STEADYSTATE RESEARCH | AUGUST 2026

THE INDEPENDENT AGENCY OPERATIONS BENCHMARK

Where capacity goes - and what high-performing agencies measure differently

58%	72%	$183k-$188k
report a heavier workload Vertafore [4]	**want more commercial-submission automation** Ivans [5]	**revenue per employee in three smaller Best Practices cohorts** Big "I" / Reagan [1]

A practical reference for independent P&C agency owners and operational leaders, particularly agencies with approximately 5-50 employees.

Published by SteadyState | steadystateao.com

ABOUT THIS REPORT

A practical synthesis of current agency research

The Independent Agency Operations Benchmark 2026 brings together current research from leading insurance organizations, technology providers, consulting firms and public studies into one practical reference for independent P&C agency owners.

Rather than presenting new survey data, the report identifies the operational benchmarks and patterns that appear most consistently across credible sources - and translates them into measures an agency can use.

EVIDENCE STANDARD **Every external statistic is tied to a numbered source. Where no credible universal benchmark exists, the report says so and provides a method for building an agency-specific baseline.**

How to use the evidence

Evidence type	What it means	How to use it
Industry benchmark	Measured result from a named study or dataset.	Compare only when definitions and peer groups match.
Directional signal	Credible pattern, but not a universal agency average.	Use it to decide what to investigate.
Agency diagnostic	A practical tool created for this report.	Establish your own baseline and retest after change.
Vendor-reported result	Outcome published by a technology provider.	Treat as evidence of possibility, not a guarantee.

Research cutoff: August 4, 2026. Best Practices figures describe selected high-performing agencies and are aspirational, not representative of every independent agency.

EXECUTIVE SUMMARY

The channel is strong. Capacity is the constraint.

Independent agencies wrote 87.7% of commercial-lines premium and 39.5% of personal-lines premium in 2025. [8] The central operating risk is not relevance. It is whether agencies can convert that position into profitable growth while experienced people absorb more placement work, client explanation, follow-up and fragmented information.

MAIN FINDING **Agency capacity is often lost before expert judgment begins: collecting, checking, rekeying, routing, searching, following up and reconstructing status.**

Six conclusions

1. Treat capacity as a measurable operating asset - not a feeling that everyone is busy.
2. Submission readiness and placement work have the clearest documented pain and strongest demand for improvement.
3. Separate low-complexity service from high-judgment conversations.
4. Benchmark productivity by agency revenue category; do not use one universal revenue-per-employee target.
5. Improve workflows before adding tools. Existing systems often contain underused capability.
6. Measure rework, missing-information loops, cycle time and exceptions. Public research rarely provides reliable agency-level norms for them.

KEY FINDINGS

The numbers owners should remember

Finding	What it means	Source
87.7%	commercial-lines premium written by independent agencies in 2025	Big "I" [8]
39.5%	personal-lines premium share in 2025	Big "I" [8]
39,000	independent P&C agencies in the U.S.	Agency Universe [9]
70%	report more difficulty placing risk	Vertafore [4]
58%	report a heavier workload	Vertafore [4]
55%	report increased workplace stress	Vertafore [4]
4-5	carriers receiving an average commercial submission	Ivans [5]
20-35%	of those submissions declined	Ivans [5]
72%	want more carrier automation in commercial submissions	Ivans [5]
77%	say agent responsiveness is very valuable or critical	Liberty/Safeco [6]
67%	want agents proactive about their needs	Liberty/Safeco [6]
5 in 6	prefer a person for complex insurance transactions	J.D. Power [7]

These figures come from different studies, samples and definitions. They should not be combined mathematically.

INDUSTRY CONTEXT

A durable channel under operating pressure

Strength creates its own workload

The independent channel's market position is a strategic advantage, but it also means agencies carry a large share of placement and service complexity. The 2024 Agency Universe Study estimated about 39,000 independent P&C agencies; 76% were small to medium. Seventy-five percent reported revenue gains from 2022 to 2023, while 57% identified finding new markets as their top challenge. [9]

Rate-driven growth can hide workflow weakness

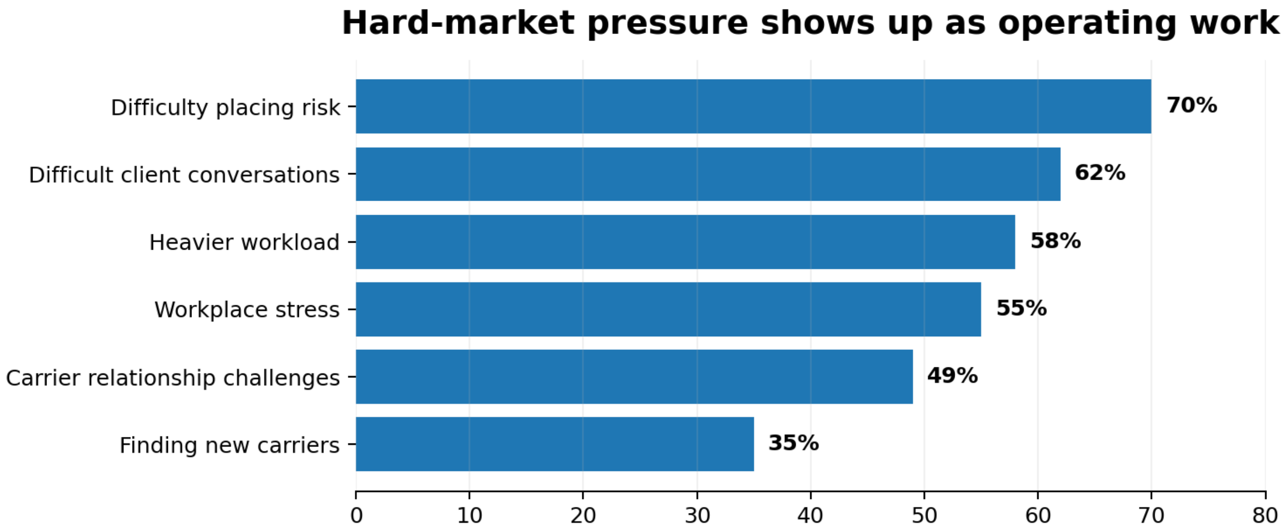
Best Practices agencies posted 10.7% organic growth in the 2025 study and a 26.1% EBITDA margin. The Big "I" and Reagan Consulting also noted that commercial P&C growth slowed in most revenue categories as rate increases moderated. [2] As rate lift fades, sustainable growth depends more visibly on new business, retention, productivity and capacity.

WHAT THIS MEANS **Do not assume rising revenue proves the operating model is healthy. Track organic growth, revenue per employee, service workload and cycle time together.**

The operating challenge is to protect the human advice clients value while removing low-value work that consumes the same people. That is an operating-design problem, not simply a staffing or software problem.

WORKLOAD

Market complexity becomes internal work



Source: Vertafore 2024 Insurance Agency Workforce Report; n=1,989 independent-agency professionals. [4]

Vertafore reported that nearly three-quarters of professionals in agencies with 25 or fewer employees experienced greater difficulty placing risk, versus 60% in larger agencies. [4] Smaller agencies generally have fewer carrier relationships and less specialized support to absorb the search.

Pressure	What staff experience	What owners should measure
Placement difficulty	More carrier research, declined submissions and remarketing.	Carrier-search time; carriers approached; decline reasons.
Client explanation	More calls, emails and difficult premium or coverage conversations.	Touches per renewal; response time; escalations.
Workload and stress	More interruptions, backlog, after-hours catch-up and error risk.	Open work by age; after-hours work; rework; handoffs.

WARNING **“Busy” is not a usable benchmark. Convert it into counts, time, age and exception rates by workflow.**

WHERE AGENCIES LOSE TIME

The hidden work surrounding expertise

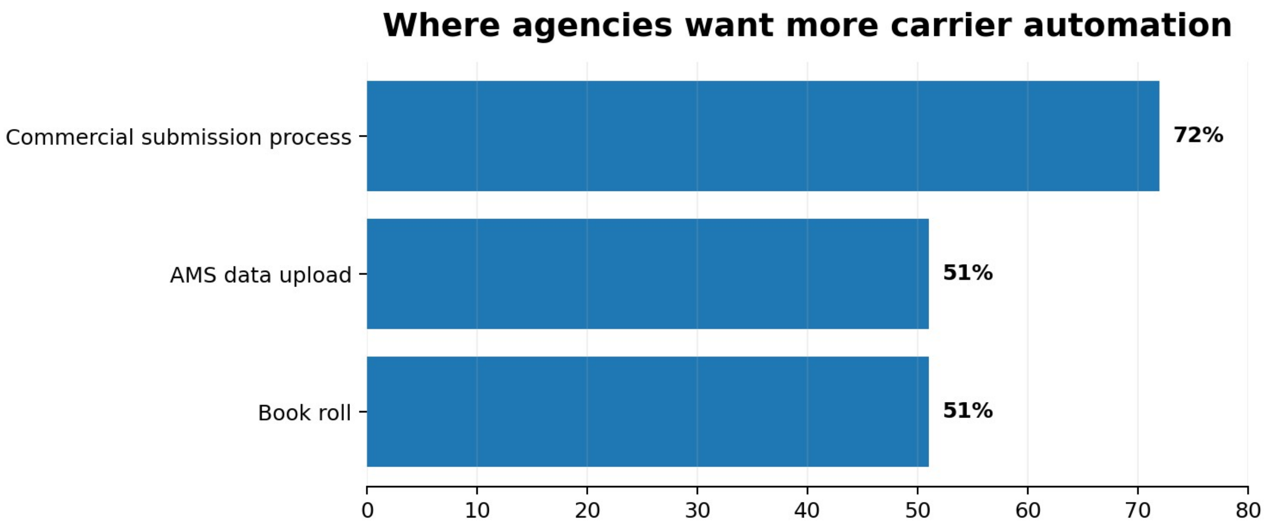
Public research rarely measures every agency task minute by minute. But the sources repeatedly identify the same classes of work: manual submission, data re-entry, carrier and policy search, document handling, status checks, routine service and communication. [4][5][11][12]

Work pattern	Observable symptom	Suggested agency metric
Scattered information	Email, photos, attachments, calls and messages must be assembled.	Minutes from receipt to complete file; channels per request.
Missing information	The real work pauses while staff chase details.	Incomplete-at-first-review rate; follow-up rounds.
Duplicate entry	Data moves manually among email, forms, raters, portals and AMS.	Fields rekeyed; systems touched; minutes per case.
Market search	Staff identify appetite and eligibility before or during quoting.	Search minutes; no-market rate; decline reasons.
Status reconstruction	People search inboxes, activities and colleagues for the next step.	Status inquiries; touches without state change.
Routine service	Certificates, ID cards, simple documents and payments consume staff time.	Requests per employee; self-service share.
Interruptions	Email, messages, calls and walk-ups fragment judgment work.	Interruptions per focused block; restart time.

BEST FIRST MEASUREMENT **For one high-volume workflow, record receipt time, ready-to-work time, completion time, human touches, systems touched and every exception for two weeks.**

NEW BUSINESS

Submission readiness is the clearest benchmark opportunity



Source: Ivans 2025 Insurance Agency-Carrier Connectivity Trends; 700+ industry professionals. [5]

Ivans found that agencies sent an average commercial submission to four or five carriers, with 20%-35% declined. The survey did not attribute every decline to submission quality; appetite, eligibility and market conditions also matter. [5]

Measure	Definition	Why it matters
First-review completeness	Share containing every agency-required item at first review.	Separates intake quality from downstream speed.
Follow-up rounds	Outbound requests required before quoting can begin.	Exposes fragmented collection and unclear requests.
Ready-to-quote time	Elapsed time from first receipt to staff-confirmed readiness.	Captures delay before insurance expertise begins.
Touch count	Human actions from receipt to ready status.	Makes hidden coordination visible.
Carrier decline reason	Standard reason code for every declined submission.	Separates appetite problems from quality problems.
Quote yield	Quotes received divided by carriers approached.	Tests targeting and submission effectiveness.

IMPORTANT No credible public source establishes a universal “good” first-review completeness rate. Start with a consistent baseline, not a borrowed target.

RENEWALS

Renewal workload needs a clock and an exception path

Renewal pressure combines external change - rate, appetite, non-renewal and coverage shifts - with internal coordination. Vertafore found surging premiums and mass non-renewals were driving agencies to use personal-lines raters for retention as well as acquisition. [4] J.D. Power found that customers prefer people for price changes and complex transactions while favoring self-service for simple activities. [7]

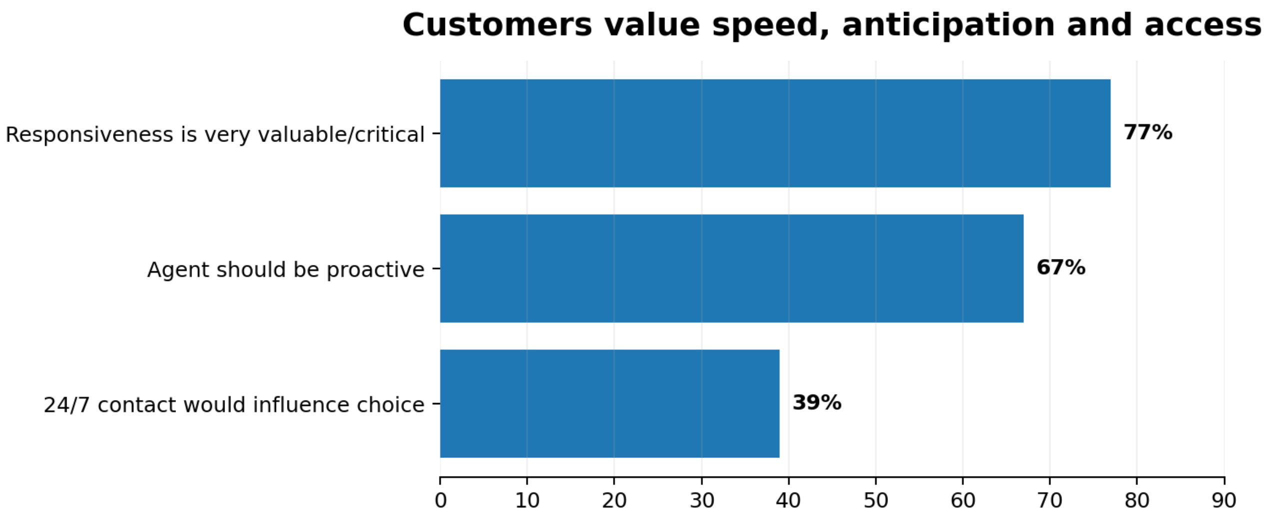
Control point	Healthy operating question	Metric
Start	Does every renewal enter a defined workflow early enough?	% opened by target day; late-start rate.
Triage	Can staff distinguish routine, vulnerable and complex accounts?	% segmented; exception volume.
Information	Are exposures and changes confirmed before market action?	Missing-item rate; follow-up rounds.
Market decision	Is remarketing intentional rather than automatic?	Remarket rate; reason; carrier count.
Client conversation	Does the client hear the story before the deadline?	Days before expiration; response time.
Completion	Are bind, documentation and AMS updates closed consistently?	Late-bind rate; reopen/rework rate.

WHAT THIS MEANS **Do not benchmark only “renewals completed.” Benchmark when work starts, how exceptions are identified and how many touches occur before completion.**

Coverage advice, risk discussion and difficult premium conversations are not waste. The opportunity is to route complete, prepared account context to the person best equipped for the conversation.

ENDORSEMENTS & SERVICE

Simple work and complex work should not share one queue



Source: Liberty Mutual/Safeco 2024 Agent-Customer Connection Study. [6]

J.D. Power reported that 73% of customers prefer self-service or interactive digital options for making a payment, while 60% prefer speaking with a person about price changes; five out of six want a live person for more complex transactions. [7]

Lane	Examples	Operating response
Routine self-service	ID cards, documents, simple payment access, appropriate certificate requests.	Provide a convenient, controlled route and confirmation.
Prepared staff service	Straightforward endorsements with complete details.	Collect required facts first; route to a defined owner and service level.
Expert conversation	Coverage changes, premium shocks, complex commercial changes, vulnerable renewals.	Prepare context; prioritize human judgment and proactive contact.
Exception	Incomplete, conflicting, high-risk or carrier-rejected work.	Surface immediately with reason, owner and next action.

EMAIL & INTERRUPTIONS

Communication is work - unmanaged communication becomes rework

Insurance-agency-specific email-volume benchmarks are a major research gap. Broader Microsoft 365 telemetry provides context, not a direct agency average: employees spent 57% of their Microsoft 365 time communicating and 43% creating; 62% said they struggled with time spent searching for information. The heaviest email users spent 8.8 hours per week in email. [11]

Symptom	Weak response	Better operating response
Shared inbox overload	Add folders and ask everyone to monitor them.	Define intake categories, ownership, priority and aging.
Repeated status questions	Add another chat channel.	Create a visible state, owner and next action.
Incomplete requests	Send multiple one-off follow-ups.	Use one structured missing-information request.
Producer interruption	Tell producers to ignore messages.	Prepare the file and escalate only decisions or true exceptions.
After-hours catch-up	Celebrate responsiveness.	Measure arrival patterns, backlog and work requiring protected time.

AGENCY BASELINE **For two weeks, count inbound requests, unique work items, duplicate or status messages, after-hours activity and touches that do not move work forward.**

STAFF CAPACITY

Hiring cannot be the only capacity strategy

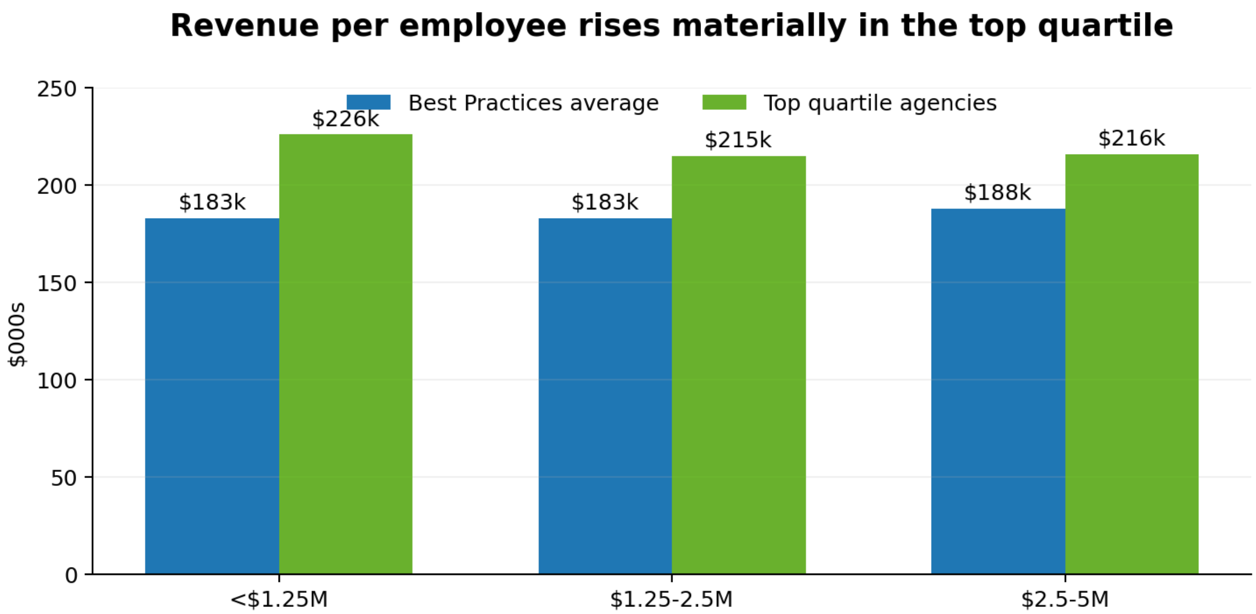
Liberty Mutual/Safeco found 51% of agency principals named finding and recruiting talent as their biggest management challenge; among agencies with more than 10 employees, the figure was 67%. [10] Vertafore found only 7% of hiring-involved respondents had faced no hiring challenge in the prior year. [4]

Lever	Owner question	Evidence-based implication
Demand	What work is arriving, how often and with what complexity?	Measure volume and exception mix before staffing.
Flow	Where does work wait, loop or change hands?	Reduce delay and rework before adding headcount.
Role design	Which tasks truly require experienced insurance judgment?	Protect experts from preparation and status work.
Tools and data	Do existing systems reduce steps - or create duplicate ones?	Optimize adoption and connectivity before tool sprawl.

THE FALSE CHOICE **The decision is not “hire or automate.” Remove avoidable work, redesign roles, use existing capabilities well, then hire against the remaining demand.**

PROFITABILITY & PRODUCTIVITY

Revenue per employee is the clearest operating benchmark



Source: Big “I” / Reagan Consulting 2024 Best Practices Study (2023 operating data). [1]

For the three smaller revenue cohorts, Best Practices averages ranged from about $183,000 to $188,000 in pro forma revenue per employee. Top-quartile results ranged from about $215,000 to $226,000. [1]

This is not a staffing-cut target. Revenue per employee can rise through better new business, rate, retention, mix, specialization, workflow design or technology - not merely fewer employees.

Use the benchmark correctly

- Match the agency’s revenue category and the study definition, including full-time-equivalent, outsourced and 1099 labor where required.
- Track a trailing-12-month result so seasonality and one-time revenue do not distort the number.
- Pair it with service quality, retention, backlog and workload. Productivity without quality is not operating health.

INDUSTRY BENCHMARKS

Financial benchmarks for smaller Best Practices cohorts

Agency revenue	Organic growth	Pro forma EBITDA	Revenue / employee	Top-quartile revenue / employee	Rule of 20
<$1.25M	5.4%	27.5%	$183,050	$226,020	23.4
$1.25M-$2.5M	11.4%	28.8%	$182,593	$215,163	26.8
$2.5M-$5M	11.7%	30.0%	$188,362	$215,777	25.5
$5M-$10M	11.3%	24.8%	$225,793	$258,286	26.4

Public 2024 Best Practices results, based on 2023 data. Because the study selects high-performing agencies, use the average as a performance reference - not as the average independent agency. [1]

2025 top-line update

The 2025 Best Practices release reported 10.7% organic growth, 26.1% EBITDA and a Rule of 20 score of 25.1 across Best Practices agencies. It also reported that sales velocity in every revenue category exceeded the 12%-13% level Reagan considers evidence of a healthy sales culture. [2]

INTERPRETATION **Best Practices performance shows what selected strong agencies achieve. It does not tell you which workflow created the result. That requires agency-level operating data.**

The benchmarks that matter most

Benchmark	Why track it
Organic growth	Separates underlying growth from acquisition activity.
Revenue per employee	Shows productivity relative to labor capacity.
Retention	Protects the economics of the existing book.
Cycle time	Shows how long customers and staff wait.
First-review completeness	Shows how much work arrives ready to proceed.
Rework and exception rate	Shows where hidden labor and quality risk accumulate.

HIGH-PERFORMING AGENCIES

What the evidence supports - and what it does not

The strongest public research supports a set of operating principles. It does not support a universal software stack, staff ratio or automation percentage for every agency.

Supported characteristic	Evidence	Practical behavior
Measures growth and profitability together	Best Practices uses organic growth, EBITDA and Rule of 20. [1][2]	Owners avoid improving one metric while damaging another.
Generates more revenue per employee	Top-quartile productivity is materially higher in each public cohort. [1]	Leaders examine structure, process, mix and systems - not just headcount.
Invests in the growth engine	Reagan emphasizes producer development, training, specialization, technology and procedures. [1]	Investment is tied to a strategic operating outcome.
Uses digital tools to support growth	Faster-growing small-commercial agencies were more likely to invest in streamlined operations and data. [10]	Digital adoption follows workflow and customer need.
Protects human advice	Customers value responsiveness, proactivity and expertise. [6][7]	Routine work is simplified so people can handle consequential work.
Builds governance and training	ACT found only 8.29% use AI regularly/strategically; 56% lack written guidance. [3]	New tools have ownership, rules, training and a measured use case.

SYNTHESIS High performance is less about doing every task faster and more about ensuring the right work reaches the right person in a prepared state.

OPERATIONAL WARNING SIGNS

Signals that capacity is leaking

Warning sign	What it may indicate	First evidence to collect
Experienced people assemble basic intake	Work arrives without a readiness standard.	Pre-work minutes; missing fields; source channels.
The same data is typed three or more times	Systems are connected by labor.	Fields and systems touched per transaction.
Work lives in personal inboxes	Ownership and state are not visible.	Unassigned items; status inquiries; aging.
Producers are interrupted for incomplete work	The workflow lacks a preparation or exception gate.	Interruptions; reasons; decisions actually required.
Renewals begin late	Start triggers, segmentation or workload leveling are weak.	Late-start rate; backlog by expiration month.
Every service request uses the same path	Routine and complex work compete in one queue.	Volume and cycle time by request type.
Adding tools adds copying	Adoption or integration is incomplete.	Duplicate entry; logins; unused capabilities.
Top performers are the only ones who know	Knowledge is trapped in people.	Escalations; tribal rules; onboarding time.
Growth always requires another hire	Productivity gains are not being designed or measured.	Revenue/FTE; workload/FTE; overtime.
No one can state the baseline	Improvement is judged by anecdotes.	Choose one workflow and instrument it.

These warning signs are a practical synthesis, not claims from a single external study.

90-DAY OPERATING PLAN

Improve one workflow without disrupting the agency

Days 1-15: Establish reality

1. Choose one workflow with visible volume and pain.
2. Observe real cases from arrival to completion, including exceptions.
3. Record time, touches, systems, handoffs, missing information, wait time and rework.

Days 16-30: Design the better path

4. Define ready, incomplete and exception states in plain language.
5. Remove unnecessary entry, checking and status steps.
6. Assign owners, service levels and escalation rules.

Days 31-60: Pilot with guardrails

7. Use existing tools first where practical; add capability only for a measured gap.
8. Pilot on a narrow line, team or request type.
9. Review failed cases weekly and adjust the workflow - not just staff behavior.

Days 61-90: Prove and scale

10. Compare the same baseline measures before and after.
11. Document what changed, what did not and what created the result.
12. Scale only when quality, cycle time and staff experience all hold.

PROOF STANDARD **A credible improvement claim names the workflow, baseline period, sample, definition, change and measured result.**

PRACTICAL SELF-ASSESSMENT

Agency Operations Readiness Assessment

Score each statement from 0 to 3 using evidence, not intention. 0 = unknown or unmanaged; 1 = mostly reactive; 2 = defined; 3 = measured and improving.

A. Intake and new business

☐0 ☐1 ☐2 ☐3 Required information is defined for each major submission type.

☐0 ☐1 ☐2 ☐3 Incomplete submissions are identified before reaching the person who quotes.

☐0 ☐1 ☐2 ☐3 Time from first receipt to ready-to-quote is measured.

☐0 ☐1 ☐2 ☐3 Carrier declines are coded by reason.

B. Service and endorsements

☐0 ☐1 ☐2 ☐3 Routine and complex requests follow different paths.

☐0 ☐1 ☐2 ☐3 Every request has a visible owner, state and next action.

☐0 ☐1 ☐2 ☐3 Volume and cycle time are measured by request type.

☐0 ☐1 ☐2 ☐3 Customers can complete appropriate low-complexity tasks conveniently.

C. Renewals

☐0 ☐1 ☐2 ☐3 Renewals enter the workflow on a consistent timetable.

☐0 ☐1 ☐2 ☐3 Accounts are triaged by risk, complexity and likely action.

☐0 ☐1 ☐2 ☐3 Missing exposure information is identified early.

☐0 ☐1 ☐2 ☐3 Late starts, remarketing, client touches and rework are measured.

D. Capacity and roles

☐0 ☐1 ☐2 ☐3 Experienced staff spend most of their time on work requiring judgment.

☐0 ☐1 ☐2 ☐3 Producer interruptions are reserved for decisions and real exceptions.

☐0 ☐1 ☐2 ☐3 Workload, backlog and aging are tracked - not just headcount.

☐0 ☐1 ☐2 ☐3 Critical knowledge is documented and available beyond one person.

E. Systems and governance

☐0 ☐1 ☐2 ☐3 Core systems reduce duplicate entry across the workflow.

☐0 ☐1 ☐2 ☐3 Staff receive role-based training on capabilities already owned.

☐0 ☐1 ☐2 ☐3 New tools have a named owner, use case and success measure.

☐0 ☐1 ☐2 ☐3 Written guidance exists for AI, data and third-party tools.

TOTAL SCORE **Add all 20 items: ______ out of 60.**

Score	Stage	Interpretation	Next move
0-15	Opaque	Work depends on memory and heroics; no dependable baseline.	Map one workflow and measure real cases.
16-30	Reactive	Some practices exist, but ownership, state and metrics are inconsistent.	Standardize intake, state and exception rules.
31-45	Defined	Core workflows are understood; improvement discipline is uneven.	Instrument two priority workflows and review monthly.
46-60	Measured	Processes are visible, owned and increasingly evidence-led.	Protect quality, test changes and scale carefully.

QUESTIONS WORTH ASKING

Use the report inside your agency

These questions are designed for an owner or leadership team. They do not require a technology project or outside consultant.

QUESTION **Where does work most often wait for someone to take the next step?**

QUESTION **Which recurring tasks consume experienced people without requiring their judgment?**

QUESTION **Which workflows generate the most follow-up emails, phone calls or status questions?**

QUESTION **Where is the same information entered more than once?**

QUESTION **Which routine requests compete with urgent or complex work in the same queue?**

QUESTION **What one workflow would we improve first if we had to prove the result within 90 days?**

References and sources

[1] Independent Insurance Agents & Brokers of America and Reagan Consulting. 2024 Best Practices Study Update.

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Source-quality note: Big “I”/Reagan studies are the strongest financial benchmarks. Vendor-sponsored research is used within the limits of the published methodology. Broader workplace research is not presented as an agency-specific norm.

OPERATING PRINCIPLE **Built around your agency. Not the other way around.**

ABOUT STEADYSTATE

Agency operations designed around the work

SteadyState designs agency operations so exceptional service becomes the natural outcome.

We help independent P&C agencies understand how work actually moves through the business, identify where expertise is being consumed by administrative work, and redesign workflows around the agency - using the systems already in place whenever practical.

Kevin Koziol

Founder, SteadyState

Kevin has spent his career improving business systems, workflows, customer experiences and growth operations across insurance, manufacturing and technology. He founded SteadyState to help independent agencies protect the judgment and relationships that make them valuable - while reducing the administrative work that consumes that expertise.

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