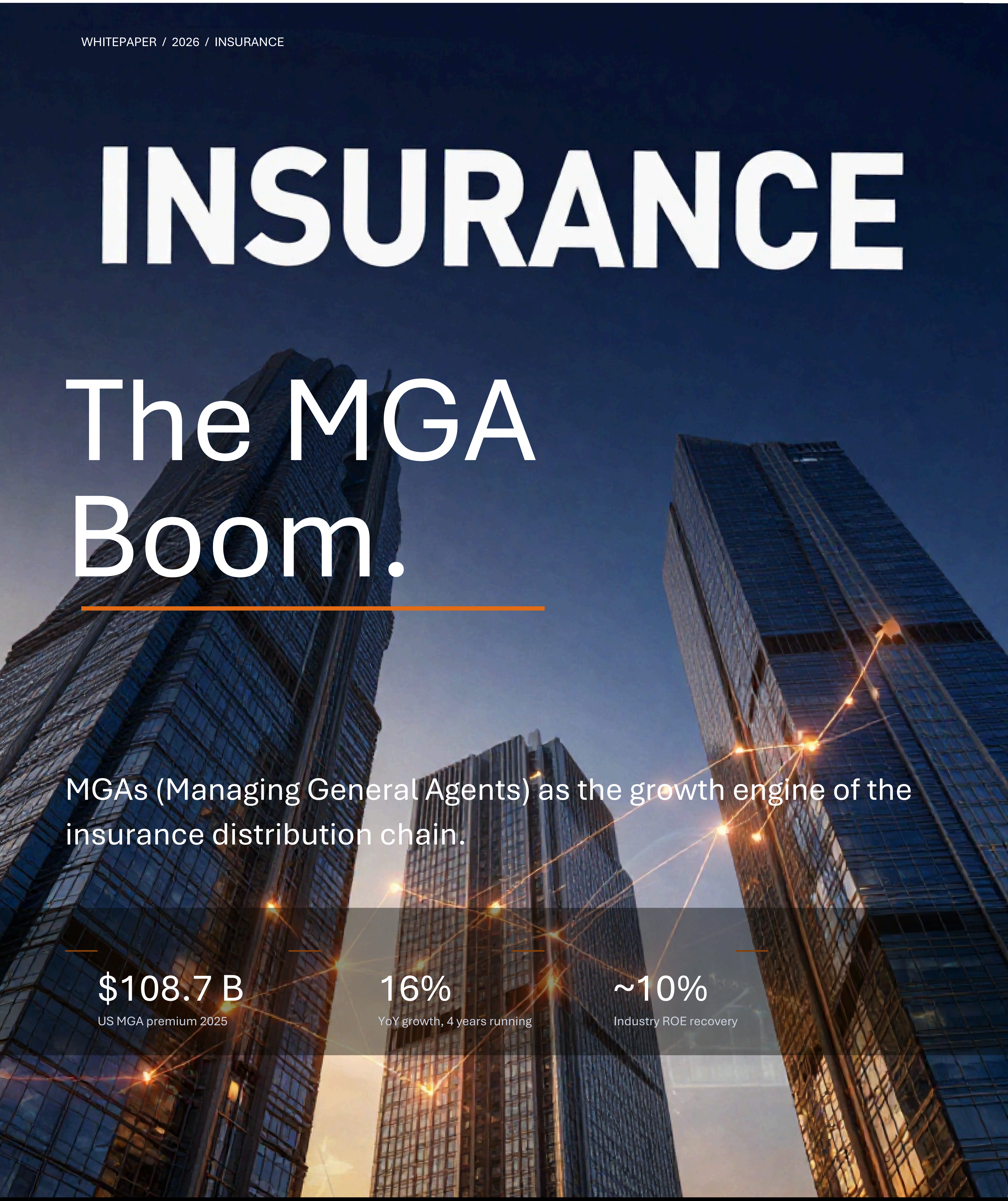
Strategic shift

WHITEPAPER / 2026 / INSURANCE

INSURANCE

The MGA Boom.



MGAs (Managing General Agents) as the growth engine of the insurance distribution chain.

$108.7 B	16%	~10%
US MGA premium 2025	YoY growth, 4 years running	Industry ROE recovery

An insurance industry perspective on MGA market growth, profitability, and the structural shifts ahead.

www.strategicshift.in

STRICTLY PRIVATE AND CONFIDENTIAL

CONTENTS

What's inside.

Seven sections — market, profitability, models, geopolitics, carriers, go-to-market, and the action agenda.

THE MGA SUPERCYCLE
Structural shift reshaping global insurance.

01	THE MGA BOOM Market size, growth & capital	6
02	ROE & PROFITABILITY The MGA advantage	8
03	INNOVATIVE MODELS The MGA supercycle	11
04	GEOPOLITICAL RISK Reshaping insurance strategy	14
05	EVOLVING CARRIERS From capacity to capital partner	17
06	GO-TO-MARKET ENGINE Winning through delegation	20
07	STRATEGIC IMPERATIVES The 2026 action agenda	23
	CONCLUSION & REFERENCES	26

ABOUT THIS WHITEPAPER

Why MGAs — not capacity — are reshaping insurance.

The global insurance industry is at a pivotal juncture. Geopolitical fragmentation, technology shift with AI, intensified climate risk, and fundamental shifts in distribution have created a landscape that challenges established players while opening transformative opportunities for agile intermediaries. Managing General Agents (MGAs) sit at the centre of this evolution — no longer peripheral distribution entities, but the core framework for identifying, pricing, and placing specialty risk.

This whitepaper is intended for executives and strategy leaders within industry, reinsurers, and brokers. It explores how the world's leading insurance groups are reorganising their distribution, capital, and underwriting strategies around the MGA model. According to AM Best, MGA-generated premiums in the United States reached $108.7 billion in 2025, marking a fifth consecutive year of double-digit growth. MGA-produced premiums now constitute over 10% of the total U.S. Property & Casualty market, according to Gallagher Re. This is not a temporary fluctuation; it signifies a structural realignment within the insurance value chain. MGAs offer advanced underwriting and claims capabilities, providing specialized service.

The whitepaper synthesizes market data from various sources including AM Best, Conning, Swiss Re, OECD, Aon, and others to provide a strategic briefing on the MGA boom. It examines the role of insurers in a delegated underwriting ecosystem, the systemic impacts of geopolitical risk, and the specific go-to-market strategies through which MGAs deliver exceptional value.

Report outline MGA market growth, profitability advantages, and innovative models — specialty, fronting, embedded, and parametric — alongside the carrier's playbook for delegated underwriting. Each section is designed to be actionable, beginning with diagnostic data and ending in strategic imperatives.

WHAT YOU'LL TAKE AWAY

01

The market boom

Why this is structural realignment, not a cycle .

02

Profitability edge

Why MGAs deliver superior ROE versus traditional carriers.

03

The action agenda

Executive action agenda: portfolio audits, partnership infrastructure, geopolitical risk capability, etc.

EXECUTIVE SUMMARY

The decade of the MGA is here.

> "MGAs are no longer a side channel for insurance industry. They are the growth engine — rewriting how capacity, data, and distribution come together."

STRATEGIC SHIFT / INSURANCE OUTLOOK 2026

U.S. MGA PREMIUM 2025

$108.7B

The fastest-growing segment of the U.S. P&C market — and still accelerating.

GLOBAL INSURANCE BY 2030

$14.65T

Total addressable market across the value chain (Swiss Re).

INDUSTRY ROE BENCHMARK

~10%

MGA-led specialty lines materially outperform the average.

5-POINT EXECUTIVE AGENDA

5

From portfolio audit to internal MGA — the 2026 playbook.

THE THESIS

Geopolitical disruption, climate volatility, and capital reallocation are converging — and MGAs are the structural answer carriers are betting on.

WHAT'S AHEAD

01	02	03	04	05	06	07
Market boom	ROE edge	New models	Geopolitics	Carrier shift	Go-to-market	2026 agenda

SECTION 01

The MGA **boom** is not a cycle.

It's a structural realignment of how insurance is distributed, underwritten, and capitalised — and the U.S. is leading the wave.

THE HEADLINE NUMBER

$108.7B

U.S. MGA premium in 2025, up **17.8% from 2024** according to AM Best— the fastest-growing segment of P&C, and accelerating into 2026.

Source: AM Best, Conning

STRUCTURAL

Not a cycle — distribution is being rebuilt around delegated underwriting.

SPECIALIZED

Capacity is flowing to specialty risks where MGAs have data and speed.

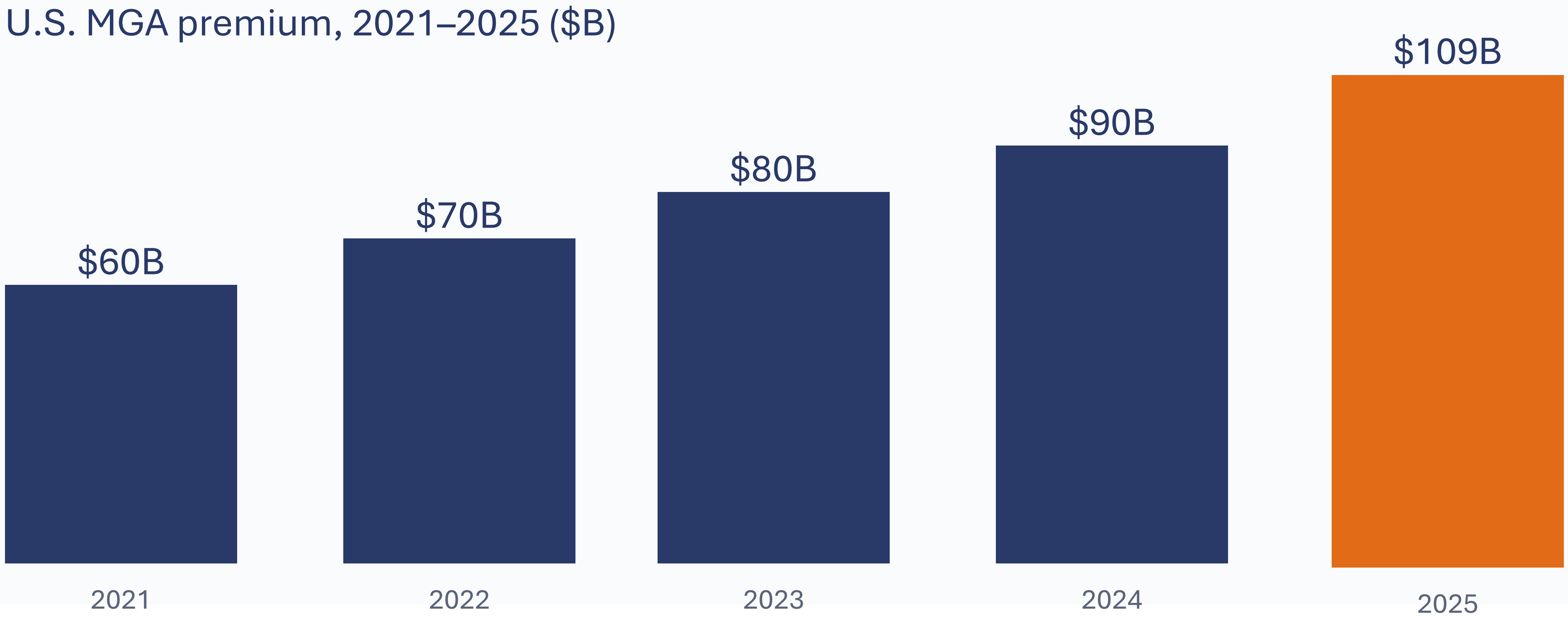
ACCELERATING

Non-exclusive carrier arrangements are pulling more capital into MGAs.

U.S. MGA premium growth in five years.

From ~$60B to ~$108.7B between 2021 and 2025

U.S. MGA premium, 2021–2025 ($B)



Source: AM Best, Conning analysis (2024). Figures rounded.

GLOBAL OUTLOOK

$14.65T

Global insurance market by 2030 at **7.7% CAGR** (Swiss Re). Slowdown expected from geopolitical uncertainty — then re-acceleration.

THE BIG PLAYERS

2x

The number of **$500M+ MGAs** doubled between 2023 and 2024. Specialization is concentrating premium with the strongest operators.

> "Non-exclusive MGA arrangements are now the norm — capital is shopping the best underwriting talent."

SECTION 01 / NARRATIVE

Why the boom is structural, not cyclical.

> MGAs have moved from peripheral distribution channels to the operating core of how specialty risk is identified, priced, and placed.

1.1 THE U.S. MGA MARKET GROWTH TRAJECTORY

The MGA sector represents roughly 12.5% of total U.S. P&C business in 2025, according to Gallagher Re. This expansion reflects sustained capital inflows and a marked ability to attract specialized talent and technical expertise, though growth is unevenly distributed across the market segments.

Why Capacity Is Shifting

Rising volatility is forcing traditional carriers to confront a structural problem: their legacy underwriting models lack the precision needed for emerging risk categories (e.g., cyber risk). Rather than build these capabilities internally, carriers increasingly partner with operators who have built comparative advantages through proprietary data, concentrated talent, and purpose-built technology. These specialists execute faster and achieve better loss ratios—a gap that becomes wider as risks grow more complex.

1.2 CAPITAL AND RELATIONSHIP STRUCTURE

Global reinsurance capital is supporting MGAs growth. According to Gallagher Re, the US MGAs ceded US$21.2 bn to reinsurers in 2025. Increasingly alternative reinsurance is deploying capital into MGAs niche insurance, driving growth of MGAs.
MGAs write specialized insurance (like cyber, niche liability, or non-standard property), but they rarely hold capital themselves. Leading MGAs now operate under non-exclusive arrangements, pairing their underwriting bench with whichever carriers offer superior balance sheet strength and reinsurance pricing. This flexibility has restructured the market to reward specialization over distribution breadth.

The MGA channel is becoming the primary avenue for specialty premium growth, and distribution strategies are evaluated for risk-adjusted return. Institutions that continue treating MGAs as a bolt-on are missing the market opportunity.

WHAT IT MEANS

Carriers that treat MGAs as a distribution accessory will lose share to those that embed them in core capital, tech., and underwriting strategy.

SECTION 02

MGAs win on economics, not just speed.

Reinsurers and carriers are recovering — but MGA-led specialty lines have already pulled ahead on capital efficiency and combined ratio.

ROE: REINSURERS vs. MGA SPECIALTY

~10%

Industry average ROE in 2024 — recovering but capital-heavy.

15%+

What top MGA-fronted specialty programs are delivering on capital deployed.

AGILE

Lighter capital base. Faster pricing cycles.

DATA-RICH

Specialty data flywheel compounds underwriting edge.

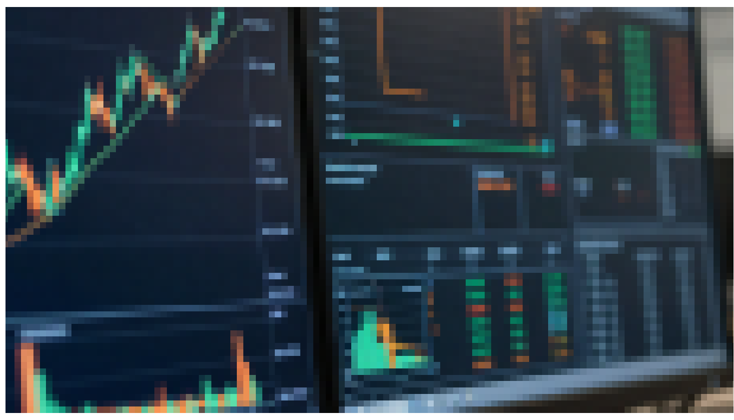
TALENT-LED

Top underwriters follow MGA economics.

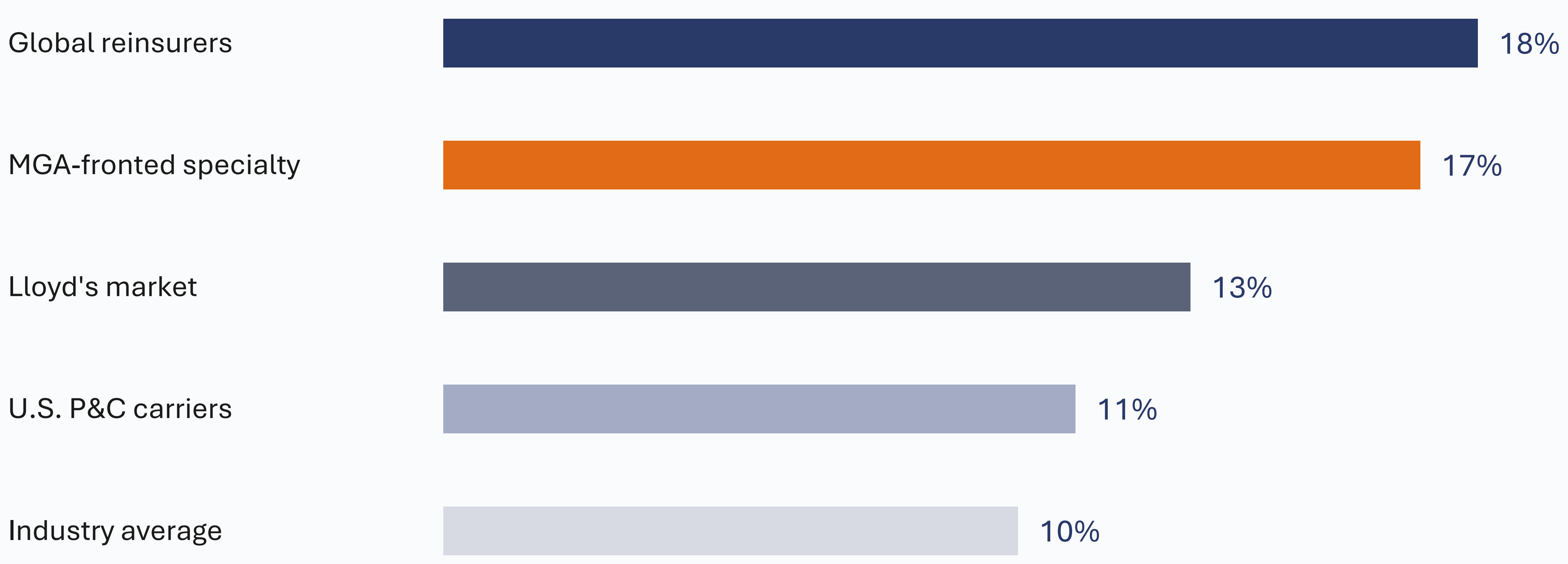
SECTION 02 / DATA

The capital-light advantage.

ROE benchmarks across global reinsurers, primary carriers, and MGA-fronted specialty. The combined ratio gap is widening.
Capital-Light Model: MGAs do not need to build out expensive physical distribution networks or carry risk on their balance sheet, they produce high returns per dollar of actual capital invested.



Return on equity by segment, 2024 (%)



Source: AM Best, Swiss Re sigma, Conning, Strategic Shift analysis (2024).

WHY MGAs OUTPERFORM

Three structural advantages.

01

AGILITY

Smaller balance sheets, fewer legacy lines. Programs launch in months, not years.

02

TECH STACK

Cloud-native pricing, no legacy tech debt, real-time data ingestion, automated bind. Loss ratios benefit immediately.

03

TALENT

Underwriting equity attracts the best — and the best bring the books.

Profitability is back — but unevenly.

> Industry ROE has rebounded to ~10% in 2024, but the recovery masks a sharp divergence between balance-sheet carriers and capital-light MGA platforms.

Reinsurers led the rebound, riding hard-market pricing and disciplined cat exposure. Primary carriers followed, though casualty reserve strengthening continues to weigh on returns in 2025 and into 2026.

MGAs sit on a structurally different economic curve. Fee-based revenue, no balance-sheet drag, and specialised underwriting let leading platforms post EBITDA margins of 25-35% — multiples ahead of the carriers backing them.

The implication for executives is clear: the highest-return seat in the value chain is no longer pure risk-bearing. It is risk selection, distribution, and data — the territory MGAs have quietly come to own.

OUTLOOK

> "The carriers earning the best returns won't be the ones writing the most premium — they'll be the ones partnering smartest."

STRATEGIC SHIFT INSIGHT

SECTION 03

Four engines of the MGA supercycle.

Specialty lines, fronting carriers, embedded distribution, and parametric products are remaking how — and where — premium gets written.

01
SPECIALTY

Property, cyber, crop, marine — concentrated underwriting wins.

02
FRONTING

Carriers rent paper to MGAs at scale; capital meets agility.

03
EMBEDDED

$700B global premium projected by 2030 — distribution at point of sale.

04
PARAMETRIC

Fastest-growing line — climate, cyber, business interruption triggers.

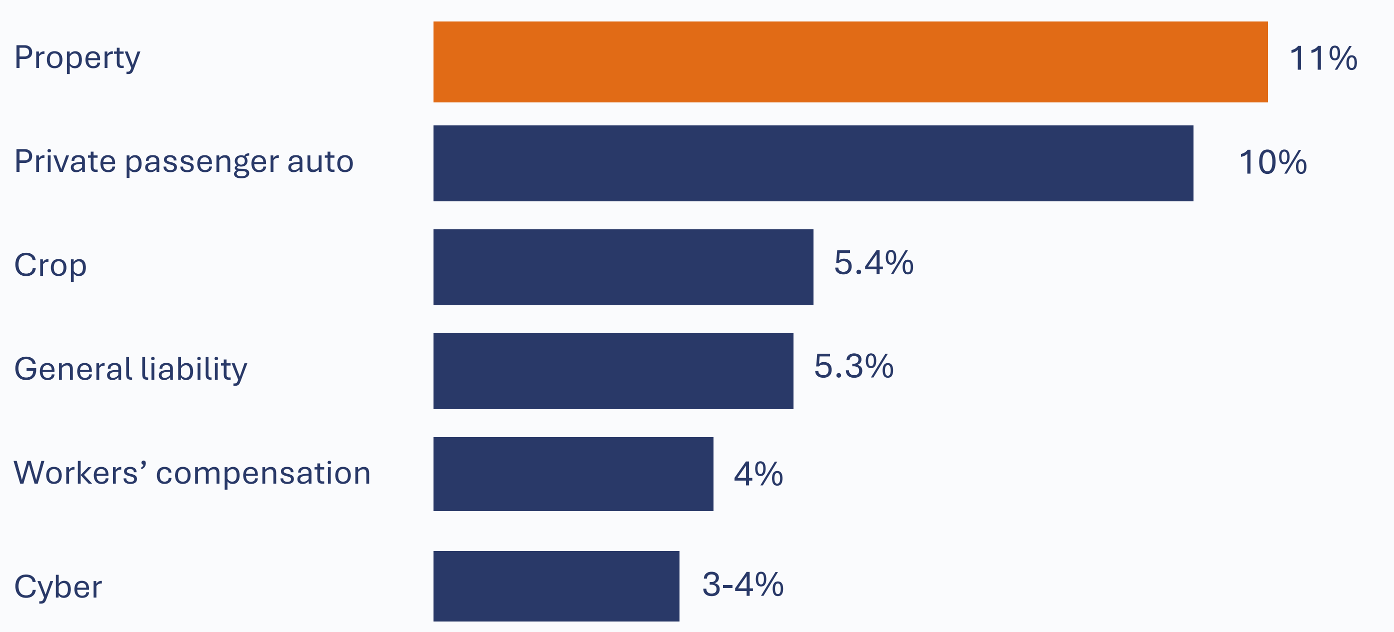
WHY IT MATTERS

Each engine compounds the others — specialty needs fronting, fronting fuels embedded, embedded enables parametric. The flywheel is real.

Where the premium is flowing.

Specialty lines dominate the MGA mix. Property leads, with cyber and parametric the fastest-growing tails.

MGA premium share by specialty line, 2024



Source: Conning, AM Best (2024). Estimated share of U.S. MGA premium.

FRONTING

Carriers rent paper to MGAs at scale — capital meets agility.

EMBEDDED

$700B global premium projected by 2030. Distribution at point of sale.

PARAMETRIC

Fastest-growing line. Triggers replace claims process.

SPECIALTY

Where MGA data and underwriting expertise compound fastest.

New models, new premium pools.

As MGAs continue to grow, their success is anchored in innovation, performance discipline, expert underwriting, and ability to attract best talent

> Specialty lines, fronting carriers, embedded distribution, and parametric products are the four engines compounding the MGA supercycle.

Specialty premium now flows disproportionately through MGAs — cyber, crop, marine, and excess casualty are MGA-led categories where carrier underwriters cannot match the speed or data depth of focused platforms.

Fronting carriers — Accelerant, Sutton, Transverse, State National — turned capacity into a configurable utility. They unbundled the carrier stack and made it possible for a 20-person MGA to write nationally on day one.

Embedded insurance is projected to reach $700B globally by 2030. Parametric products, once a niche, are now mainstream for climate, travel, and event risk. In every case, the MGA is the layer designing the trigger, owning the data, and capturing the margin.

MARKET STRUCTURE

"Every new insurance model of the last decade has scaled through MGAs — not in spite of them."

SECTION 04

04

Geopolitics is insurance variable.

Volatility moved from a tail risk to a systemic input — pricing, capacity, and product design all shift with it.

From peripheral to core.

TOP 5

Geopolitical risk now ranks in the top five concerns for global executives (Aon).

+38%

Cyber insurance premium growth tied directly to state-actor activity (Beazley).

3 OF 10

of insurance leaders report repricing portfolios on geopolitical exposure.

Cyber & Geopolitical risk a priority for global insurers

Geopolitical and cyber risks vaulting up the global executive risk register — driving specialty premium growth.

Top global risks - Geopolitical volatility, now a top 10 risk

Cyber attacks	**Geopolitical Volatility**
Economic slowdown	Climate change
Regulatory change	AI / tech disruption
Business interruption	Commodity Price Risk

Source: Aon Global Risk Survey, AM Best, Allianz, Beazley Risk & Resilience (2025). Strategic Shift analysis

$23B → $50B*

Global cyber premium 2023 → 2030 forecast. Ransomware, state-sponsored attacks, and D&O claim acceleration anchor the growth thesis.

- *2030 forecast is according to Gallagher's 2026 Cyber Insurance Market Outlook*

> "Specialty divergence: trade credit, marine, and political-violence covers are repricing in real time."

Geopolitics is now an underwriting input.

> Trade fragmentation, sanctions complexity, and state-sponsored cyber attacks have moved geopolitical risk from a tail concern to pricing variable.

Aon's 2025 risk survey placed geopolitical volatility in the top 10 global business risks for the first time. Beazley's board-room poll found 31% of executives now rank it as their single largest concern — ahead of cyber and climate.

Specialty lines are diverging fastest. Trade credit pricing has hardened across emerging markets. Marine war and political violence rates are up double digits. Casualty exposures tied to supply-chain shocks are being re-underwritten line by line.

Cyber sits at the intersection. State-sponsored attacks have reset loss assumptions, and the cyber insurance market forecast is between $30B to $50B by 2030, according to Gallagher's 2026 Cyber Insurance Market Outlook — with MGAs again writing the leading edge of new exposures.

RISK INTELLIGENCE

> "Geopolitical risk is no longer a footnote in the underwriting file. It's the headline."

STRATEGIC SHIFT INSIGHT

SECTION 05

From capacity factory to capital partner.

Carriers are no longer competing on capacity alone — they're winning by allocating capital, data, and governance to the best MGA partners.

01 **CAPITAL ALLOCATOR**

Carriers shift from underwriting every risk to deploying capital where MGAs have edge.

02 **DATA INTEGRATOR**

Carriers build telemetry to monitor MGA performance — pricing, claims, exposure — in real time.

03 **GOVERNANCE LAYER**

Due diligence, oversight, and audit frameworks become the carrier's core competency.

SECTION 05 / DATA

The carrier operating model is being rewritten.

Three shifts define the new carrier playbook — moving from underwriting every risk to becoming the trusted capital, data, and governance backbone for MGA partners.

The carrier shift — old model vs. new model

DIMENSION	OLD MODEL	NEW MODEL
Capital	Bound to legacy lines, slow	Allocated to MGA edge, agile
Data	Quarterly reporting cycles	Real-time telemetry from MGAs
Underwriting	In-house generalist teams	Delegated to specialty MGAs
Governance	Reactive audit & compliance	Proactive oversight framework
Talent	Hiring underwriters at scale	Hiring data & risk engineers
Distribution	Direct + broker channels	Embedded + parametric + MGA

Source: Strategic Shift analysis; McKinsey, Deloitte (2025).

DUE DILIGENCE IMPERATIVE

The carrier's edge is no longer underwriting every risk — it's choosing the right MGAs and watching them in real time.

Carriers become capital allocators.

> The carrier of 2026 looks less like an underwriting factory and more like a strategic capital partner — selecting MGAs the way a fund selects managers.

Capacity is now a portfolio decision. Leading carriers maintain MGA panels with explicit return hurdles, data-sharing covenants, and exit triggers. The model resembles institutional asset allocation more than traditional underwriting.

Internal MGA structures are proliferating. Carriers are spinning up specialised, ring-fenced units to retain talent, protect proprietary data, and compete on speed without dragging the legacy operating model.

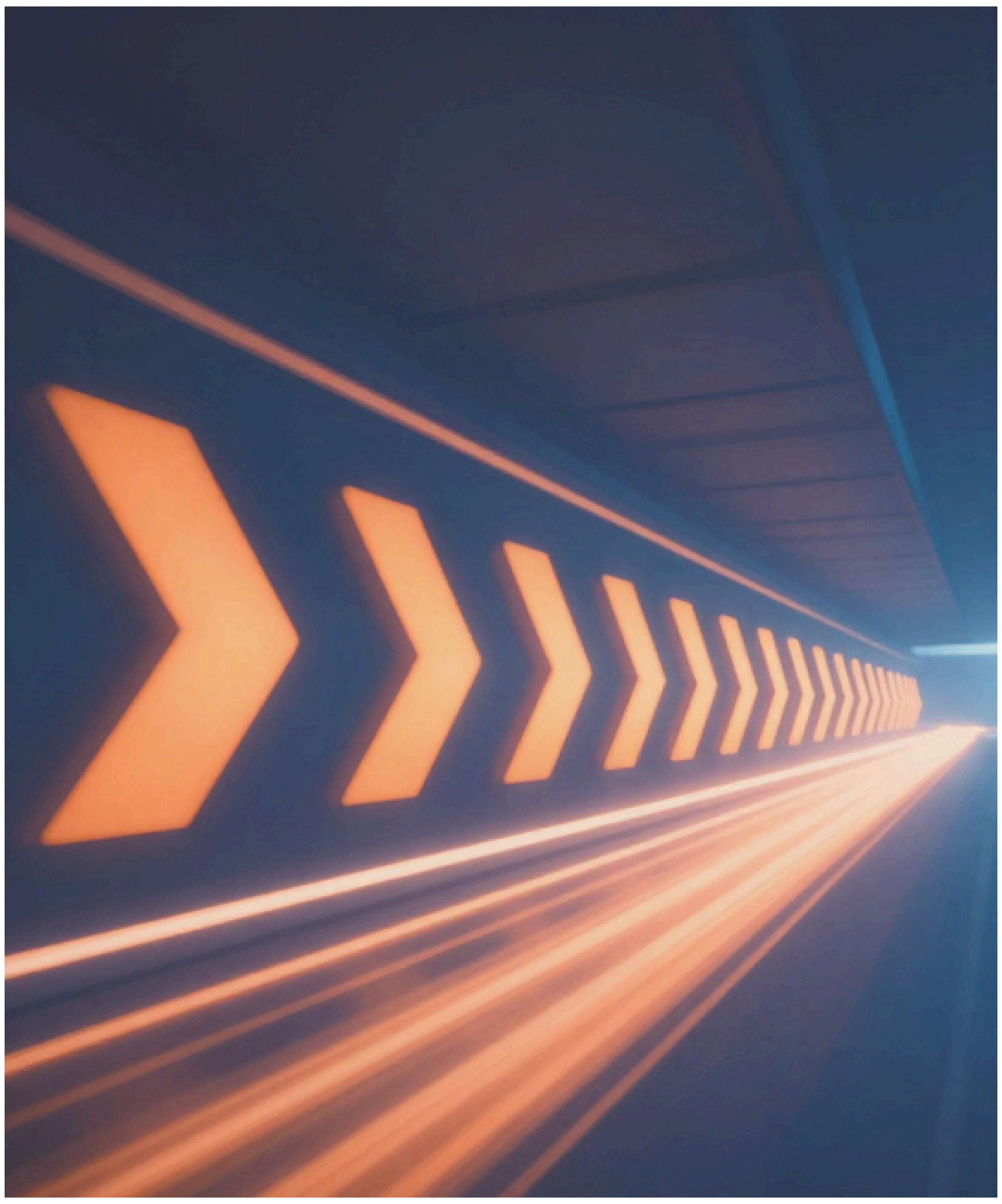
Governance is the binding constraint. Without disciplined due diligence, contract terms, and ongoing oversight, the MGA channel quickly becomes a vector for adverse selection. The winners will industrialise governance the way they once industrialised claims.

ROLE OF THE CARRIER

"The next generation of carriers will be measured on the quality of their MGA panel — not the size of their underwriting bench."

STRATEGIC SHIFT INSIGHT

Speed, data, and reach — in one engine.



MGAs let carriers launch products 3–5x faster, learn from real-time data, and expand into new geographies without building from scratch.

3-5×

FASTER TO MARKET

Vs. traditional carrier product launch cycles.

REAL-TIME

DATA FLYWHEEL

Telemetry compounds underwriting edge each quarter.

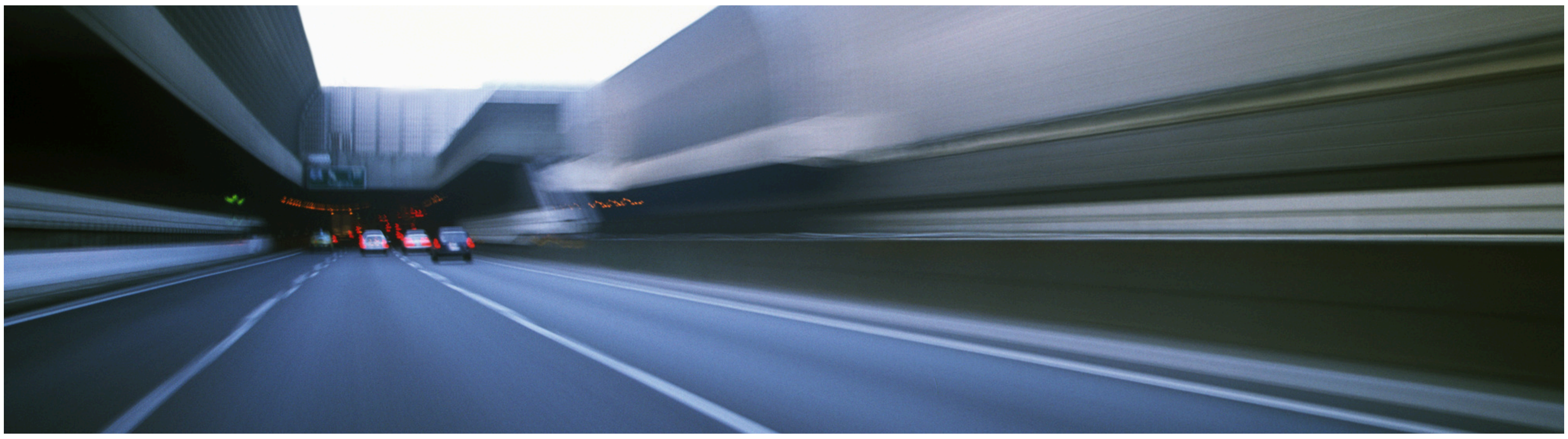
GLOBAL

GEOGRAPHIC REACH

Enter new markets through MGA partnerships, not M&A.

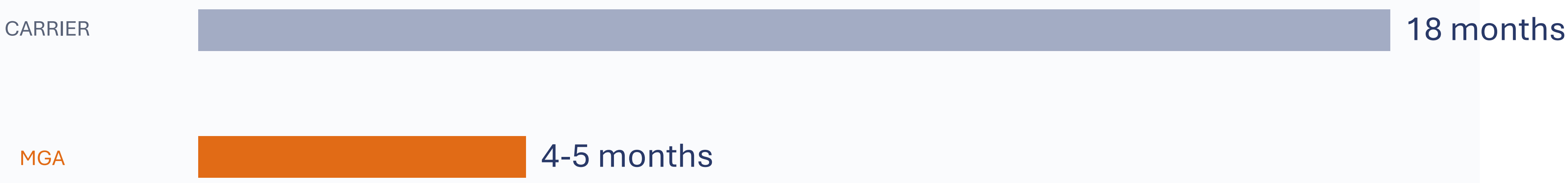
MGAs ship products 3-5x faster.

Speed-to-market, the data flywheel, and geographic expansion compound into a structural advantage carriers can't replicate alone.



TIME-TO-MARKET

MGA vs. carrier product launch cycle



Source: Deloitte, McKinsey MGA benchmarks (2024).

THE DATA FLYWHEEL

More policies → better data → better pricing.

Specialty MGAs compound underwriting accuracy with every cycle — a moat that widens over time.

GEOGRAPHIC EXPANSION

40+

new MGA-led specialty programs launched across EMEA & APAC in 2024.

Carriers gain access to markets without building local infrastructure.

> "Delegation is no longer a cost saver — it's a growth strategy."

MGAs as go-to-market engine.

> Speed, data, and reach. The three reasons MGAs have become the default growth lever for carriers entering new lines, segments, or geographies.

Time-to-market collapses. A carrier launching a new product line traditionally needs 18-36 months. An MGA partnership compresses that to 3-6 months — with field-tested distribution and bound premium from week one.

The data flywheel compounds. MGAs accumulate granular submission, bind, and loss data inside narrow segments. Shared back to the carrier under modern contracts, that data sharpens pricing models faster than any internal book could.

Geographic and segment expansion is now low-cost. Rather than build branches, carriers plug into MGA platforms with established broker relationships, regulatory footprints, and tech stacks already in production.

GTM Mechanism	Carrier Benefit	Time to Value	Risk Profile
Specialty MGA partnership	Immediate access to niche risk pools	6-12 months	Moderate — subject to MGA quality
Embedded insurance MGA	Low-CAC customer segments at scale	12-24 months	Low once operational
Parametric MGA partnership	New risk categories, diversification	12-18 months	Low loss adj. risk, model risk
Fronting arrangement	Fee income, market data	3-6 months	Low balance sheet, high reputational
Internal MGA structure	Full control, brand, data ownership	24-48 months	High investment, strong long-term
Geographic expansion MGA	Market entry without infra. build	6-18 months	Depends on local MGA quality

Source: Data synthesised from AM Best, Conning, Deloitte, and McKinsey, Strategic Shift research.

GO-TO-MARKET

"In the time it takes a carrier to launch a product, an MGA partner has already iterated on three."

SECTION 07

07

The action agenda.

Five strategic imperatives. No more diagnostics — this is what executives must do in the next 12 months.

THE DECADE OF THE MGA

"Insurance is being reorganised. The carriers that win the next decade will be the ones that learn to allocate, govern, and partner — not just underwrite."

STRATEGIC SHIFT INSIGHT

Five moves for the Insurance Executives

01 PORTFOLIO AUDIT

Map every MGA relationship by premium, loss ratio, data flow, and strategic fit. Cut the bottom quartile.

02 PARTNERSHIP INFRASTRUCTURE

Build the legal, data, and operational rails so onboarding a new MGA takes 90 days, not 9 months.

03 GEOPOLITICAL CAPABILITY

Stand up board-level oversight on geopolitical risk pricing, exposure, and reinsurance triggers.

04 DATA-FIRST CONTRACTS

Renegotiate MGA contracts to mandate granular data sharing, real-time reporting, and audit rights.

05 INTERNAL MGA REVIEW

Decide where you build vs. partner. Internal MGAs make sense for proprietary data, niche talent, or regulated lines.

MGAs as a distribution strategy

> The five imperatives are not optional. Carriers that make the shift, will lock in the partnerships, data rights, and talent that define the next ten years.

Capacity is finite. The leading MGAs already have multi-year capacity commitments from a small group of forward-leaning carriers. Late movers will compete for the second tier — at worse terms, with weaker data rights.

Talent is following the same curve. Underwriters, actuaries, and product leaders are moving into MGA platforms where economics, autonomy, and pace are structurally better. Carriers without a credible MGA strategy lose the talent war by default.

The window for strategic positioning is short. By 2028, the structure of the MGA market will be largely set — capital partners locked in, fronting capacity allocated, and the data flywheels of the leading platforms compounding beyond reach.

STRATEGIC URGENCY

"The carriers that act in the next twelve months will define the competitive landscape of the next decade."

STRATEGIC SHIFT INSIGHT

The decade of the MGA is underway.

> Four forces — geopolitical fracture, climate intensification, capital reallocation, and data-driven distribution — are converging. The MGA model is not a trend. It is the structural answer.

01
GEOPOLITICAL
From tail to systemic

02
CLIMATE
Repricing at scale

03
CAPITAL
Allocator over underwriter

04
DATA
Flywheel as moat

REFERENCES & SOURCES

The data behind the thesis.

01	AM Best	U.S. MGA Market Review, 2024
02	Conning	MGA Market Outlook, 2024
03	Swiss Re Institute	World Insurance: 2030 Outlook, 2025
04	Deloitte	Insurance Industry Outlook 2026, 2025
05	McKinsey & Company	The State of MGAs in 2025
06	Gallagher Re	U.S. MGA Premium Tracker, 2024
07	Aon	Global Risk Management Survey, 2025
08	Beazley	Risk & Resilience Report, 2025
09	OECD	Global Insurance Markets, 2024
10	Munich Re	NatCat Service Annual Report, 2024
11	Lloyd's of London	Geopolitical Risk Outlook, 2025
12	S&P Global Ratings	Global Reinsurance Highlights, 2024
13	Insurance Information Institute	Cyber Insurance Market, 2025
14	Allianz	Risk Barometer, 2025
15	Howden Group	Specialty & MGA Insights, 2024

NOTE ON DATA INTEGRITY

All figures are sourced from independent third-party research. Where projections are cited, the underlying methodology is referenced in the source publication. Strategic Shift makes no warranty as to the accuracy of forecasts.

Transformation | Growth | Market Strategy

Contact@strategicshift.in

WWW.STRATEGICSHIFT.IN