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Why Carrier/Agency Partnerships Matter More Than Ever in Today's Insurance Landscape

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The insurance industry has always been relationship-driven, but in today's environment, the strength of carrier/agency partnerships has taken on new importance. Market volatility, evolving customer expectations, technological changes and increased regulatory complexity are reshaping how business is written and serviced. Now more than ever, a merely transactional dynamic between carriers and independent agents is not sufficient. Success depends on true partnership, including shared strategy, transparency and mutual investment in long-term outcomes.

A More Complex Risk Environment

One of the primary forces elevating the importance of strong carrier/agency collaboration is the growing complexity of risk. Underwriting has become more nuanced in modern times, in the face of climate-related losses, supply chain disruptions, social inflation and emerging liability exposures.

Agents are on the front lines of these changes, working directly with clients who may struggle to understand shifting coverage terms, pricing fluctuations or capacity constraints. Meanwhile,

carriers are refining underwriting guidelines and recalibrating risk appetite to adapt. Alignment between independent agents and carrier partners is critical. While agencies need clear, consistent communication from carrier partners to properly advise clients and set expectations, carriers rely on agents to bring forward well-understood, well-qualified risks. When both parties operate with transparency and shared insight, it results in better business, both in profitability and customer satisfaction.

Transactional vs. Strategic Partnerships

While a true partnership has always been the recommended approach, some carrier/agency relationships were largely transactional: agencies placed business, carriers underwrote it and performance was measured primarily by volume.

The most effective partnerships — especially in today's market — are strategic and intentional. They are built on trust and a mutual understanding of goals, whether those goals entail targeting specific industries, improving retention or achieving profitable growth in defined segments. These partnerships require deeper engagement. Carriers are increas-

ingly investing in agency relationships through dedicated support teams, data sharing and joint business planning. In turn, agencies are becoming more selective about the carriers they represent, prioritizing those that offer consistency, responsiveness and a willingness to collaborate. Taking these deliberate steps results in a more focused, intentional approach to growth, which benefits both parties, and ultimately, the policyholder.

The Human Element as Data and Technology Evolve

Technological advancements are transforming many insurance processes: quoting, underwriting, claims and customer service. Digital platforms and automation tools can streamline workflows and improve efficiency, but as these digital capabilities expand, the human element of carrier/agency relationships becomes even more valuable.

Agents play a critical role in interpreting data, providing context and delivering personalized advice that technology cannot replicate, while carriers provide tools and insights to empower agents to serve clients more effectively.

Strong partnerships ensure that technol-

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ogy enhances this relationship but does not replace it. This includes co-developing workflows, integrating systems where possible and maintaining open lines of communication when challenges arise. Carriers and agents must align on how technology is used and maintain the human element of their partnership.

Navigating Market Cycles Together

Insurance is inherently cyclical, with market changes shaping pricing, underwriting and availability. In a hard market with rising rates, tighter underwriting and reduced capacity, relationships are tested.

Agents are required to deliver difficult news to clients, including premium increases or coverage limitations. Carriers must make disciplined underwriting decisions that may result in declining or restructuring accounts.

In these moments, partnership matters most.

Agencies that have strong relationships with carriers are better positioned to advocate for their clients, secure appropriate coverage and navigate exceptions when warranted. In turn, carriers are more likely to prioritize partners who consistently deliver quality business and demonstrate a clear understanding of underwriting expectations.

Trust becomes a critical asset. It enables more productive conversations, faster decision-making and better long-term outcomes, even in challenging cycles.

Shared Accountability for Customer Experience

Meeting policyholders' expectations for responsiveness, transparency and ease of interaction requires coordination and alignment from both partners.

From the customer's perspective, the

distinction between agent and carrier is often invisible. They experience insurance as a single ecosystem. To the client, a delay in underwriting, a lack of clarity in coverage or a poor claims experience may reflect on both the agency and the carrier. As a result, there is increasing recognition that customer experience is a shared responsibility. Leading partnerships are characterized by clearly defined roles, aligned service standards and a commitment to resolving issues collaboratively. This includes everything from streamlined submission processes and faster turnaround times to proactive communication during claims. When carriers and agents operate as a unified team, the customer benefits — and so does long-term retention.

Cultural Alignment Between Agents and Carriers

While performance metrics and technology capabilities are important, cultural alignment is often the differentiator in strong partnerships. Agencies and carriers that share similar values, such as a commitment to integrity, accountability and continuous improvement, tend to work more effectively together. These shared principles influence how decisions are made, how challenges are addressed and how success is defined.

Cultural alignment also fosters trust. It creates a foundation for open dialogue, even when conversations are difficult. Over time, this trust enables deeper collaboration and a more resilient partnership.

In contrast, misalignment, whether in communication style, risk tolerance or service philosophy, can create friction that undermines performance, regardless of production levels.

Investing in Long-Term Success

Strong carrier/agency partnerships don't happen accidentally. They require intentional communication and ongoing

investment from both parties. For carriers, this may include providing training, market insights and dedicated support, as well as recognizing and rewarding high-performing agencies. For agencies, it involves understanding carrier appetite, submitting well-prepared risks and maintaining consistent communication. Short-term gains achieved at the expense of underwriting relationship health can lead to challenges and volatility; both parties need to take a long-term view.

The most successful partnerships are those that prioritize sustainable growth, mutual profitability and a shared commitment to doing business the right way.

Looking Ahead

As the insurance landscape continues to evolve, the importance of carrier/agency partnerships will only grow. Complexity, competition and customer expectations are unlikely to diminish — if anything, they'll intensify.

In this environment, partnerships built on trust, transparency and shared purpose will stand out.

They will be better equipped to adapt to change, seize new opportunities and deliver consistent value to policyholders. Those who invest in strengthening these relationships now will be best positioned for success in the future. ■



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