WAYPOINT
A MARSHBERRY MARKET REPORT

2026
Volume V, Issue 1

LIMITED **PRINT** EDITION



FOCUSED INSIGHTS:

The Evolution of the Independent Insurance Broker (an Industry Primer)

MACROECONOMIC INDICATORS | INDUSTRY INSIGHTS | M&A MARKET | BROKER INDEX

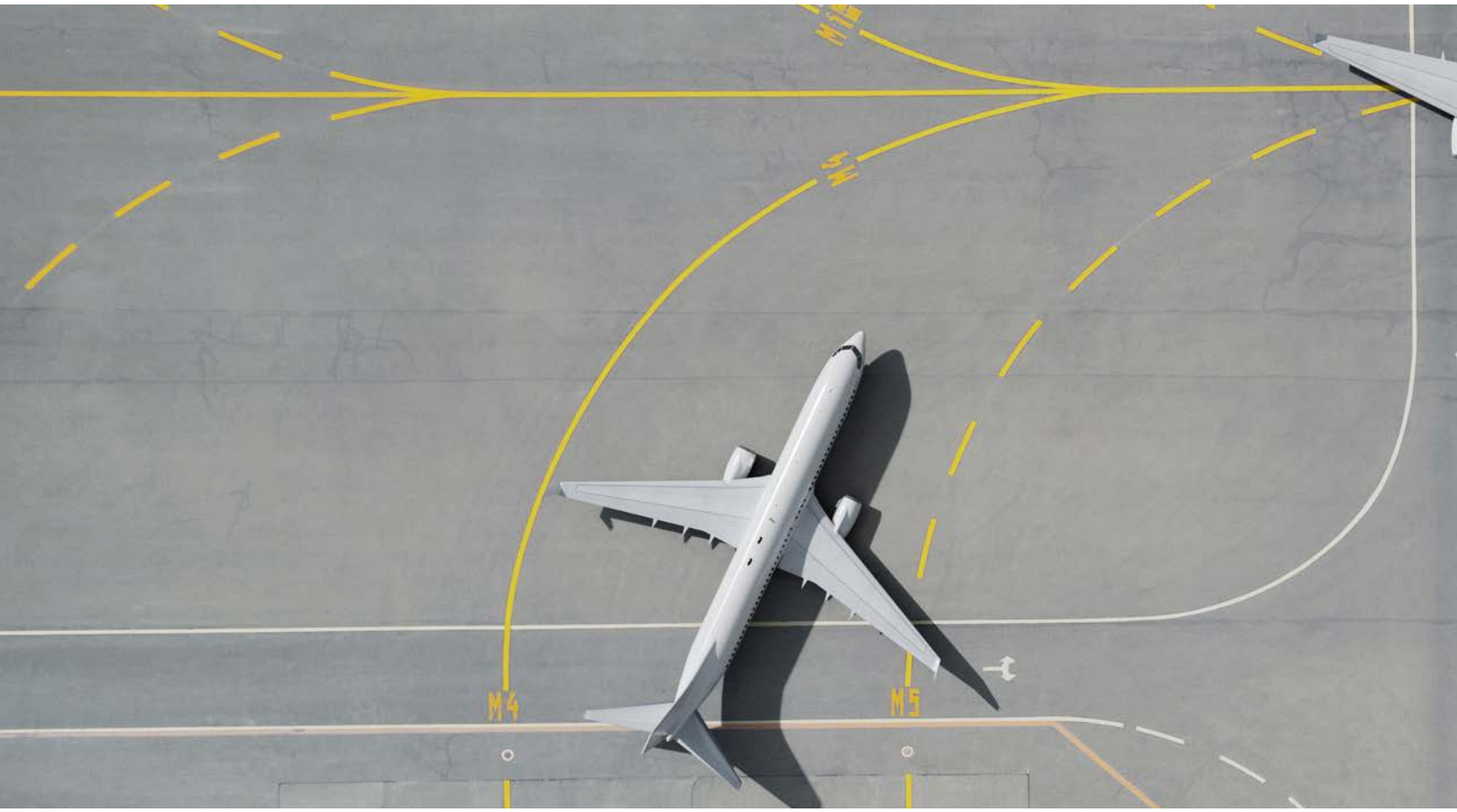




MarshBerry's WayPoint offers macroeconomic indicators relevant to your brokerage or agency, insurance industry trends and analysis, updates on the merger & acquisition (M&A) market and key transactions, and a market overview from the six publicly traded retail brokers.

The goal is to provide you with timely data allowing you to stay current on developments in the insurance brokerage industry while driving key business decisions.

If you have any questions about WayPoint, or there is additional content that you would find useful for future updates, email us at **WayPoint@MarshBerry.com.**



Focused Insights

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The Evolution of the Independent Insurance Broker (an Industry Primer)

This is an overview of the role independent brokers have traditionally played in the insurance industry – including the role they play today and the directions in which their role may evolve.

Independent insurance brokers sit at the center of commerce between carriers and clients — but they are much more than middlemen. Over the last 20 years, their role has been both refined and expanded, moving from transactional placement to strategic risk advisory, data-enabled portfolio management, and multi-product distribution.

Why do independent insurance brokers exist?

At their core, independent brokers exist because insurance is a complex financial instrument embedded in legal language and actuarial assumptions that most buyers do not have the time, scale, or expertise to evaluate independently. The broker functions as translator, architect, negotiator, and long-term steward of risk strategy — reducing the information asymmetry between buyers and sellers of risk capital. In this sense, brokers are not merely distributors of insurance products; they are intermediaries in the allocation of risk and capital across the economy. Independent brokers create value for three groups simultaneously — clients, carriers, and investors:

1. **For clients (including businesses and households):** Independent brokers provide their clients with choices across multiple carriers, offering options that expand beyond a single carrier's product set. They also diagnose risk and coverage needs, translate complex policy language into plain English and structure programs (e.g., limits, deductibles, captives, alternative risk) to fit client risk appetites and budgets. Finally, independent brokers will often advocate in claims and renewals, using their market knowledge to push for coverage and pricing improvements.

   For small and mid-sized businesses that lack in-house expertise, brokers increasingly act as outsourced risk departments. They advise on contract language, indemnification clauses, certificates of insurance, claims strategy, benchmarking, and total cost of risk analysis. In larger accounts, brokers may also coordinate loss control services, data analytics, alternative risk structures, and global program design.

   For households and individuals, brokers provide continuity and holistic protection planning across home, auto, umbrella, specialty, and — increasingly — cyber exposures. In each case, the broker's value compounds over time as knowledge of the client's operations, risk appetite, and financial objectives deepens.

2. **For carriers:** Independent brokers deliver efficient, consolidated access to fragmented customer bases, especially in small commercial and mid-market segments, providing local and sector-specific knowledge (e.g., construction, healthcare, senior living). They assist carriers with selection and underwriting by pre-qualifying risks and steering business to the appropriate market. In short, independent brokers extend carrier reach without adding the costs carriers would incur from having to staff sales and marketing teams across the country.

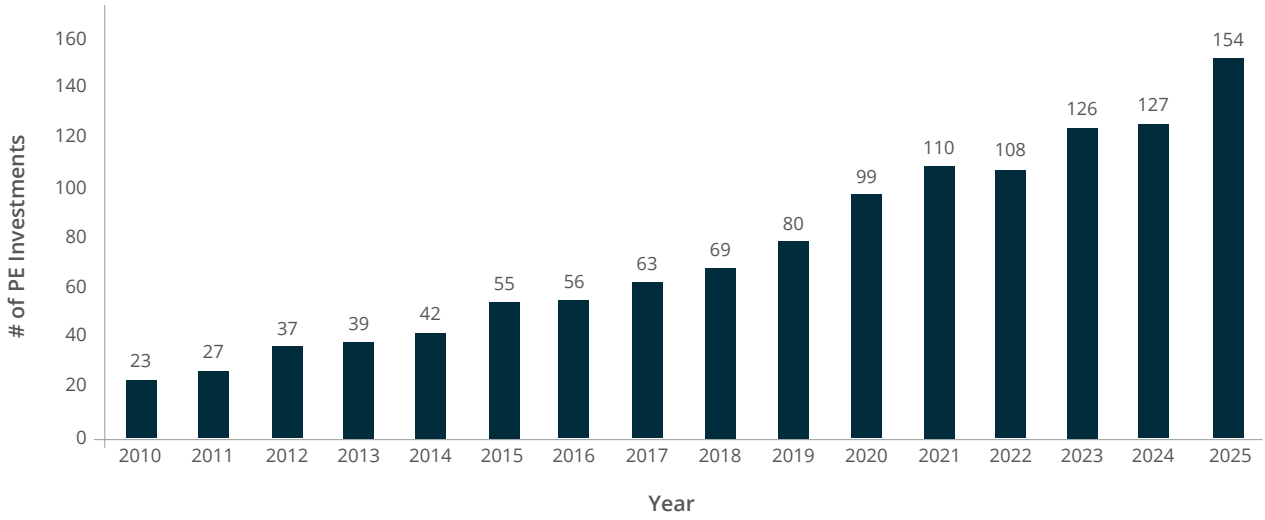
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For carriers, the broker channel also functions as a distributed underwriting intelligence network. Brokers observe risk trends across industries, geographies, and business models before that information is fully reflected in actuarial data. This front-line visibility helps carriers refine appetite, improve product design, and adjust pricing strategies. In addition, brokers smooth market cycles by helping carriers manage submission flow, steer risks toward appropriate markets, and preserve long-term relationships during hard market conditions. In effect, brokers reduce distribution volatility while increasing the efficiency of capital deployment.

3. **For private investors and the broader market:** The insurance brokerage industry plays a critical role in both the private investor and the broader economy by facilitating the transfer of risk that enables businesses to operate, grow, and access capital. For the broader market, brokers serve as essential financial intermediaries – connecting businesses with risk capital, supporting economic resilience, and helping stabilize markets by ensuring that companies can manage uncertainty and continue operating through changing economic conditions.

   For private investors, brokerages offer recurring, cash-generative revenue, low capital intensity, and strong consolidation opportunities, making the sector highly attractive for long-term value creation. Because of this, private capital has helped fuel a decade of consolidation in insurance distribution. Over the past 15 years, the number of private equity-backed insurance broker platforms has consistently increased year-after-year across the retail, wholesale, and specialty markets – with 2025 achieving a new record level.

Number of Active Equity Investments in Insurance Brokers



Source: Pitchbook. PE: Private Equity. Data as of 12/31/25.

> The net result: Independent brokerages act as expert distribution and advisory channels that reduce carrier costs, improve risk matching, and offer attractive merger and acquisition (M&A) opportunities, helping to maximize value for all three sides of the market.

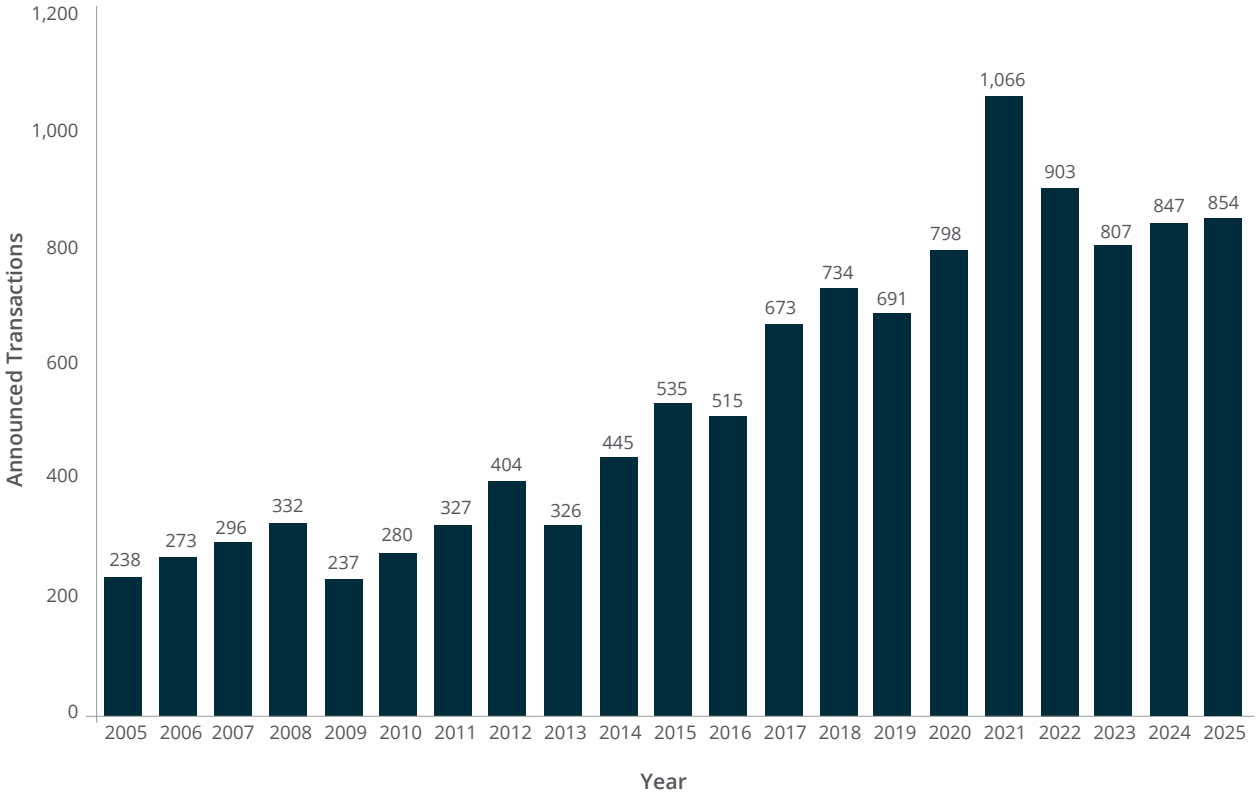
The journey of the independent broker

Despite the rise of direct-to-consumer channels, online aggregators, and embedded insurance (purchased at a product's point of sale), independent agencies and brokers still place over 60% of U.S. property and casualty (P&C) dollars and nearly 90% of commercial lines (CL) dollars, with continued growth in personal lines share.[1] But the role of the independent broker has evolved over the past 20 years, leading to the current model as total risk and benefits advisors integrating P&C, benefits, and in some cases wealth/retirement products. Here's a look back at how the independent brokers got here:

The first 10 years (2005-2015): During this timeframe, independents first moved from local agencies to more highly professionalized (and more often specialized) broker businesses.

- **First major consolidation wave.** Regional and national brokers expanded aggressively via acquisition, often with backing from private equity, shrinking the number of large independent agencies while leaving a long tail of small local shops ripe for consolidation. The number of announced M&A transactions for insurance brokerages increased by 125% in this wave – going from 238 deals in 2005 to 535 deals in 2015.

Total Announced U.S. Transactions



Sources: S&P Global Market Intelligence, Insurance Journal, and other publicly available sources. Data as of 12/31/25.

1. https://programbusiness.com/news/big-i-2024-market-share-report-independent-agency-channel-places-62-2-of-all-pc-insurance

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- **Professionalization and specialization.** Agencies moved from "generalist local shop" toward specialty practices. Brokers began offering industry specific (e.g., healthcare, construction, financial services, non-profit, etc.) risk knowledge with deeper risk engineering and loss control capability.
- **Early digital adoption.** Agency management systems, comparative raters, and carrier portals started to streamline quoting, although many workflows remained manual and spreadsheet driven.

During this period, the value narrative shifted from "we shop the market for you" to "we are advisors and advocates who manage risk over time."

This shift represented more than a mere change in marketing message; it marked a structural evolution. As risks became more interconnected and litigation more complex, brokers began to move upstream in the value chain — influencing risk prevention, contract strategy, and capital allocation decisions rather than simply reacting to annual renewals. Advisory depth became a defensible competitive advantage.

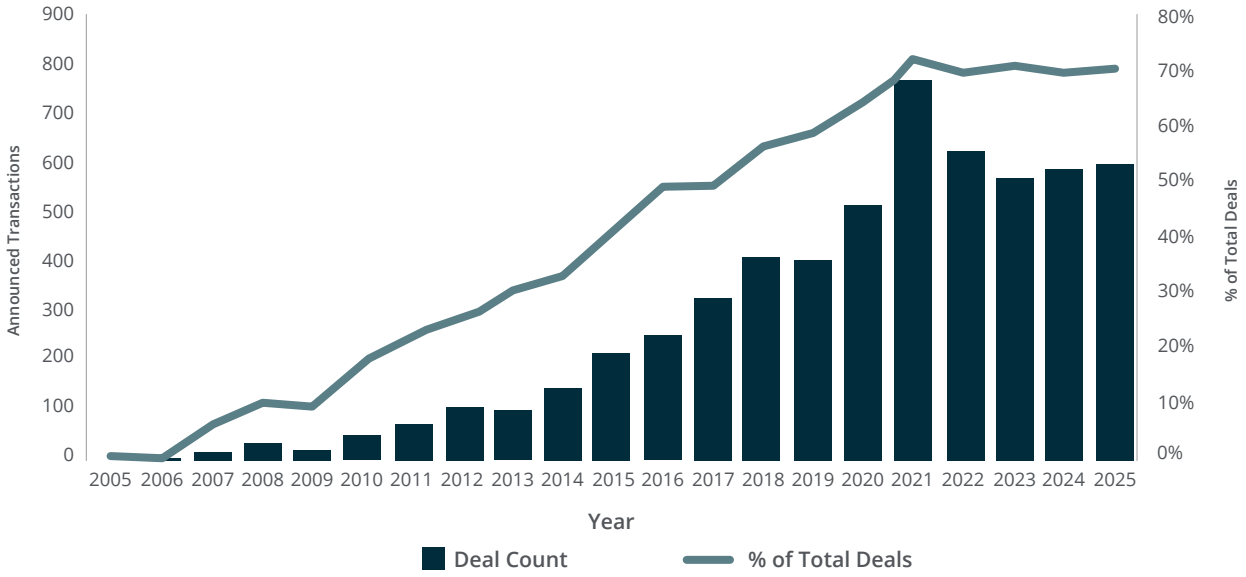
The next five years (2015-2020): During this timeframe, even more dramatic changes emerged, characterized by acceleration, disruption, and resilience.

- **Further consolidation and private equity momentum:** A sustained M&A boom created fewer but larger independent broker platforms, often with multi-state or global reach. Many local, family-owned agencies sold into these platforms, contributing to what some industry commentators call "the greatest wealth transfer" in the history of the independent system.
- **Digital and data transformation:** Carriers and agencies invested in digital distribution, self-service, and omnichannel engagement — while still relying heavily on independent producers for complex and commercial business. Emerging data and analytics tools began taking over low-value tasks such as entry, form filling, and document generation, freeing brokers to focus more on sales and advisory activities.
- **Market shocks and new risk classes:** COVID-19, increases in litigation and other social/reputational risks, climate-driven CAT activity, and the hard market in many lines increased the complexity of coverage and pricing. Clients needed help navigating exclusions, capacity constraints, and program restructuring; this elevated the perceived value of brokers' expertise.

The last five years (2020-2025): Most recently, three forces continue to reshape the insurance brokerage landscape.

- **More intense consolidation:** Private capital investment continues to drive a majority of M&A activity – helping to create larger, more sophisticated broker platforms. In 2025, private capital-backed buyers accounted for 605 of the 854 insurance brokerage transactions (70.8%), increasing by a compound annual growth rate (CAGR) of 6.7% since 2019.
- **Digital and data transformation:** Customer Relationship Management (CRM) and Agency Management Systems (AMS) modernization, comparative raters, portals, and the early use of AI are adding efficiencies that promise both more disruption as well as potentially greater profits.
- **Market volatility and new risk classes:** Evolving legal trends and liabilities combined with climate driven CAT activity and the rapid escalation of cyber threats are making coverage placement and pricing significantly more complex — increasing the value of expert, relationship driven advisory work.

Private Capital-Backed Announced U.S. Transactions



Sources: S&P Global Market Intelligence and MarshBerry proprietary database. Data as of 12/31/25.

> Over these past 20 years – many of these insurance industry changes, trends, and advancements (e.g., technology, consolidation and volatility) were predicted to lead to the demise of the independent broker. In the end, these changes made brokers more necessary, more sophisticated, and more valuable.

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At the same time, scale began to matter in new ways. Larger platforms fostered proprietary data, created centralized analytics teams, and produced carrier leverage that smaller firms often could not replicate.

This has created a bifurcation within the independent channel: highly scaled regional/national platforms on one side and hyper-local relationship-driven boutiques on the other, with fewer mid-sized firms in between.

What's next for the independent broker?

Contrary to the belief that the number of independent brokers is declining – the independent agency model isn't going extinct. Even as the insurance brokerage sector rapidly consolidates, for every firm that sells, statistically, a new independent agency pops up. Over the past 20 years, approximately 11,400 insurance agencies have sold. Yet, there are nearly as many independent insurance brokerages in the U.S. in 2026 as there were in 2006.[2]

However, over these 20 years, the independent brokerage model has evolved. Today, independent brokers that are able to pair advisory expertise with modern digital capabilities and area specialization are well-positioned to remain the dominant distribution partners for both carriers and clients.

The competitive frontier is no longer defined solely by access to markets; it is defined by advisory depth – an understanding of the client's business (specialization), data fluency, and the holistic integration of services across an increasingly complicated risk environment. Additionally, brokers who invest in technology (AMS/CRM upgrades, digital marketing, data & analytics, AI) are extending their relevance. Technology has the capabilities to strengthen brokers – not replace them.

Layer on top of this the deluge of recent headlines on how AI is moving closer to the point of sale in the insurance brokerage chain – and the pressure is mounting on the independent broker. But, once again – this is NOT the moment when insurance brokers start to become obsolete. In fact, this is another moment that brokers see an opportunity to create efficiencies in their business processes and offer their clients even more personalized advisory services.

Independent brokers are playing the same role today as they did decades ago – sitting at the center of the risk and capital exchange between carriers and clients. The difference now is that they're doing it in a faster-paced, far more complex environment. But today's brokers are supported by more sophisticated suite of tools and technologies, which makes their role even more valuable to clients, carriers and investors.

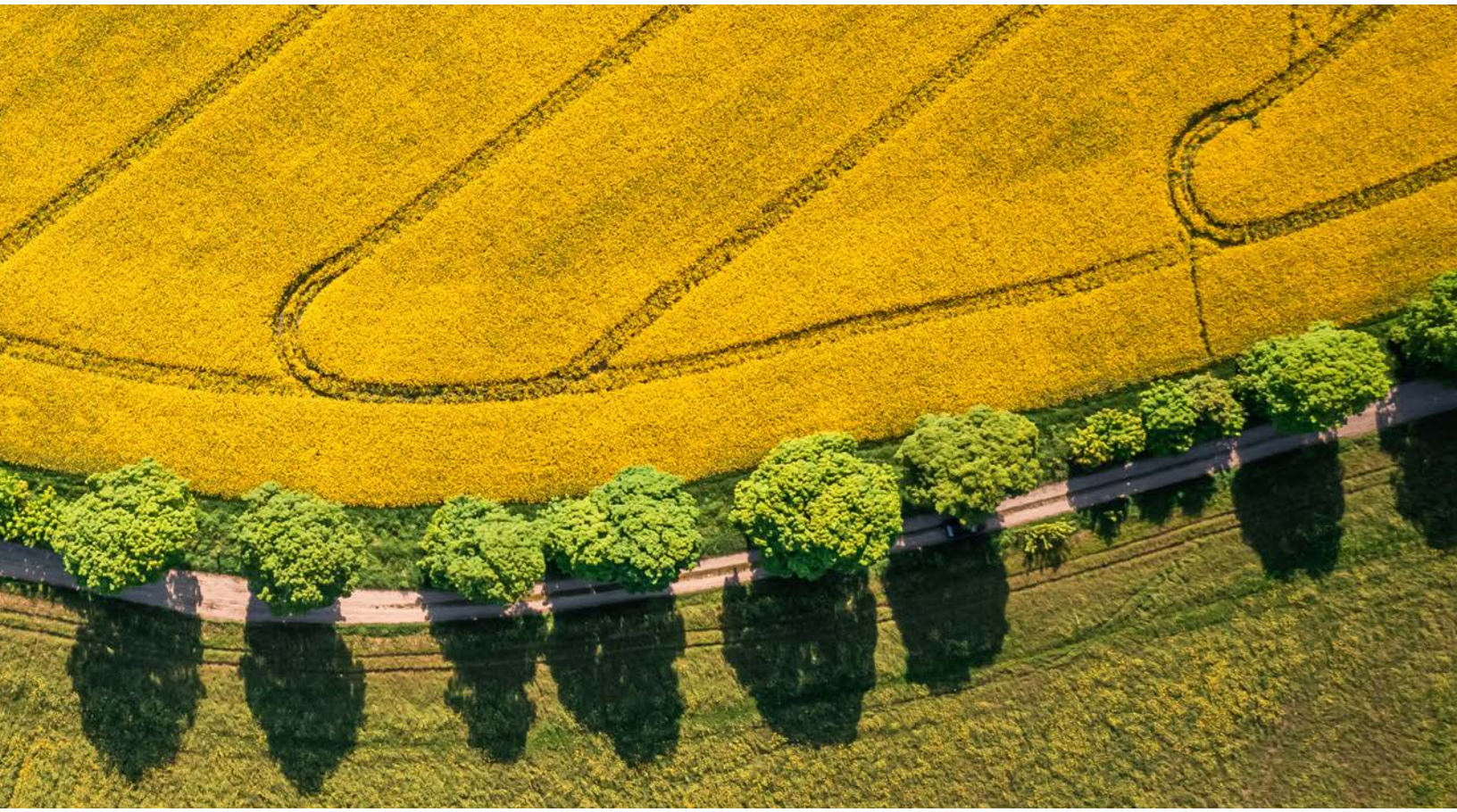
Contributions to this article by: John Wepler, MarshBerry Chief Executive Officer

2. S&P Global Market Intelligence, Insurance Journal, and other publicly available sources. Data as of 12/31/25.



Macroeconomic Indicators

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Market Trends and Current Statistics

Key macroeconomic indicators that are likely to impact brokerages within the insurance industry.

Affordability is THE Defining Economic Issue of 2026

"Affordability" has moved to the center of U.S. economic and political conversations this year. While the topline economy looks strong — steady gross domestic product (GDP) growth, moderating inflation, solid corporate performance — millions of Americans feel increasingly squeezed by rising costs and stagnant financial breathing room.

Here's what's driving the challenge of affordability.

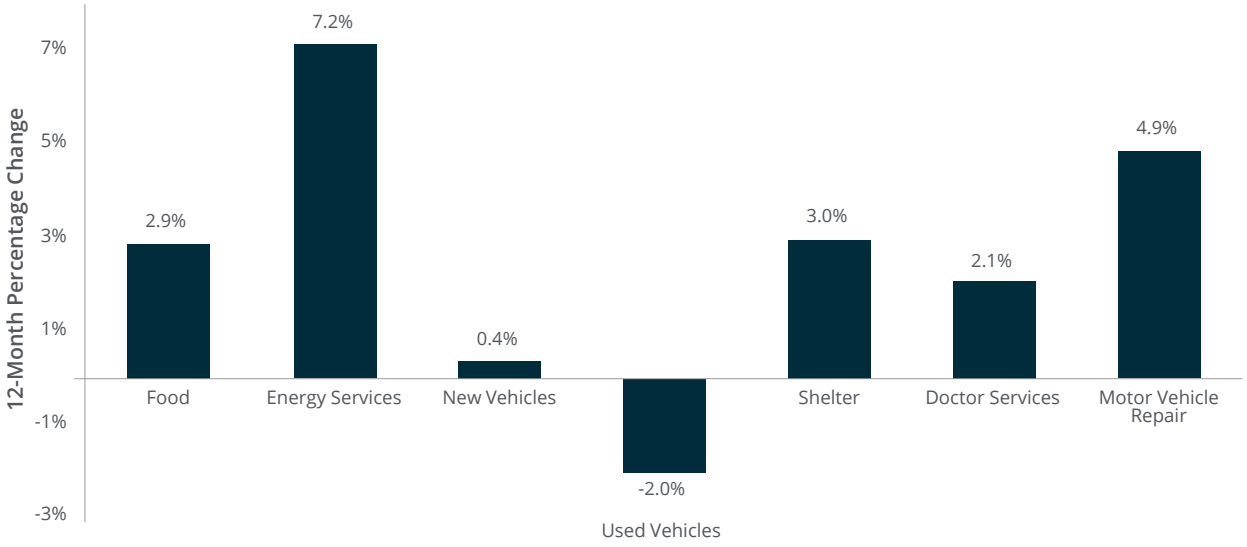
Strong growth but households struggle with essentials

Despite steady GDP growth, many Americans are still struggling to pay their bills. Inflation has cooled into the mid-2% range, yet costs for essentials are meaningfully elevated compared to prepandemic baselines.

Looking at price changes over the past year, energy services, which include electricity and natural gas, experienced the highest price increases. Car repairs and housing also topped the list. Housing affordability remains strained due to limited supply and elevated mortgage costs.

In fact, housing is where the affordability crisis feels most acute for many Americans, especially younger households. Mortgage rates haven't fallen enough for many would-be buyers, with average prices of U.S. homes coming in at roughly five times the median household income.[1]

Change in Consumer Price Index (%)



Source: U.S. Bureau of Labor Statistics (https://www.bls.gov/). Data as of 1/31/26.

1. https://www.jchs.harvard.edu/blog/lower-interest-rates-fail-offset-effects-high-home-prices

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Other factors adding pressure

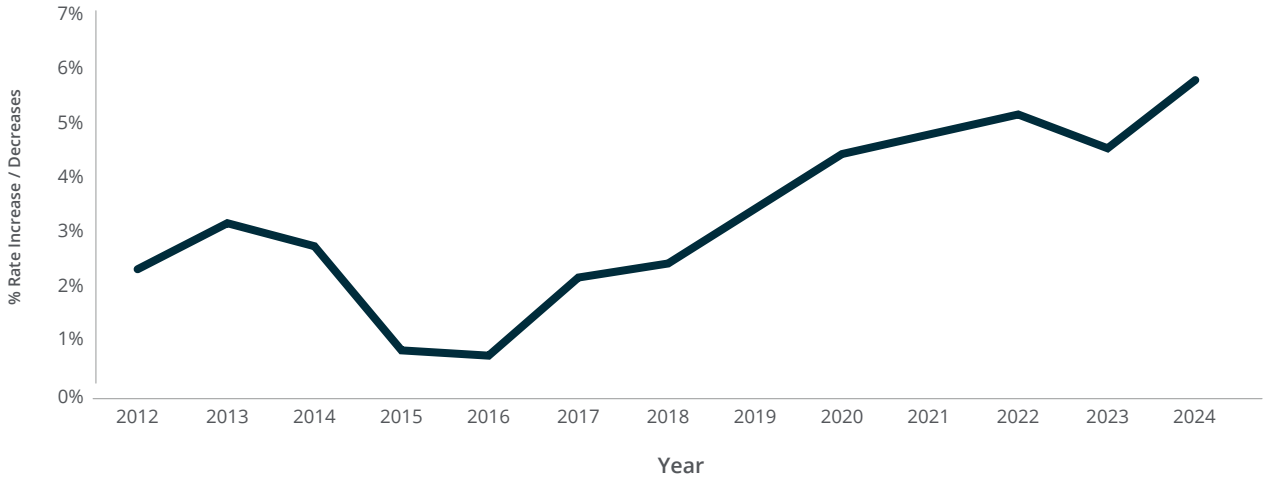
While daily living costs remain major pain points, there are other factors causing affordability concerns. The softening job market is just another factor adding financial pressure. Despite relatively low unemployment of about 4.3%,[2] a series of high-profile layoff announcements by companies like Amazon, General Motors, and UPS has kept job security top of mind.[3] Moreover, wage gains have not fully compensated for the last several years of price increases, especially for lower income households. Job searches are also taking longer: the median duration of unemployment rose to 11.1 weeks in January (from 9.1 weeks a year earlier), and the share of long-term unemployed (27+ weeks) increased to 25%.[4]

Additionally, higher household debts (credit cards, auto loans, mortgages) mean even small downturns hit harder while tariffs continue to raise the price of imported goods, with effects still trickling down to consumers.

Affordability spotlight: insurance

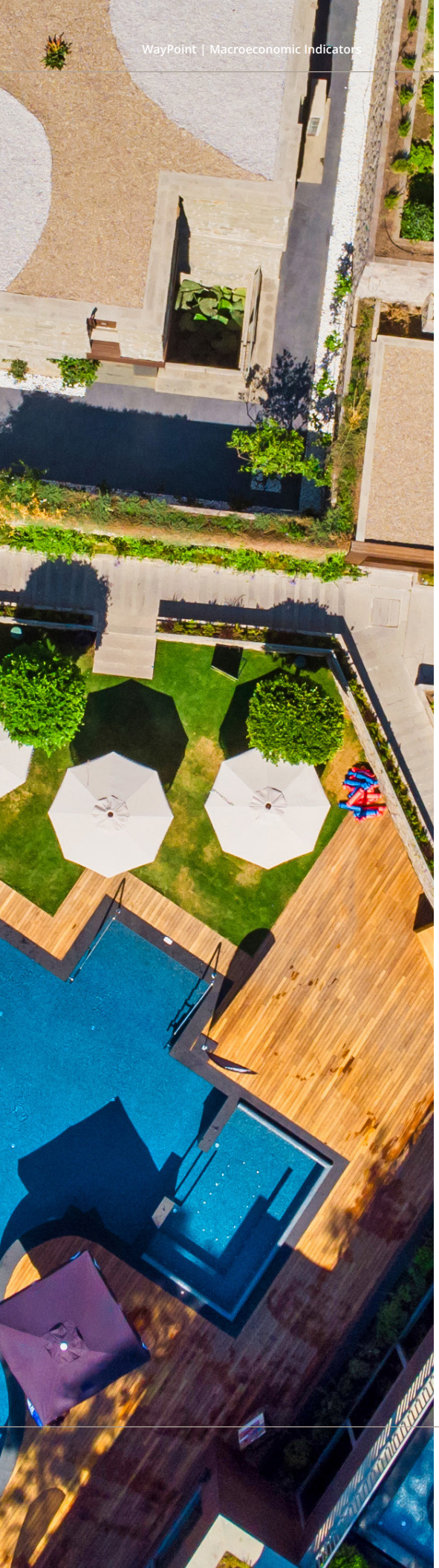
Affordability in the insurance industry is strained by a combination of climate driven risks, geopolitical instability, and rising operational costs. Climate change has become a major force reshaping global risk, increasing the frequency and severity of disasters and driving up expected losses for insurers — costs that ultimately flow through to consumers in the form of higher premiums. As seen in the chart below, personal line rates have risen steadily for the past three years. As insurance premiums rise, the overall cost of homeownership increases, narrowing the group of buyers who can afford the payment.

Personal Lines Composite Rate Trends



Source: MarketScout Summary of annual personal lines average rate increases from 2012 to 2024. Data as of 12/31/24.

1. https://www.jchs.harvard.edu/blog/lower-interest-rates-fail-offset-effects-high-home-prices
2. https://www.cbsnews.com/news/gary-cohn-face-the-nation-transcript-02-01-2026/
3. https://www.usatoday.com/story/money/2025/11/21/job-layoffs-news-2025/87381731007/
4. https://www.bls.gov/news.release/empsit.t12.htm



In high risk states like Florida, Louisiana, and California, homeowners' insurance premiums have risen exponentially over the past five years, driven by repeated hurricanes and wildfires. However, insurance challenges are spreading across the country, too, as losses from hailstorms and other severe weather rise. Nationally, home insurance premiums increased 8% faster than overall inflation between 2018 and 2022, according to data from the U.S. Treasury Department.[5]

Geopolitical tensions and supply chain disruptions also add pressure, contributing to rising commercial insurance costs that filter down into consumer prices. Overall, insurance affordability challenges are being driven less by traditional market cycles and more by a world that is structurally riskier, forcing insurers to reprice coverage in ways that households and businesses increasingly feel.

Looking ahead

In effect, affordability is becoming a lens through which Americans interpret the entire economy. While projections differ, most economists agree that affordability concerns are unlikely to ease quickly. Upcoming inflation readings and wage data will offer a clearer view of whether consumers can expect meaningful relief. Affordability for the average household will remain one of the top voter concerns leading up to the November midterms.

Contributions to this article by: Dani Zhelezova, MarshBerry Vice President, Business Intelligence.

5. https://www.npr.org/2025/11/12/nx-s1-5546754/climate-home-insurance-cop30-prices-expensive-disasters

Social Inflation Continues to Reshape Risk — and Raise the Stakes for Insurance Brokers

> The concept of "social inflation" has been around for about a half-century now, and while the phenomenon is nothing new, there are fresh issues facing the insurance industry.

What is social inflation?

Similar to economic inflation, social inflation refers to a rise in costs. But while economic inflation describes an increase in costs across the board, social inflation refers to the rising costs associated with societal trends, legal-system dynamics, and cultural attitudes. For insurance brokers in particular, social inflation is not a background trend. It is an ongoing phenomenon that speeds and slows (just like economic inflation), directly impacting the cost of claims and thereby premiums, carrier appetite, underwriting scrutiny, and insured exposure.

The factors contributing to social inflation are not secret: Nuclear verdicts (often resulting from fear-based trial tactics), litigation funding, evolving (and expanding) theories of liability, and negative public sentiment toward corporations are the key contributors to this phenomenon. Some examples of social inflation drivers include:

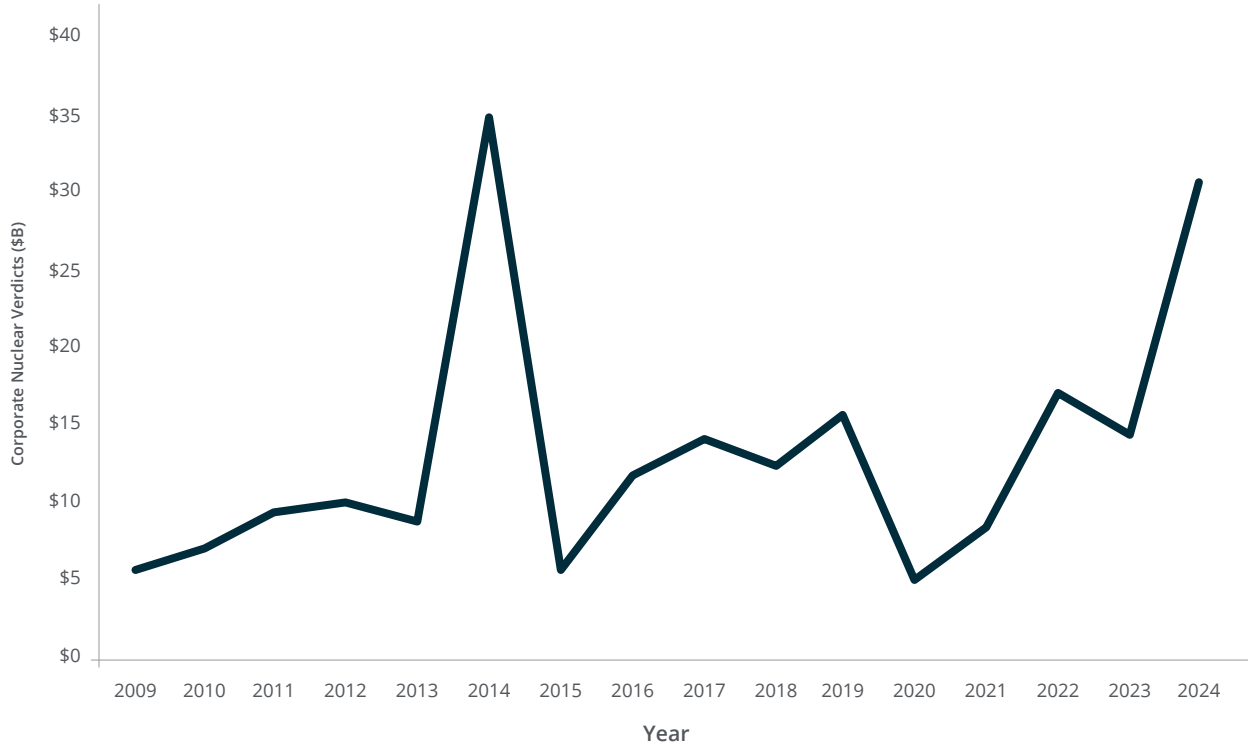
- Jury awards exceeding $10 million have increased significantly in the past decade, particularly in casualty and liability lines.[1]
- Third-party investors now finance lawsuits in exchange for a portion of settlements, increasing the volume and aggressiveness of claims.[2]
- Courts and plaintiffs' attorneys are broadening definitions of negligence and corporate responsibility.
- At the same time, trial tactics that appeal to jurors' fears and community safety instincts often drive higher verdicts — and plaintiff's attorneys use this to their advantage.[3]
- Social narratives increasingly frame companies as "bad guys" with "deep pockets," which influences jury behavior.

The result is an environment in which severity of claims is rising faster than actuarial expectations across several lines of business. Commercial auto and excess liability have experienced persistent rate increases driven by rising claim severity.[4] And reinsurers, facing large losses from nuclear verdicts, have increased their pricing and tightened terms.[5]

1. https://instituteforlegalreform.com/research/nuclear-verdicts-trends-causes-and-solutions/
2. https://www.swissre.com/institute/research/topics-and-risk-dialogues/casualty-risk-trends/litigation-funding-social-inflation.html
3. https://www.insurancejournal.com/magazines/mag-features/2024/07/15/783434.htm
4. https://www.iii.org/fact-statistic/facts-statistics-commercial-auto-insurance
5. https://www.munichre.com/en/insights/casualty/social-inflation.html

The most recent data on corporate nuclear verdicts is from 2024 and shows that $31.3 billion was awarded across 135 lawsuits against corporate defendants. Most of these were driven by product liability, intellectual capital and motor vehicle accidents.

Sum of Corporate Nuclear Verdicts



Source: Marathon Strategies, Corporate Verdicts Go Thermonuclear, 2025 Edition. https://marathonstrategies.com/wp-content/uploads/2025/05/Nuclear-Verdicts-Report-2025.pdf

New factors affecting social inflation

Two accelerants are making today's social inflation feel meaningfully different from earlier cycles: social media and AI. Social media has changed the jury ecosystem. Outrage travels faster than facts, and narratives about corporate "greed" or "recklessness" can be amplified exponentially — creating a cultural baseline where outsized awards feel normal. Market observers have noted that traditional and social media can reinforce these sentiments and normalize very large verdicts.

AI is adding a second layer by lowering the cost and increasing the sophistication of both claim manipulation and litigation leverage. Deepfakes and AI-assisted document/image manipulation can increase the volume of questionable submissions and complicate investigations — raising frictional costs and pushing more matters toward dispute, defense spend, and settlement. Swiss Re has highlighted growing use of deepfakes and AI-enabled manipulation in insurance fraud, including altered images, videos, and documents, which increases the burden on claims handling and verification.[6]

6. https://www.swissre.com/institute/research/sonar/sonar2025/how-deepfakes-disinformation-ai-amplify-insurance-fraud.html

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Social inflation considerations for insurance brokers

While social inflation directly impacts carriers and insureds, brokers can also be impacted.

As verdicts grow, plaintiffs increasingly scrutinize insurance program design. Brokers may be drawn into litigation alleging inadequate limits recommendations, failure to advise on umbrella or excess structures, or improper risk transfer guidance. The bottom line: when payouts escalate, defendants scramble for any and all recovery sources — including advisors.

Coverage adequacy pressure is another social inflation-related phenomenon that is unique to the insurance broking industry. Clients often resist premium increases without understanding the social inflation drivers behind them. If brokers cannot clearly explain why limits must rise or why umbrella layers are tightening, they risk relationship strain and potential errors and omissions (E&O) vulnerability. At the same time, social inflation can bring volatility to the insurance marketplace, resulting in higher deductibles, reduced capacity, stricter underwriting and expanded coverage exclusions as well as increased retentions.

Throughout all of this, brokers must navigate shrinking carrier appetite while preserving client protection.

Opportunities presented by social inflation

While social inflation creates pressure, it also opens up opportunities. In a world of headline verdicts and public litigation narratives, brokers are expected to be proactive strategic advisors — not reactive policy placers. These increased client advisory expectations are actually a good thing because they help raise the role of broker from “rate explainer” to risk strategist. Underwriters are demanding stronger risk management controls and more detailed submission data before deploying excess capacity. Only brokers can provide that. In addition, brokers can design layered towers and alternative risk structures, elevating conversations beyond premiums into enterprise risk resilience.

In a socially inflating world, the broker’s role expands — not contracts. Brokers who master it can differentiate themselves as indispensable strategic partners.

Contributions to this article by: Peter Kampf, MarshBerry Vice President.



Shifting From “Promise To Pay” to “Promise To Help” – What Brokers Need to Know

> Instacart, Uber, and Amazon have shaped modern consumers’ expectations for speed, personalization, and ease. Clients who are used to real-time updates, frictionless digital experiences, and proactive service now expect the same standard from their insurance partners — including their brokers.

This evolution is pushing the industry from a traditional “promise to pay” model toward a more modern “promise to help” approach, where preventing risk and guiding clients proactively matters as much as paying claims after the fact.

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The insurance industry is evolving

This “promise to help” shift refers to a fundamental transformation in how service-based industries engage with their customers. Traditionally, the insurer's primary obligation has been to cover financial losses following a specific event. Today, particularly in the health and car insurance sectors, more carriers are offering a model where instead of just compensating for loss, they offer incentives to reduce risk and prevent illness or damage. For example, many health insurance carriers are offering discounts to clients who use wearables to monitor their health, and auto insurers use telematics to provide real-time driving feedback, helping customers avoid accidents rather than just paying for repairs.

But it’s not just about reducing risks, it’s also about being more empathetic to client needs and concerns. Blue Shield of California provides Promising Start kits full of essential supplies to expectant parents before their baby’s due date. Some property insurers offer smart sensors to alert clients to property vulnerabilities, like fire risks, making homeowners and business owners feel secure and protected. For brokers, this shift represents a powerful opportunity to guide clients through this new ecosystem, help them take advantage of emerging tools, and deliver a more protective, advisory led experience.

How brokers are implementing this shift

Clients still value digital tools for routine tasks — ID cards, payments, document access — but when it comes to risk decisions, coverage clarity, and moments of vulnerability, brokers remain the trusted advisor. The “promise to help” is about deepening that trust with proactive, year-round engagement.

Here's how brokerage firms can implement this shift:

- **Revise business and operating models:** Brokerage firms must shift from a process-driven operating model to a more customer preference model. This might mean redesigning customer journeys (renewals, onboarding, midterm changes), removing friction from each touchpoint and aligning systems and teams to serve journeys holistically instead of by department.

- **Make changes to corporate culture:** Designing solutions and experiences that customers really want involves making a company-wide shift to transition from "transactional intermediaries" to "strategic risk partners." Ensure teams have the procedures, platforms, and knowledge to make client interactions feel personal rather than transactional. For example, coach producers and account managers to use insights rather than transaction details to start conversations.
- **Enhance human and technological resources:** Investments in people and technology can facilitate positive touchpoints beyond the point of purchase and submission of claims, which may lead to account-rounding opportunities.
- **Increase involvement in partnerships:** Collaboration with other industries, such as healthcare and technology, can help firms offer clients holistic support. Some brokers are forming partnerships with home repair companies, wellness platforms, roadside assistance services, or app developers.
- **Implement risk management programs:** Does the firm offer fleet management training, loss control resources or insurance sponsored programs like water and electrical sensors? The more a business helps clients prevent the claim from happening, the more they will value the firm's input.
- **Gather and analyze data:** Firms that use advanced analytics to understand customer behavior and provide personalized, timely interventions will see the most rewards from the "promise to help" approach. Data and AI can drive more insightful client metrics, which in turn create predictive retention models, personalized communication engines, or automated QA on service calls.

Above all, be there when it matters most. When a claim happens, how does the firm react? Does someone from the firm physically show up to support clients during large losses? Does someone assist in the claims process? Are there dedicated people to review the coverage and work with the insurance carrier? All of these help the customer to save time and make sure the situation is handled properly the first time.

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Benefits of a "promise to help" approach

Putting clients first isn't just about being charitable, it's a sound business strategy. Consider how a modern, holistic experience can differentiate a business and enhance client loyalty. That loyalty in turn leads to retention and increases profitable growth. In addition, some business lines are unsure about their coverage needs or risk profile, so this approach can open up new conversations that may help increase your book of business. Expanding from standard services to more tailored products may create new revenue streams and diversified earnings.

The "promise to help" strategy can also strengthen relationships with carriers who appreciate a focus on risk prevention instead of just paying out claims post-incident. As business grows, carriers might be more willing to create a special program for brokers who generate a significant amount of revenue. Bringing the "promise to help" approach to industry relationships can foster more business while also shifting the perception of the broker to someone who provides strategic guidance that is differentiated by both service and expertise.

Purchasing insurance isn't as simple as clicking "add to cart." Clients rely on their broker to be a clinical, financial, and risk management guide — someone who can interpret complexity, reduce anxiety, and advocate for them at every stage. In a world where speed and personalization are expected, the new benchmark is no longer how quickly a broker responds, but how quickly a client feels confident in their guidance. The brokerage firms that embrace the "promise to help" path will not only meet modern expectations — they'll elevate their role as indispensable strategic partners.

Contributions to this article by: Keith Captain, FirstChoice President, a MarshBerry Company.





Industry Insights

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Insurance Industry Trends and Analysis

Navigating the insurance brokerage landscape and providing you with the latest data and insights to help drive your business.

How the E&S Market Became the Backbone for Emerging Risks

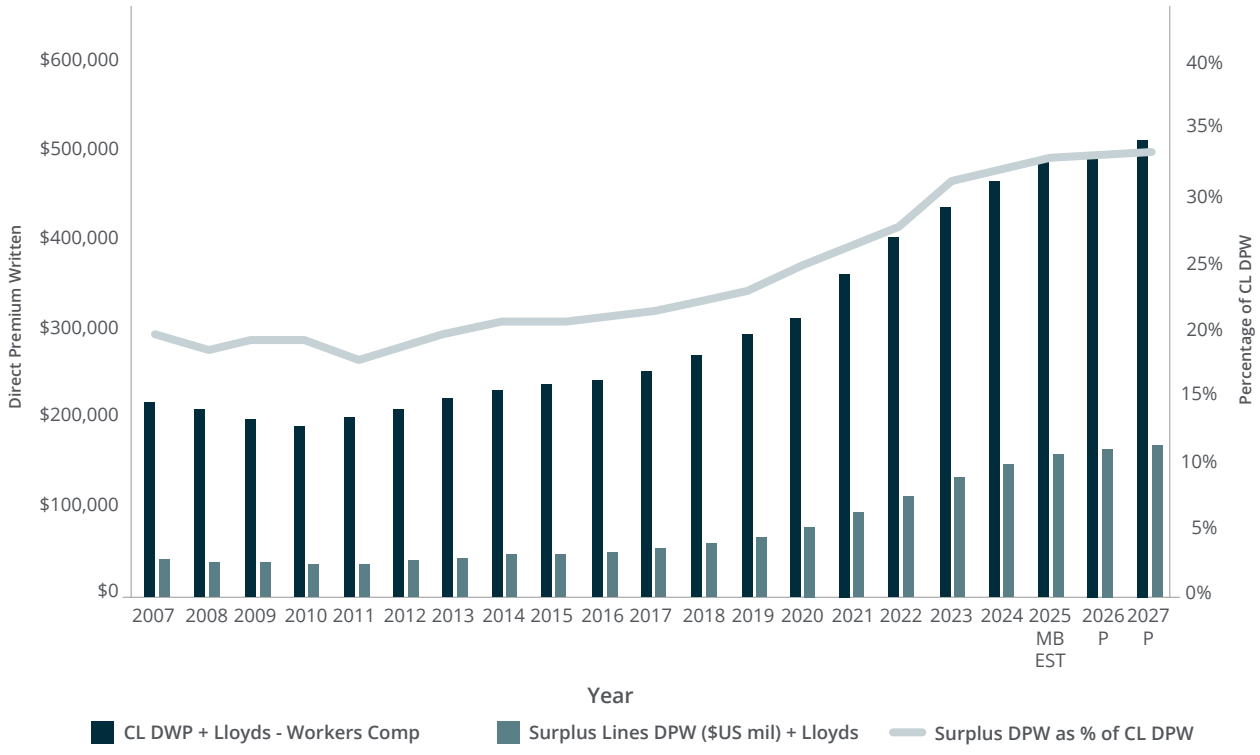
As the insurance landscape experiences ongoing inflation, climate volatility, and expanding litigation trends, traditional admitted carriers are reducing exposure to underperforming or hard-to-place risks. Consequently, the Excess & Surplus (E&S) market has become a formidable competitor in the property and casualty (P&C) landscape.

> Over the past ten years, the E&S market has grown 223%, expanding from $40 billion direct premium written (DPW) in 2014 to $130 billion DPW in 2024, three times as fast as the broader P&C market's growth of 86% over the same period.

E&S premium volume is projected to reach $140-145 billion in 2025, capturing an estimated 35 cents of every premium dollar in the domestic commercial P&C market.

Surplus Lines Direct Premium Written (DPW)

(As % of CL DPW)



Sources: A.M. Best, National Centers for Environmental Information, FRED, and MarshBerry analysis. CL: Commercial Lines; DPW: Direct Premium Written; P: Projection; MB: MarshBerry

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E&S is expected to see more measured growth in 2026

The E&S sector is expected to continue expanding in 2026 and be a viable and often preferable alternative to the admitted market for many lines of business, particularly those focused on emerging risks. The core advantages of E&S, including nuanced risk selection, pricing flexibility, and the ability to exclude underpriced or uninsurable risks, are likely to help fuel its future growth.

While pricing momentum has slowed as broad-based rate increases have begun to moderate, particularly in property and select professional lines, the structural drivers of E&S growth remain, including ongoing admitted market retrenchment, nuclear verdicts related to social inflation, elevated catastrophe losses, and continued demand for flexible underwriting solutions. As a result, premium growth is resulting from exposure-driven and underwriting-driven expansion.

One of the key reasons for the E&S market's continued growth is its underwriting strength. When E&S carriers generate lower loss ratios and stronger underwriting profits than the broader admitted market, capital tends to flow toward the segment.

From 2010-2014, E&S carriers maintained a 3.8 percentage point advantage (based on the five-year average) in loss ratios compared to the admitted market. During this period, the admitted market's net loss and LAE (loss adjustment expense) ratio was 72.8% (five-year average), compared to the E&S market's 69%. By 2020-2024, that gap had widened to 8 percentage points or more than double. By 2020-2024, the admitted market had a 73.3% net loss and LAE ratio, compared to the E&S market's 65.6%. Combined ratios consistently showed superior profitability, reinforcing the value proposition of E&S capacity, especially in an environment marked by volatility and inflationary pressure.



73.3%

2020-2024: The admitted market's net loss and LAE ratio, compared to the E&S market's 65.6%

Emerging risks are redefining the market

In 2016, emerging risks included issues like distracted driving, aging workforce, and drones. Cyber risks were just beginning to emerge, with most of the risk being covered in the admitted market. Cyber coverage has now shifted to the surplus lines market, where 65% of such coverage is currently provided.

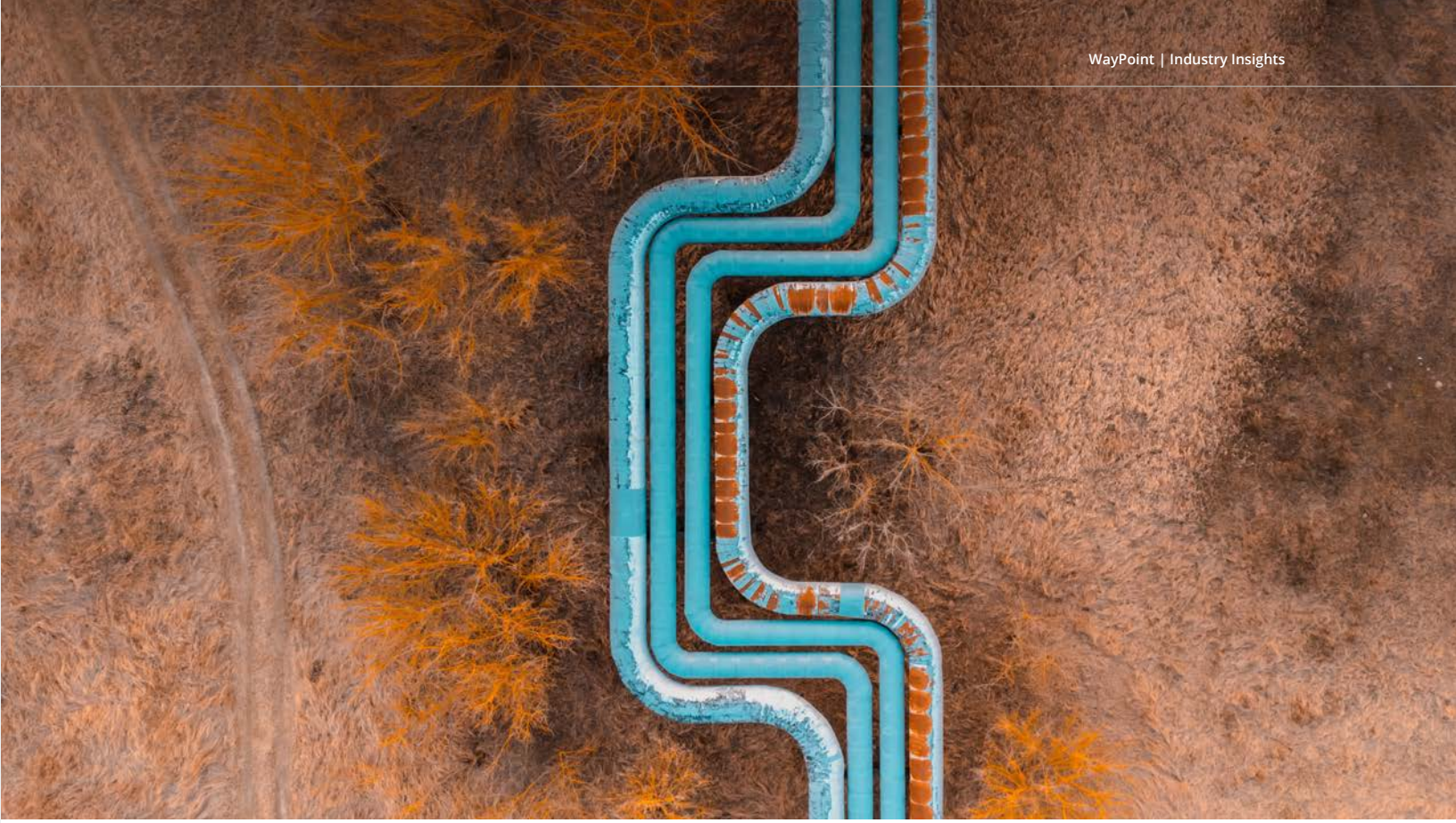
Today, there are very different emerging exposures that are rapidly reshaping the risk landscape and creating underwriting complexity. Here are some of those emerging risks:

- **Artificial Intelligence (AI) liability,** including issues around algorithmic bias, misuse of large data sets and copyright infringement.
- **Driverless vehicles,** whose technological problems can contribute to accidents without driver error.
- **GLP-1 weight loss drugs and similar medications,** which can cause potentially adverse health effects, including bone density issues and other health concerns.
- **Social media/influencer liability,** including instances where influencers are sued by designers and companies such as Prada after the influencers sell and promote their counterfeit luxury goods.
- **Commercial drones,** which are increasingly being used in agriculture, real estate, construction and logistics, have created the need for insurance to cover risks like liability and property damage.[1]
- **The regulation of harmful or objectionable online content,** including challenges around moderation standards, platform liability, and evolving legal requirements.
- **Parametric insurance solutions,** including products that provide rapid, transparent payouts for weather-related, seismic, and business-interruption events for which an actual loss does NOT have to be substantiated.

These risks are expected to generate strong demand for tailored E&S solutions in areas that the admitted market is unable to address.

1. https://finance.yahoo.com/news/drone-insurance-market-expected-reach-165700867.html

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There's opportunity for MGAs and program administrators

With its more flexible regulatory framework and increasingly data-driven underwriting models, the E&S carrier marketplace is well-positioned to support continued growth in non-standard risks, especially as market volatility, litigation trends, and capital constraints continue to challenge the admitted market. With the surplus lines market commanding a growing share of total premiums and delivering superior underwriting results, managing general agents (MGAs) and program administrators have an opportunity for greater growth and market share, driven by robust capacity from E&S carriers, and an increasing willingness from investors to back delegated authority models.

Contributions to this article by: Gerard Vecchio, MarshBerry Managing Director & Specialty Practice Co-Head.

The Reclassification of Cannabis Could Reshape Insurance Access

A recent executive order signed by President Trump in December 2025, proposing the reclassification of cannabis from a Schedule I to a Schedule III controlled substance, represents a potential inflection point for the cannabis insurance market in the U.S.

While the reclassification would not legalize cannabis at the federal level, it would narrow the gap between federal and state regulations, reducing legal ambiguity and possibly unlocking broader financial system access.[1] For insurers, this could mean improved pricing dynamics, and shifts in where and how coverage is placed. Currently, the medical use of cannabis has been legalized in 42 states and the District of Columbia.[2]

Current market structure: reliance on E&S

For over a decade, cannabis operators have relied on the E&S market for insurance coverage. With traditional admitted carriers largely remaining on the sidelines, primarily due to federal illegality and regulatory concerns, the E&S market has provided custom solutions including crop and property, general liability and product liability.

Cannabis-based businesses include wholesalers, retail distributors, hydroponic shops, and dispensaries. Most policies cover theft, property damage, crop loss, and liability claims. This risk segment has commanded elevated premiums due to:

- Cash-heavy operations lacking formal banking infrastructure.
- High-value inventory susceptible to theft or spoilage.
- Emerging product liability exposures (e.g., edibles, vape devices).
- Lack of long-term loss data for actuarial modeling.

Why reclassification of cannabis matters

The proposed federal reclassification would reclassify cannabis from the Schedule I category (which includes heroin and LSD) to Schedule III, recognizing medical use and likely reducing the severity of federal penalties.[3] This could lead to cannabis businesses gaining access to banking services, federal tax benefits, and commercial credit. However, because the reclassification would not federally legalize marijuana, cannabis firms would still be subject to federal anti-money laundering regulations.

According to AM Best, the executive order does not guarantee access to banking or insurance, but could reduce the perceived risk profile of the cannabis sector. Increased financial access generally leads to a more formalized and less risky business environment, which ultimately leads to more capacity and better pricing for insurance coverages.

1. https://www.debevoise.com/insights/publications/2025/12/federal-cannabis-developments-executive-order-on
2. https://mjbizdaily.com/map-of-us-marijuana-legalization-by-state/
3. https://vicentellp.com/insights/cannabis-rescheduling-explained/

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Strategic implications for the insurance sector

Here are four ways that the potential reclassification of cannabis could impact the insurance industry, including more competitive pricing, increased opportunities for brokers with expertise in the sector, and greater participation by admitted carriers.

1. **Admitted carriers may play a larger role in the sector.** Reclassification may create regulatory clarity and a more favorable compliance environment, leading to national carriers entering select lines. This would diversify capacity, potentially reducing the concentration of cannabis business in the E&S sector.
2. **Pricing could become more competitive.** More entrants, particularly from the admitted firms, could increase rate competition. While beneficial to cannabis operators, this would likely decrease premium margins for E&S carriers and MGAs currently writing the business.
3. **MGAs will continue to play an important role.** Even with broader market participation, MGAs will remain critical. Expertise in cannabis-specific underwriting, claims handling, and regulatory nuance will continue to differentiate those that have developed technical depth in the space.
4. **M&A activity could increase in the sector.** Improved access to insurance and tax normalization could enhance valuations and reduce cost of capital for cannabis operators. This could accelerate M&A activity in the sector, potentially putting smaller accounts at risk but also creating strategic growth opportunities for brokers and MGAs with deep expertise and relationships in the sector.

Conclusion

If fully enacted, the reclassification of cannabis to Schedule III could influence the insurance landscape for an industry that has operated in regulatory ambiguity. It would represent a move toward normalization, potentially enabling greater access to capital, stabilizing coverage, and expanding carrier participation.

> The insurance brokerage firms with underwriting expertise, claims infrastructure, and carrier relationships built during cannabis' high-risk era will be best positioned to benefit in the next phase of market maturity.

Contributions to this article by: Peter Kampf, MarshBerry Vice President.

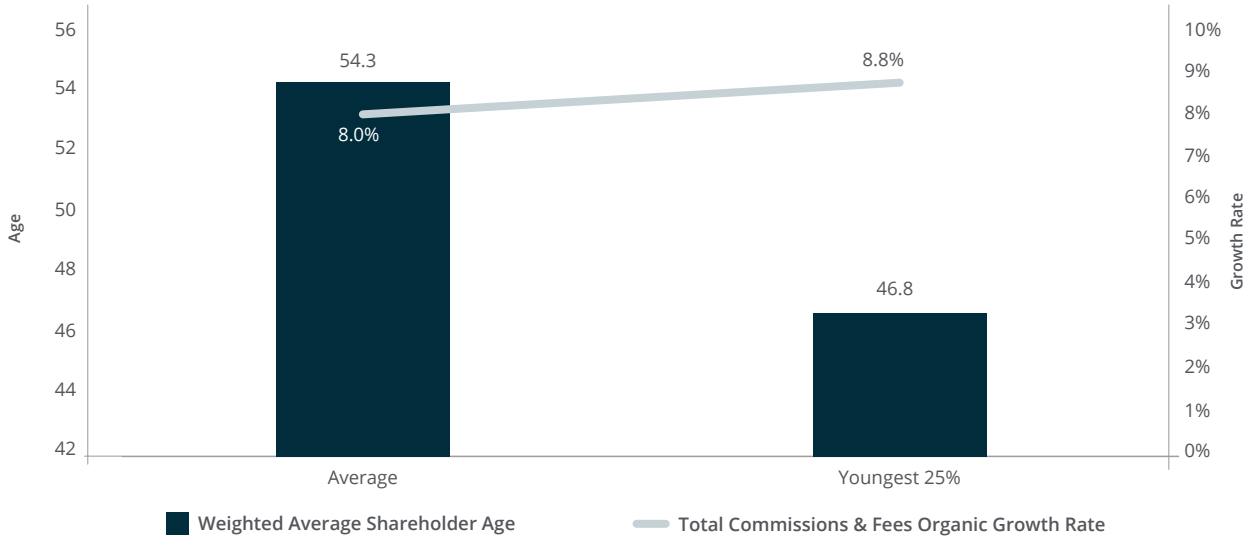
Lowering WASA: The Key to Stronger Growth and Succession Planning

Weighted Average Shareholder Age (WASA) is one of MarshBerry's Critical Performance Indicators (CPIs) – ratios that reveal a firm's true operational health. But WASA is more than a demographic metric — it is a leading indicator of ownership risk, perpetuation readiness, and long-term equity stability within an insurance brokerage. WASA measures the average age of shareholders, weighted by their ownership percentage. In other words, it reflects not just the ages of the owners, but how much equity is concentrated among older shareholders.

As WASA goes down, organic growth tends to go up

According to data from MarshBerry's proprietary financial management system, Perspectives for High Performance (PHP), insurance brokerage firms with younger shareholders tend to grow faster. The average weighted shareholder age across all firms is about 54 years and drives an average organic growth rate of 8.0%. However, firms with the youngest WASA (youngest 25% of firms) have an average age around 47 and achieve a higher organic growth rate of 8.8%, suggesting a positive relationship between younger ownership and growth performance.

Shareholder Age vs. Organic Growth



Source: MarshBerry proprietary financial management system Perspectives for High Performance (PHP); Data as of 12/31/25.

> WASA has been declining over the past few years, decreasing from a high of 55.9 since 2019. This trend signals that more firms are investing time and effort into equity succession planning. Firms that haven't implemented a perpetuation plan or identified their next generation of leaders should look deeper at the business' WASA.

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Why WASA matters for long-term business health

With an average WASA of 54, there will be a significant portion of insurance industry leaders approaching retirement in the next ten years. To ensure these companies can sustain their growth and success, organizations must identify and nurture the next generation of talent to fill these leadership voids. Top performing companies hire and develop producers with a plan for creating future shareholders – rather than simply limiting them to a traditional employee track. At the same time, the most successful producers are often entrepreneurial and have a desire for ownership.

Firms use WASA not only to understand their current state, but also to set realistic goals comparative to peers of similar size. A younger WASA indicates a firm has a clear plan for growth, is identifying the next generation of leaders quicker, ensuring those folks have enough runway to purchase stock, and increasing the likelihood of retaining top talent. This doesn't mean younger is better as there are benefits to retaining experienced top performers. However, leaders should groom newer producers to become stakeholders and decision-makers, hiring talent who can eventually move up and replace retiring leaders.

In addition, the value and appeal of a business stems from its ability to drive future growth and profitability. Potential acquirers may see a limit to the potential growth and profitability of a company when there is a shorter runway with existing leadership.

How to improve WASA

Sharing ownership can be a difficult proposition for existing shareholders. However, it is not only helpful for the recruitment and retention of producers, but it is key to overall growth in value. Here are some ways a firm can lower their WASA.

- **Establish and communicate a structured ownership perpetuation plan.** Develop a formal, transparent ownership roadmap that outlines how shares will transition to younger producers over time. Clear communication improves retention, motivates emerging talent, and enhances firm valuation.
- **Accelerate ownership transition to younger generations.** Provide earlier ownership opportunities and intentionally rebalance equity away from older shareholders through gradual buyouts or partial exits. Earlier succession empowers younger producers and strengthens long-term organizational stability.
- **Integrate younger leaders into long-term strategic planning.** As WASA decreases and the firm gains more strategic flexibility, involve up-and-coming talent in shaping growth, leadership development, and future partnership decisions. This brings energy, innovation, and forward-looking thinking into the firm's strategic direction.

These approaches not only lower WASA but also boost growth, retention, and valuation, making WASA a powerful strategy metric, not just a demographic one.

Contributions to this article by: Brooke Liu, MarshBerry Senior Vice President.



M&A Market Update

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The Latest Deals and Insights

Who's buying? Who's selling? MarshBerry highlights the current M&A market and provides a look at recent transaction activity.

Global Unrest and Economic Uncertainty Provide Early Headwinds for M&A In 2026

After 2025 produced the third highest M&A total on record—with 854 insurance brokerage deals announced—the natural question is whether 2026 can sustain that momentum. So far, the opening months of the year look very similar to the pattern set in early 2025: an environment defined by economic uncertainty, stubborn inflation, elevated borrowing costs, a cooling labor market, geopolitical tension, shifting trade dynamics, and an unsettled political landscape.

Layered on top of this is a major new global headwind: escalating conflict in Iran which has injected fresh volatility into global markets. This sudden geopolitical shock has been significant, triggering immediate energy market disruptions, with Brent crude (one of the world's major benchmark prices for oil) jumping 8–13% in early March. Analysts are already warning that a prolonged conflict could add meaningful upward pressure to consumer prices and heighten recession risks.

Consequences of this turbulent economic environment include sharp swings in financial markets, a Federal Reserve that continues to hold rates steady, and M&A activity that feels increasingly cautious and deliberate.

For potential acquirers, capital remains available, but it's still expensive, which may slow deal volume and push buyers, especially those dependent on leverage, to tighten their criteria. Still-too-high capital costs may not dramatically alter momentum or overall volume, but could redefine who participates, at what price, and under what structure. Weaker balance-sheet buyers may be sidelined, even as valuations for high-quality brokerages remain elevated due to limited supply and ongoing demand from private capital-backed platforms.

If 2026 ends up mirroring 2025 in both economic stability and dealmaking pace, most market participants would view that as a favorable outcome. But the balance is delicate, and even a modest shift in conditions could move the industry meaningfully in one direction—or the other.

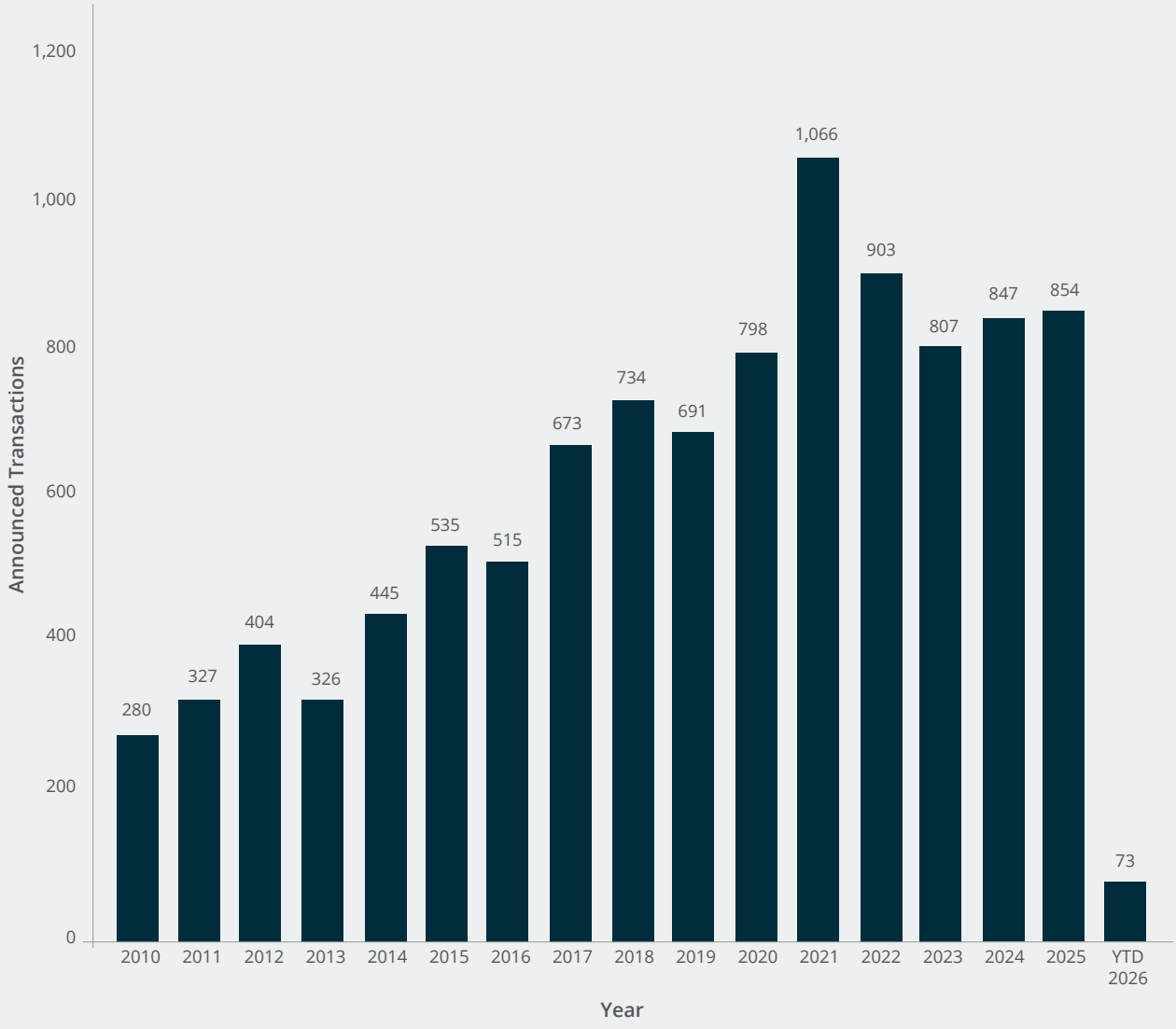
M&A Market Update

As of February 28, 2026, there were 73 announced M&A transactions in the U.S. This is down 14.0% compared to last year at this time when there were 86 transactions announced through February. This is likely to be due to delays in announcements and not a true reduction in activity. Private capital-backed buyers accounted for 47 of the 73 deals (64.4%) through February. Independent brokers were buyers in 13 deals so far in 2026, representing 17.8% of the market. Bank buyers announced two transactions YTD. Deals involving specialty intermediaries as targets accounted for 24 transactions, representing 32.9% of all deals so far – a significant uptick in activity for a sector of sellers that has been in low supply for a few years.

Deal activity from the top ten buyers accounted for 47.9% of all announced transactions, while the top three (BroadStreet Partners, Integrity Marketing Group, and WalkerHughes Insurance) accounted for 26.0% of the 73 total transactions.

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Total Announced U.S. Transactions



Sources: S&P Global Market Intelligence, Insurance Journal, and other publicly available sources. YTD: Year to date. Data as of 2/28/26.

Notable Transactions

February 10: Revau acquired **Triad Oilfield Underwriters**, a Houston-based managing general agent and wholesale brokerage specializing in upstream oil and gas and marine risks. Founded in 2017 and later expanded through a merger with Bayshore Underwriters, Triad operates as a Lloyd's coverholder with delegated underwriting authority and maintains established relationships with specialty capacity providers, while also supporting retail brokers through a focused wholesale platform. The transaction strengthens Revau's North American footprint by expanding its technical underwriting and placement capabilities in complex energy and marine sectors, aligning with its strategy to build a diversified, technology-enabled MGA platform. MarshBerry served as an advisor to Triad on this transaction.

February 23: The Vistria Group acquired **Lumen Holdings**, a Dallas-based, technology-enabled managing general agent, establishing it as a new platform investment within Vistria's financial services strategy. Founded in 2019, Lumen underwrites a diversified portfolio of commercial property, builders' risk, general liability, personal auto, homeowners, and umbrella products across more than 30 states, supported by a nationwide network of wholesale and retail broker relationships. The transaction reflects Vistria's focus on backing specialized MGAs with data-driven infrastructure and strong underwriting discipline, positioning Lumen for continued expansion through talent recruitment, program growth, and enhanced technology capabilities. MarshBerry served as an advisor to The Vistria Group on this transaction.

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Top Buyers 2026, Announced U.S. Transactions

	Buyer	Buyer Type	YTD 2026	% of Total
1	BroadStreet Partners	Insurance Broker — Private Capital–Backed	12	16.4%
2	Integrity Marketing Group	Insurance Broker — Private Capital–Backed	4	5.5%
3	WalkerHughes Insurance	Insurance Broker — Private Capital–Backed	3	4.1%
4	King Risk Partners	Insurance Broker — Private Capital–Backed	3	4.1%
5	Relation Insurance Services	Insurance Broker — Private Capital–Backed	3	4.1%
6	Alliant Insurance Services	Insurance Broker — Private Capital–Backed	2	2.7%
7	The Baldwin Group	Insurance Broker — Public	2	2.7%
8	Howden Group	Insurance Broker — Private Capital–Backed	2	2.7%
9	Hub International	Insurance Broker — Private Capital–Backed	2	2.7%
10	The Hilb Group	Insurance Broker — Private Capital–Backed	2	2.7%
	Subtotal		**35**	**47.9%**
	Total Deals		**73**	**100.0%**

Sources: S&P Global Market Intelligence, Insurance Journal, and other publicly available sources. YTD: Year to date. Data as of 2/28/26.

2026 Acquisition Detail (YTD as of February 28, 2026)

Who's Buying

Insurance Broker — *Independent:* **13**
Insurance Broker — *Public:* **8**
Insurance Broker — *Private Capital Backed:* **47**
Insurance Company and Other: **3**
Bank and Thrift: **2**

What's Being Bought

Full Service: **10**
P&C: **49**
Employee Benefits: **14**

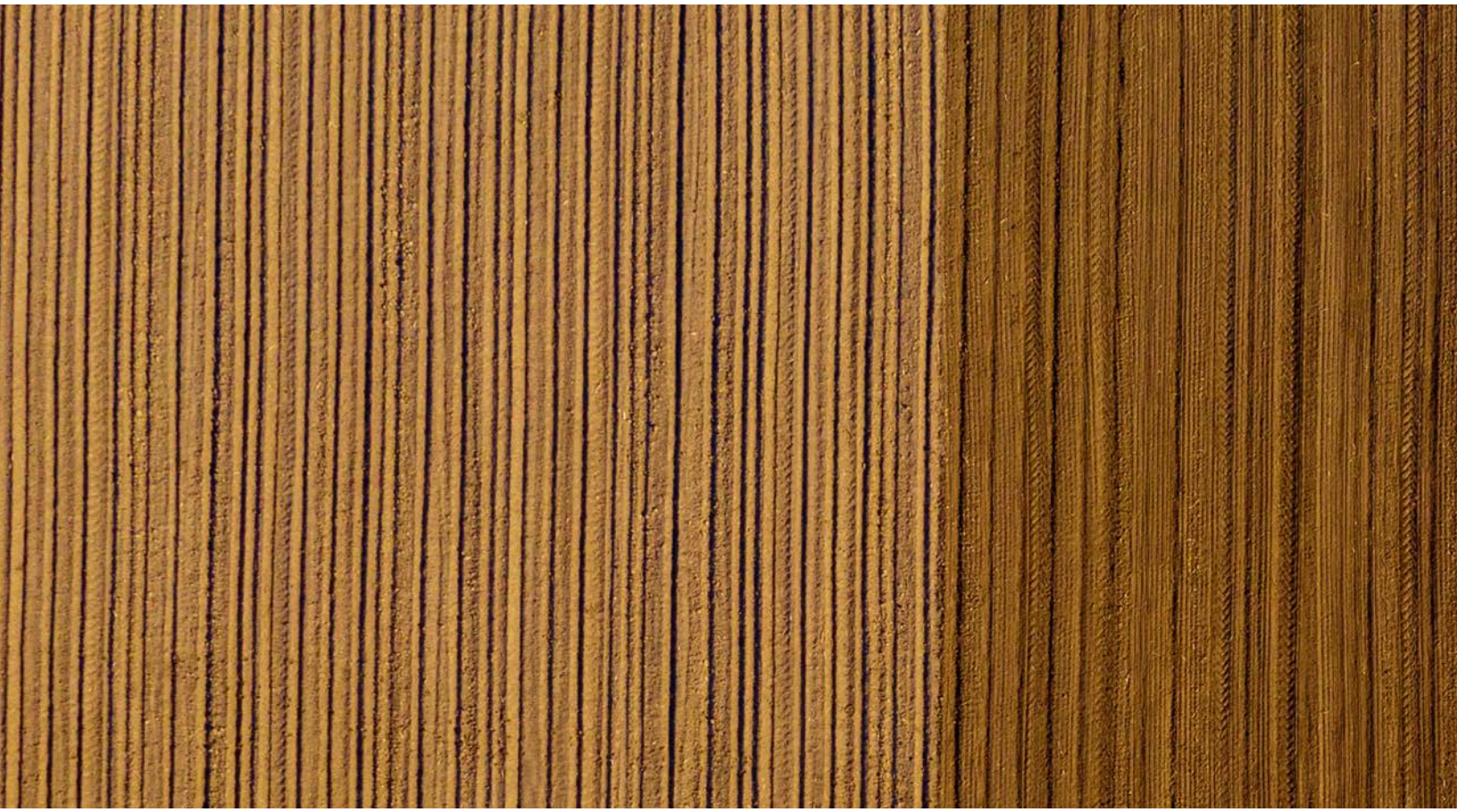
Retail vs. Specialty

Retail: **49**
Specialty: **24**

Contributions to this article by: Phil Trem, MarshBerry President.

Disclosure: All deal count metrics are inclusive of completed deals with U.S. targets only. Scorecard year-to-date totals may change from month to month should an acquirer notify MarshBerry or the public of a prior acquisition. 2026 statistics are preliminary and may change in future publications. Please feel free to send any announcements to M&A@MarshBerry.com.

Source: S&P Global Market Intelligence, http://www.insurancejournal.com, http://www.businessinsurance.com/ and other publicly available sources.



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MarshBerry Broker Index

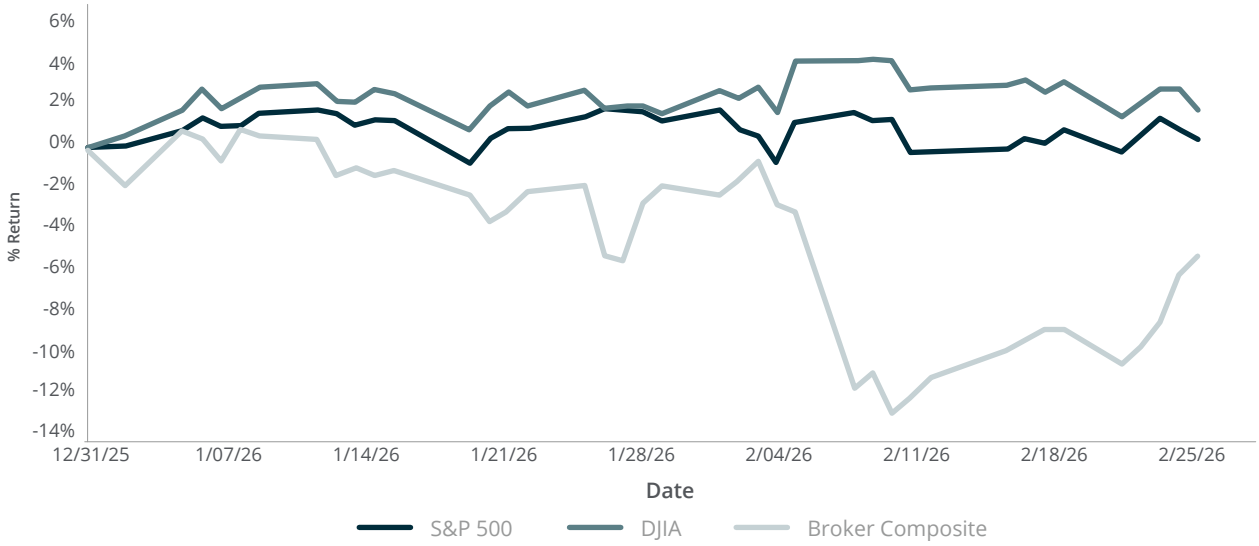
Get the latest performance and insights on the public broker composite.

MarshBerry Broker Composite Index: Market Update and Q4 2025 Earnings

During the period from January 1, 2026, through February 27, 2026, the Dow Jones Industrial Average (DJIA) outperformed both the S&P 500 Index and the six public insurance brokers, as measured by MarshBerry's Broker Index.

The following publicly traded insurance brokers are included in the Broker Index: Arthur J. Gallagher & Co. (AJG), Aon plc. (AON), Brown & Brown, Inc. (BRO), Marsh (MRSH), WTW (WTW) and The Baldwin Group (BWIN).

Year-to-Date Public Broker Performance (1.2.2026 – 2.27.2026)



1.9%	0.5%	-5.2%
DJIA	S&P 500	Broker Composite

Illustration generated by MarshBerry with data sourced from Yahoo Finance. Data through 2/27/26. The following publicly traded insurance brokers are included in the Index: Arthur J. Gallagher & Co. (AJG), Aon Plc. (Aon), Brown & Brown, Inc. (BRO), Marsh (MRSH), WTW, and The Baldwin Group (BWIN).

Q4 2025 Earnings Results

Public insurance brokers reported flat to lower organic growth rates in the fourth quarter. Amid a more difficult rate environment, brokers continued to focus on operational discipline and strategic investments to drive performance.

Global commercial insurance rates continued to soften in Q4 2025, and some public brokers also saw lower organic growth rates. The public brokers noted more challenging market conditions and macroeconomic uncertainty, including inflation concerns. Some brokers noted their success around M&A strategies and other investments and initiatives in helping to drive growth.

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Organic growth rates

Overall organic growth figures reported in Q4 2025 by public insurance brokers tended to be slightly lower compared to those in Q3 2025. WTW saw an increase, while the other companies saw flattish or lower organic growth rates compared to Q3 2025.

- **AON** reported 5% organic growth in Q4 2025, compared to 7% organic growth in Q3 2025.
- **AJG** reported 5% organic growth across its combined brokerage and risk management segments in Q4 2025, compared to 4.8% organic growth in Q3 2025.
- **BRO** posted -2.8% organic growth in Q4 2025, compared to 3.5% organic growth in Q3 2025.
- **BWIN** reported 3% organic growth in Q4 2025, compared to 5% organic growth in Q3 2025.
- **MRSH** reported 4% organic growth in Q4 2025, compared to 4% organic growth in Q3 2025.
- **RYAN** reported 6.6% organic growth in Q4 2025, compared to 15% organic growth in Q3 2025.
- **WTW** posted 6% organic growth in Q4 2025 (compared with 5% organic growth in Q3 2025).

Insurance rates

Fourth quarter earnings generally reflected continued softening rates, with brokers seeing decreases in CL, particularly in property.

In terms of commercial insurance pricing, BRO noted that Q4 2025 rates for most lines were similar to those in Q3, but there was some moderation across some lines. “Rates in the admitted P&C market moderated slightly as compared to last quarter and continue to be in the range of flat to up 5%. Workers' compensation rates remain flat to down 3%, but we're seeing a few states increasing rates,” said CEO and President J. Powell Brown. Rates in the E&S property market were generally down 15-30% in Q4 2025.

Ryan Specialty Holdings Founder & Executive Chairman Patrick G. Ryan commented on the current insurance pricing cycle: “What distinguishes this cycle is simple. It was harder for longer on the way up and much faster on the way down, particularly as it relates to the property. Throughout my career, I've never witnessed market sentiment shift this rapidly. We are currently operating one of the most volatile and reactive insurance markets, I've seen across my more than 60 years in the industry.”

Macroeconomic commentary

Overall, brokers were cautious, but constructive. Most firms’ 2026 outlooks included mid-single-digit organic growth or better, signaling confidence that demand is holding up.

WTW CEO Carl Aaron Hess said on the Q4 earnings call, “While we remain positive about current macroeconomic and market conditions, of course, we're closely monitoring potential headwinds to our business in the year ahead so that we can respond appropriately.”

BRO saw economic growth in the quarter as being consistent to recent quarters, with many companies continuing to hire and invest at a modest level. Inflation is still a main area of focus.

This information is not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell or to participate in any particular trading strategy. Past performance is not necessarily indicative of future results.

Public Broker Comps

Market Capitalization ($M)

	2021	2022	2023	2024	12.31.25
AON	$ 64,560	$ 61,649	$ 57,797	$ 77,579	**$ 75,846**
AJG	$ 35,368	$ 39,954	$ 48,728	$ 70,962	**$ 66,459**
BRO	$ 19,854	$ 16,134	$ 20,238	$ 29,178	**$ 27,211**
BWIN	$ 4,088	$ 2,923	$ 2,817	$ 4,589	**$ 2,859**
MRSH	$ 87,525	$ 81,877	$ 93,220	$ 104,379	**$ 90,888**
WTW	$ 28,983	$ 26,106	$ 24,728	$ 31,263	**$ 31,463**

Total Enterprise Value ($M)

	2021	2022	2023	2024	12.31.25
AON	$ 74,536	$ 72,736	$ 69,135	$ 94,806	**$ 92,558**
AJG	$ 41,693	$ 46,156	$ 56,198	$ 77,490	**$ 78,794**
BRO	$ 21,213	$ 19,667	$ 23,557	$ 32,039	**$ 34,075**
BWIN	$ 4,832	$ 4,148	$ 4,041	$ 5,876	**$ 4,446**
MRSH	$ 99,148	$ 94,136	$ 105,477	$ 117,494	**$ 110,009**
WTW	$ 30,035	$ 30,404	$ 29,323	$ 36,246	**$ 35,524**

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Total Enterprise Value / EBITDA (x)

	2021	2022	2023	2024	LTM Q4 2025
AON	28.9	19.01	21.60	17.8	**16.03**
AJG	23.59	20.96	25.80	24.7	**22.68**
BRO	21.83	16.35	12.95	21.5	**17.71**
BWIN	27.6	20.44	16.15	18.9	**12.60**
MRSH	18.36	17.86	19.04	21.5	**13.43**
WTW	8.45	14.96	7.97	4.8	**12.87**

Total Revenue ($000)

	2021	2022	2023	2024	Q4 2025
AON	$ 12,204,000	$ 12,497,000	$ 13,407,000	$ 15,698,000	**$ 4,300,000**
AJG	$ 7,036,200	$ 8,527,700	$ 10,071,900	$ 10,927,400	**$ 3,464,500**
BRO	$ 3,051,398	$ 3,573,400	$ 4,257,100	$ 4,712,000	**$ 1,580,000**
BWIN	$ 567,290	$ 980,720	$ 1,218,555	$ 1,389,037	**$ 347,279**
MRSH	$ 19,883,000	$ 20,756,000	$ 22,819,000	$ 24,458,000	**$ 6,595,000**
WTW	$ 9,699,000	$ 9,154,000	$ 9,632,000	$ 9,930,000	**$ 2,936,000**

Sources: S&P Global, Company Reports; Results as of Q4 2025.

P/E Multiple

	12.31.21	12.31.22	12.31.23	12.31.24	LTM Q4 2025
AON	76.3	23.2	22.1	30.7	**28.2**
AJG	36.7	37.1	43.1	53.9	**40.9**
BRO	34.3	25.8	27.0	27.8	**24.1**
BWIN	45.1	24.4	21.4	25.8	**14.4**
MRSH	32.9	24.8	27.3	26.2	**22.2**
WTW	13.4	10.1	25.3	NM	**15.4**

Debt / EBITDA (x)

	2021	2022	2023	2024	LTM Q4 2025
AON	3.5	3.0	3.1	3.5	**2.7**
AJG	3.2	3.0	3.3	3.0	**3.7**
BRO	2.3	3.3	2.6	2.4	**3.9**
BWIN	4.3	6.0	4.9	4.1	**4.5**
MRSH	2.4	2.6	2.4	2.3	**2.6**
WTW	1.7	2.7	2.9	7.5	**2.5**

EBITDA Margin

	2021	2022	2023	2024	Q4 2025
AON	21%	31%	29%	31%	**37%**
AJG	25%	26%	22%	28%	**20%**
BRO	32%	34%	36%	36%	**32%**
BWIN	24%	21%	21%	22%	**20%**
MRSH	27%	25%	28%	28%	**29%**
WTW	37%	22%	21%	8%	**39%**

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EBITDA ($000)

	2021	2022	2023	2024	Q4 2025
AON	$ 2,579,000	$ 3,826,000	$ 3,909,000	$ 4,936,000	**$ 1,581,000**
AJG	$ 1,767,500	$ 2,183,500	$ 2,178,300	$ 3,098,400	**$ 700,100**
BRO	$ 980,706	$ 1,203,100	$ 1,542,100	$ 1,718,000	**$ 500,000**
BWIN	$ 175,025	$ 202,937	$ 250,204	$ 310,888	**$ 69,645**
MRSH	$ 5,399,000	$ 5,270,000	$ 6,317,000	$ 6,926,000	**$ 1,906,000**
WTW	$ 3,553,000	$ 2,033,000	$ 2,019,000	$ 823,000	**$ 1,146,000**

Total Enterprise Value / Forward Total Revenue (x)

	2026	2027	2028
AON	4.56	4.29	4.06
AJG	3.98	3.65	3.38
BRO	4.20	3.93	3.77
BWIN	2.95	2.25	1.97
MRSH	3.65	3.47	3.30
WTW	2.96	2.79	2.62

Sources: S&P Global, Company Reports; Results as of Q4 2025.

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