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Insurance Trends 2025: The Landscape For Insurers, MGAs And Insurtech



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As we head into 2025, insurance is more important than ever. The rapidly evolving risk landscape means individuals and businesses are seeking out protection from an increasing range of threats to their lives and businesses. As a result, recent figures showed the London market reached around [\\$180bn in gross written premiums](#) in 2023, double the levels of a decade ago, while insurance jobs hit the highest number since 2013.

Yet, at the same time, the market faces significant challenges, spanning inflation, rising claims, increased competition, and the need to modernise to meet customer demands. It's an interesting and challenging time to work in the insurance sector, and certainly keeps insurance professionals on their toes. As always, those who stay ahead of the market and customer sentiment will reap the rewards.

So, what will the next 12 months bring? We spoke to experts and influencers from across the industry to find out their top predictions across insurance, MGAs, and the insurtech market. Read on to find out the view from the frontline.

Insurance trends 2025



1. Hard insurance market will bring challenges and opportunities

Climate risks, natural disasters, and claims inflation have sparked a harder insurance market in recent years, and this will only intensify in 2025. Premiums will continue to rise across personal and commercial lines, and in some cases, customers will find it harder to secure coverage. As a result, innovative technology and data analytics will become even more important, enabling insurers and MGAs to cover hard-to-place risks more effectively.

“In 2025, one of the dominant trends will be the continuation of a hard insurance market, driven by the rising frequency and intensity of natural disasters,” says [Jaime Arias](#), President, [Dynamic Insurance Solutions](#). “These events will further push up reinsurance rates, making it more difficult for carriers to offer coverage at previous price points. As a result, we can expect to see more non-renewals from insurers, alongside significant premium increases.”

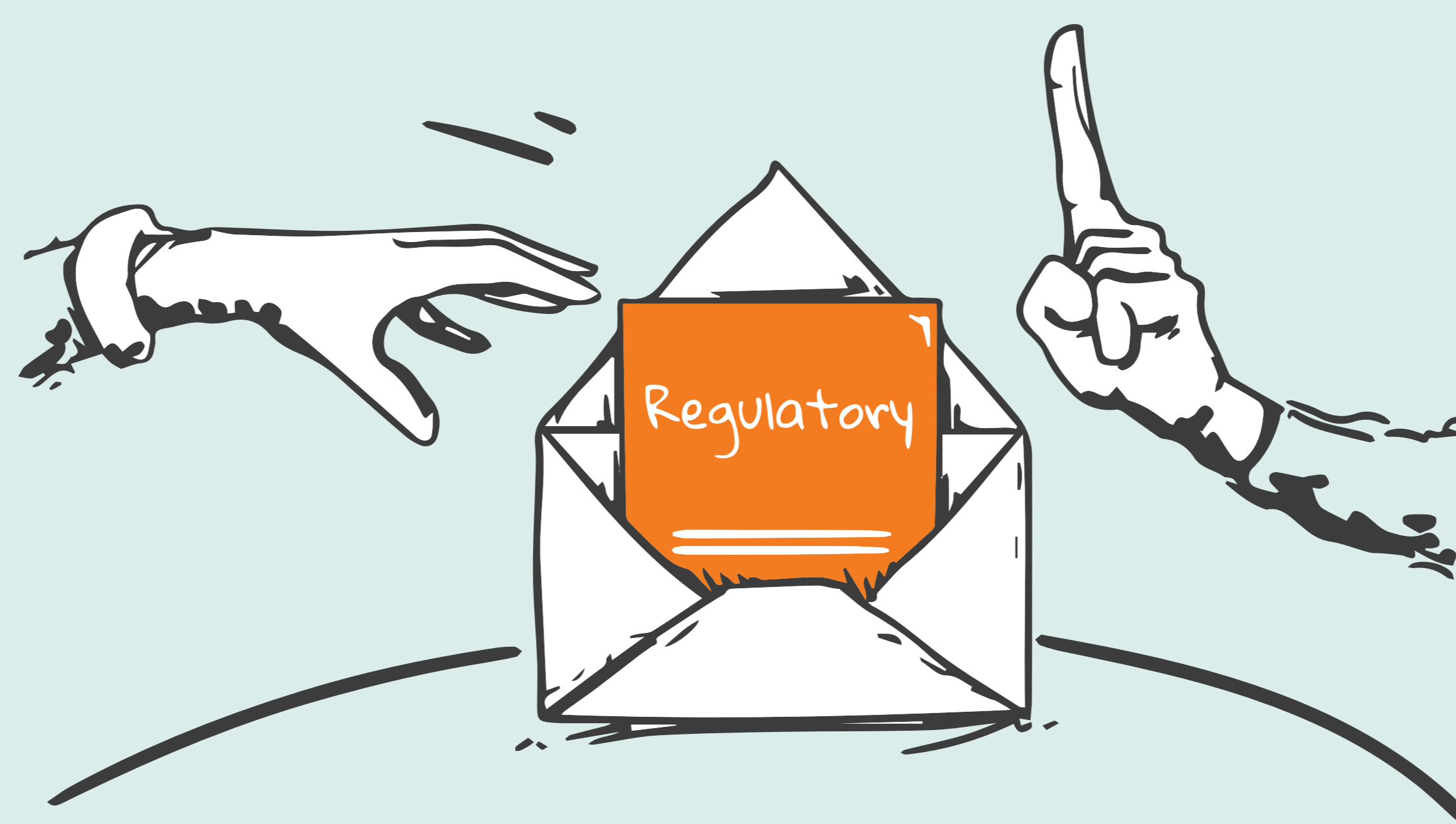


2. Environmental risks can't be ignored

Barely a day goes by without news of environmental and natural disasters around the globe. Climate change is increasingly having catastrophic consequences for people and infrastructure. This is in turn having a substantial impact on insurance companies, which must rethink how they work to cover these emerging risks, and rising claims.

“There will be a surge in demand for comprehensive environmental insurance policies, reflecting a broader societal shift toward sustainability,” says [Niki Perez](#), Vice President, [PTL Insurance](#). “In Miami, where we operate, climate concerns have brought an imperative to safeguard assets against environmental risks like flooding and storms. We've seen businesses prioritising insurance solutions that offer protection against natural disasters, ensuring operational continuity amidst escalating climate volatility.”

“There is a growing focus on sustainability,” says [Steve Case](#), Consultant, [Insurance Hero](#). “With heightened awareness of climate change, insurance companies will be required to offer products that address environmental risks and promote responsible practices. This shift not only reflects consumer values but also positions insurers as leaders in sustainability.”



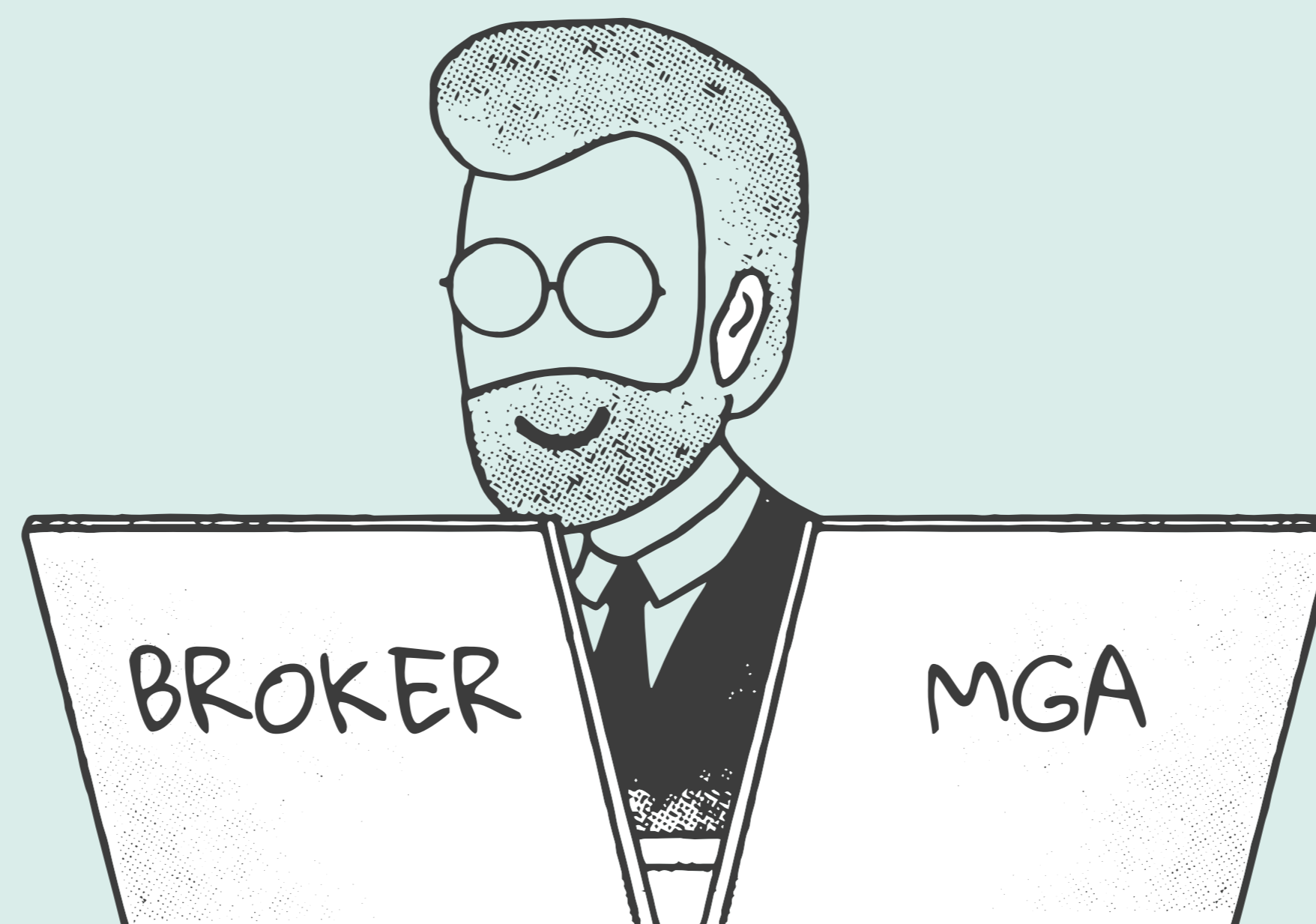
3. Regulatory pressure cascades down the industry

Insurers hoping for a pause in regulatory pressure will be disappointed, as compliance demands look set to intensify. In the UK, for example, compliance teams will be tasked with preparing for the [Financial Data Access Regulation](#), the [Prudential Regulation authority stress test](#), while the FCA will continue to prioritise consumer protection, risk management, and promoting effective competition. Pressure on insurers will have a knock-on impact on the whole industry, putting greater demands on MGAs and brokers in the process.



Regulations from the FCA in the UK and equivalent authorities are increasing in number and becoming stricter, Insurers are just the tip of the iceberg and as they come under greater pressure, they're introducing more rules and reporting for MGAs, which risk losing their capacity, or failing to secure capacity, without compliance and financial discipline in place.

ANDREA BOETTI
CHIEF SALES OFFICER AT INSLY



4. Brokers muscle into MGA territory

Brokers and MGAs are inextricably linked, as reflected in [the affiliation](#) of the MGAA and BIBA, announced in September 2024. Now many brokers are going a step further, spotting an opportunity to move into the MGA space, either through acquisition – as with [The Clear Group acquiring Accelerate Underwriting](#) - or by developing their own MGA arm by shouldering some of the risk. This trend looks set to accelerate in 2025.

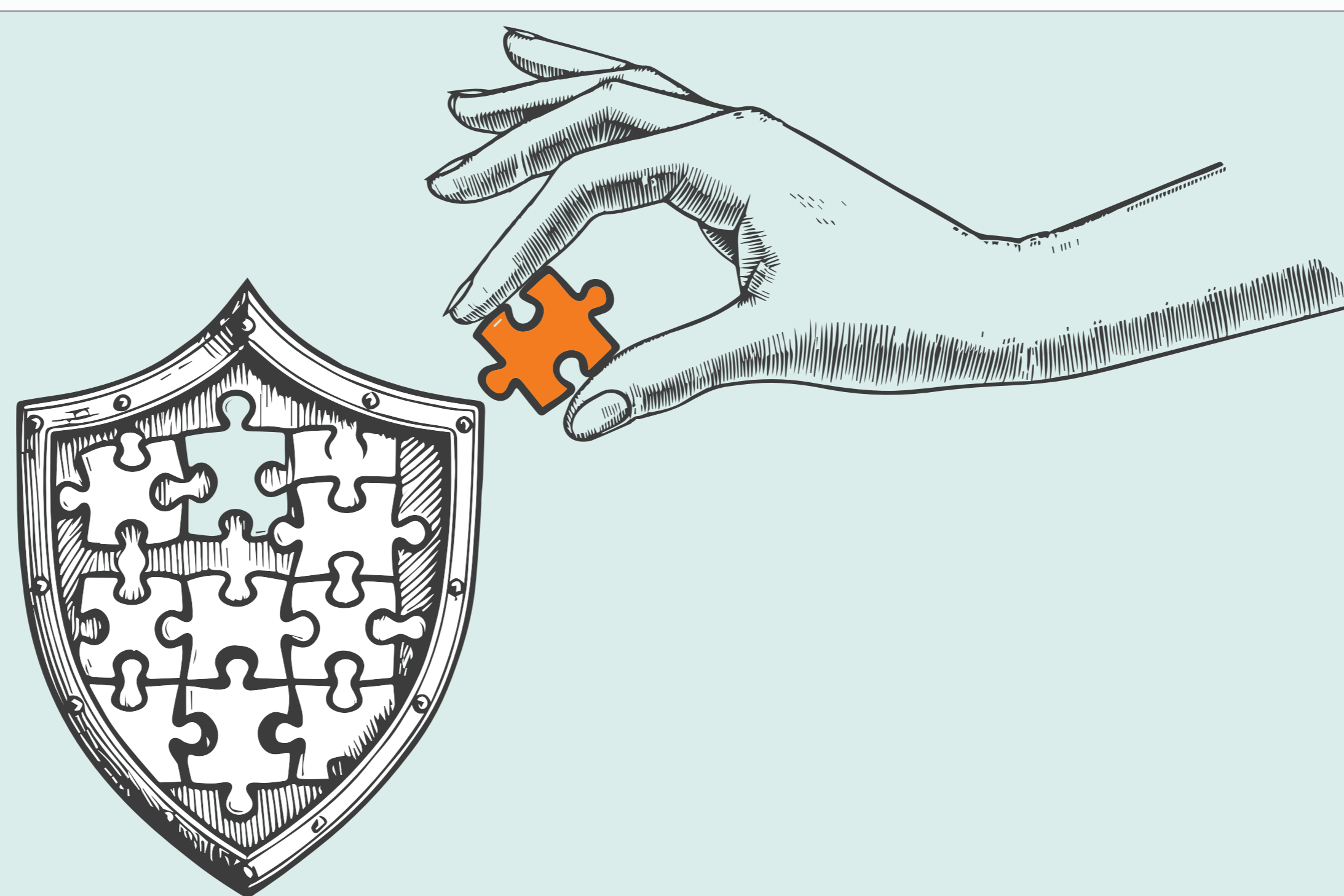
“Five or ten years ago brokers were brokers and underwriters were underwriters,” says [Lorenzo Frediani](#), Independent Insurance Consultant and Advisor. “But the insurance world has become blurred, and brokers are stepping into the space that used to be occupied only by insurers and MGAs. Now, it feels like only a matter of time before technology pushes large brokers to either go into the MGA space or find themselves redundant, as technology makes it easier and easier for customers to go direct.”



5. Reaching underserved markets

Populations in developed economies, such as the US and Europe, are spoiled for choice when it comes to insurance, but in many other markets around the world, insurance is not so readily available. This presents a huge growth opportunity for innovative insurers, MGAs, and insurtechs to provide cover to underserved communities. Trailblazers in this space include [Milvik Bima](#), which offers health insurance in Asia and Africa, [Igloo](#), Southeast Asia's leading insurtech, and [MIC Global](#), which offers embedded microinsurance to the "farthest corners of the globe". An area to watch in the year ahead.

"For insurance businesses looking to solve real problems, emerging markets present a huge opportunity," says [Andrea Boetti](#), Chief Sales Officer at Insly. "Breaking into markets across Latin America, Africa, and Asia means navigating complex regulation and a lack of infrastructure. However, populations in these countries are hungry for greater access to financial products, which are a powerful driver of freedom and growth. Advances in technology are making change possible."



6. Insurtech is shifting

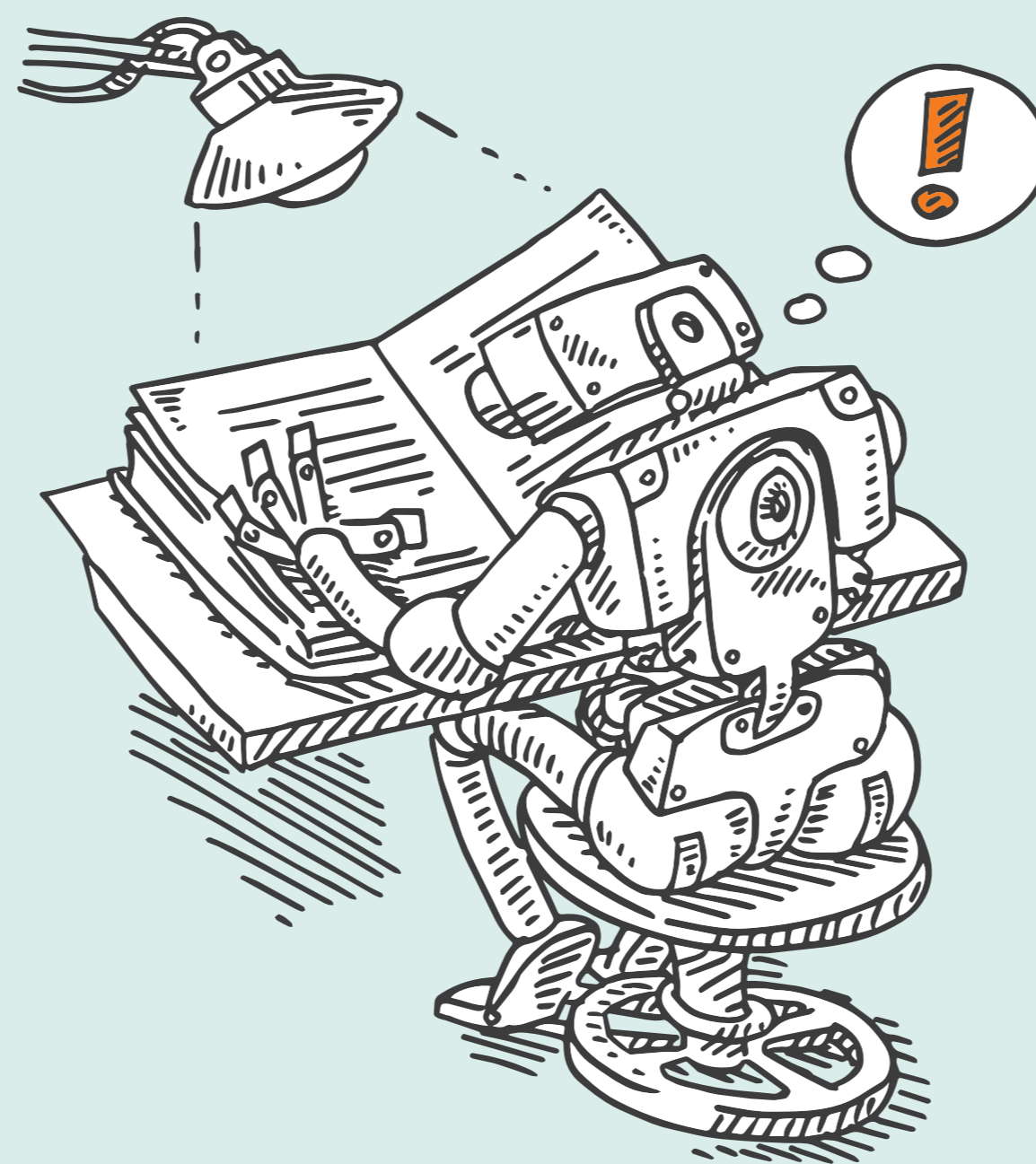
It's been a challenging market for some insurtechs, as business models have faltered in a more depressed economy. But growth is still happening and in the next 12 months, we'll see innovation driven by smaller MGAs, brokers, and software developers building innovative offerings to transform key processes. Many of these will be [looking to M&A](#) to expand and compete with the bigger players, buoyed by a post-election bounce.



With Insurtech superstar Wefox stumbling and many other B2C disruptors and full-stack insurers not exactly thriving, investors are starting to wonder what value they are creating in the insurtech universe. As investment markets thrive following the election result, we'll likely see a wave of M&A activity and a fresh flow of investment into MGAs. Of course, many investors will still flock to the next shiny trend as soon as it pops up. Some things never change!

RISTO ROSSAR
CEO AT INSLY

“Rather than continuing as a separate sector, insurtech is increasingly becoming part and parcel of the normal insurance world, as software becomes the norm,” says [Frediani](#), Independent Insurance Consultant and Advisor. “The market will start to become saturated with fewer businesses to target who haven’t already digitised and the insurtech winners will come to the fore and others will drop out of the market.”



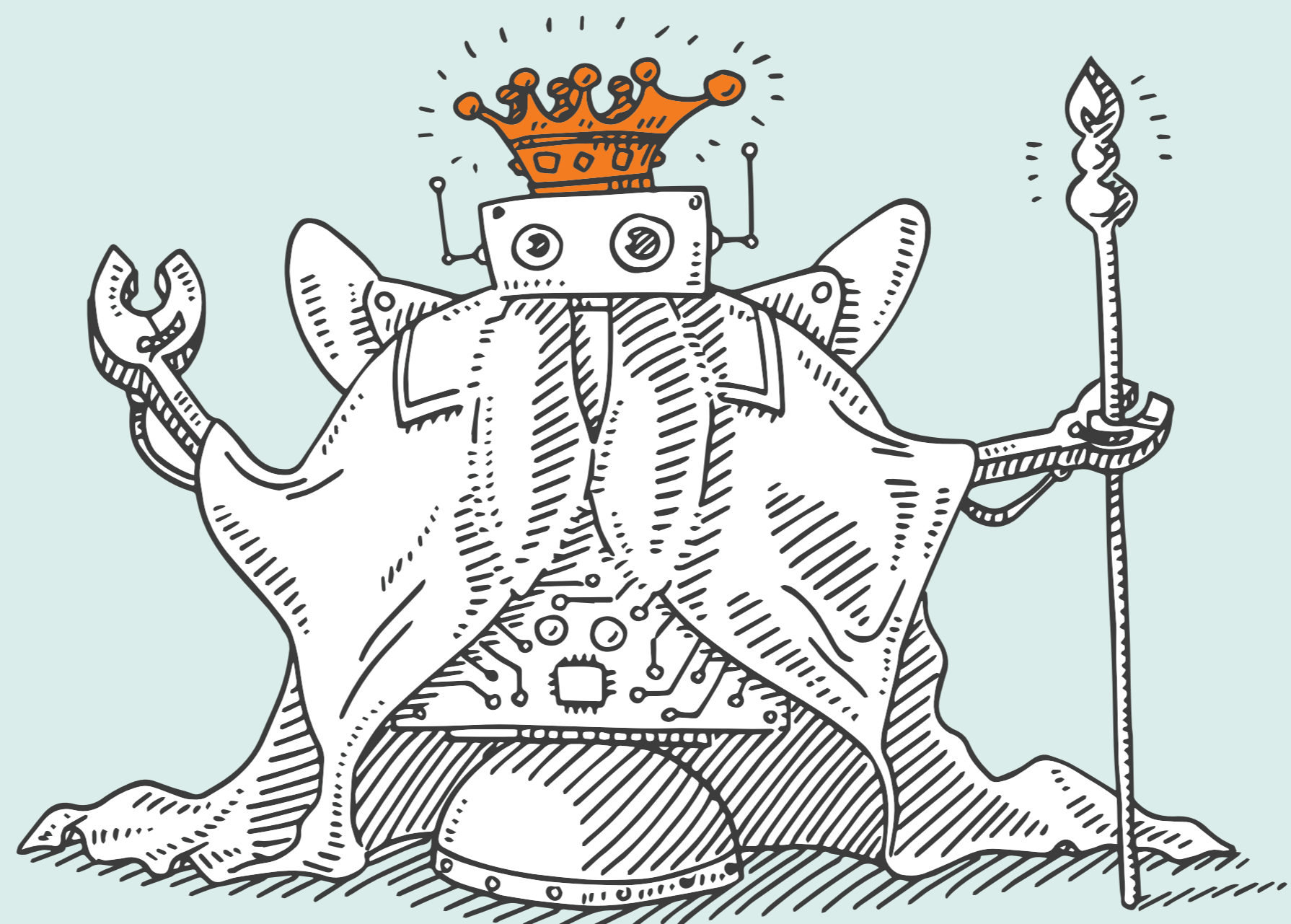
7. AI false starts, and some breakthroughs

AI has dominated insurtech discussions and investments in the last 12 months, with [one-third of the deals in Q2 2024](#) involving AI-centred insurtechs. Commentators agree that technologies such as generative AI, large language models (LLMs), optical character recognition (OCR), and machine learning are set to have a massive impact on the sector in 2025. The question is; which investments will pay off?

“Everyone’s scrambling to figure out how to ‘leverage AI’ for their business, especially after reading articles that make it sound like *all* their competitors are already pros at it (spoiler: they aren’t),” says [Risto Rossar](#), CEO of Insly. “This leads to a fair bit of panic and, let’s be honest, some questionable investments. But hey, it’s a learning curve! A few of these AI experiments will probably pay off big and, fingers crossed, help reshape the industry in exciting ways.”

AI is only as helpful as the underlying data it can draw on, so in 2025 this will be the big hurdle for many companies. As such, there will be a trend for businesses to focus on solving tightly defined, specific problems, where the lack of company-wide data doesn’t hold back progress.

“Research confirms what we already know; while most companies report AI as a key focus, less than half believe they have complete, quality data enterprise-wide,” says [Meredith Barnes-Cook](#), Partner at [ReSource Pro](#). “Iterative innovation, where carriers, agents, brokers, and MGAs focus on solving the root cause of high-impact problems... creates the opportunity to maximize, if not augment, narrower subsets of data with the accuracy needed to drive automation and, in turn, transformation.”



8. Ethical AI

Another AI theme is the need for companies to navigate the risks of incorporating AI into core processes, with concerns spanning data privacy, security, biased decision-making, and impact on human behaviour. So, alongside the race to identify and develop AI use cases, insurance companies must also prioritise tracking these developments and risks closely, while managing concerns and communicating effectively and transparently with consumers.

“We believe that the next 12 months will see a strong focus on the ethical use of AI,” explains [Matt Sherwen](#), [Sherwen Studios](#), a digital transformation consultancy. “It’s time for insurers to think carefully about how each automated tool will benefit the end consumer. Within that, comes a shift in communications as businesses strive to educate customers about what tools are being routinely used, how their data is being used, and what steps customers need to take to easily opt out.”

“No one needs convincing that AI will have a seismic impact on insurance and in 2025, and all self-respecting insurers will go full throttle on the AI implementation to solve a whole range of business challenges,” says [Roger Peverelli](#), insurtech entrepreneur, author, and investor. “Having said that, we need to be aware that we’re still at the brink of a new era. Just like around 1995 when the internet emerged. We knew it was going to be big, but we didn’t know how exactly.”



With every investment in AI, not only in insurance but also other industries, we will learn more about its deep impact, and I don't mean in terms of results for insurers, but the impact on human behaviour. Think about how online dating apps like Tinder have completely changed how couples meet. Or how Spotify has changed the way we interact with music. Or how clever algorithms have led American GenZers to spend an average of seven hours a day on their smartphones. When social media emerged, people talked about 'the wisdom of crowds'. We now know how social media is instrumental in spreading misinformation and disinformation on a large scale, with all the disruptive effects that come with it. The use of 'democratising' to describe AI is very reminiscent of the equally wishful 'wisdom of crowds'. We are already seeing a large number of students, and also people in the business world, using AI to avoid thinking for themselves. Through all the AI experience insurers gain in 2025, and by keeping an eye on what is happening in other industries, they will begin to learn how human behaviour is changing due to AI and therefore how we can use AI best.

ROGER PEVERELLI

INSURTECH ENTREPRENEUR, AUTHOR, AND INVESTOR.

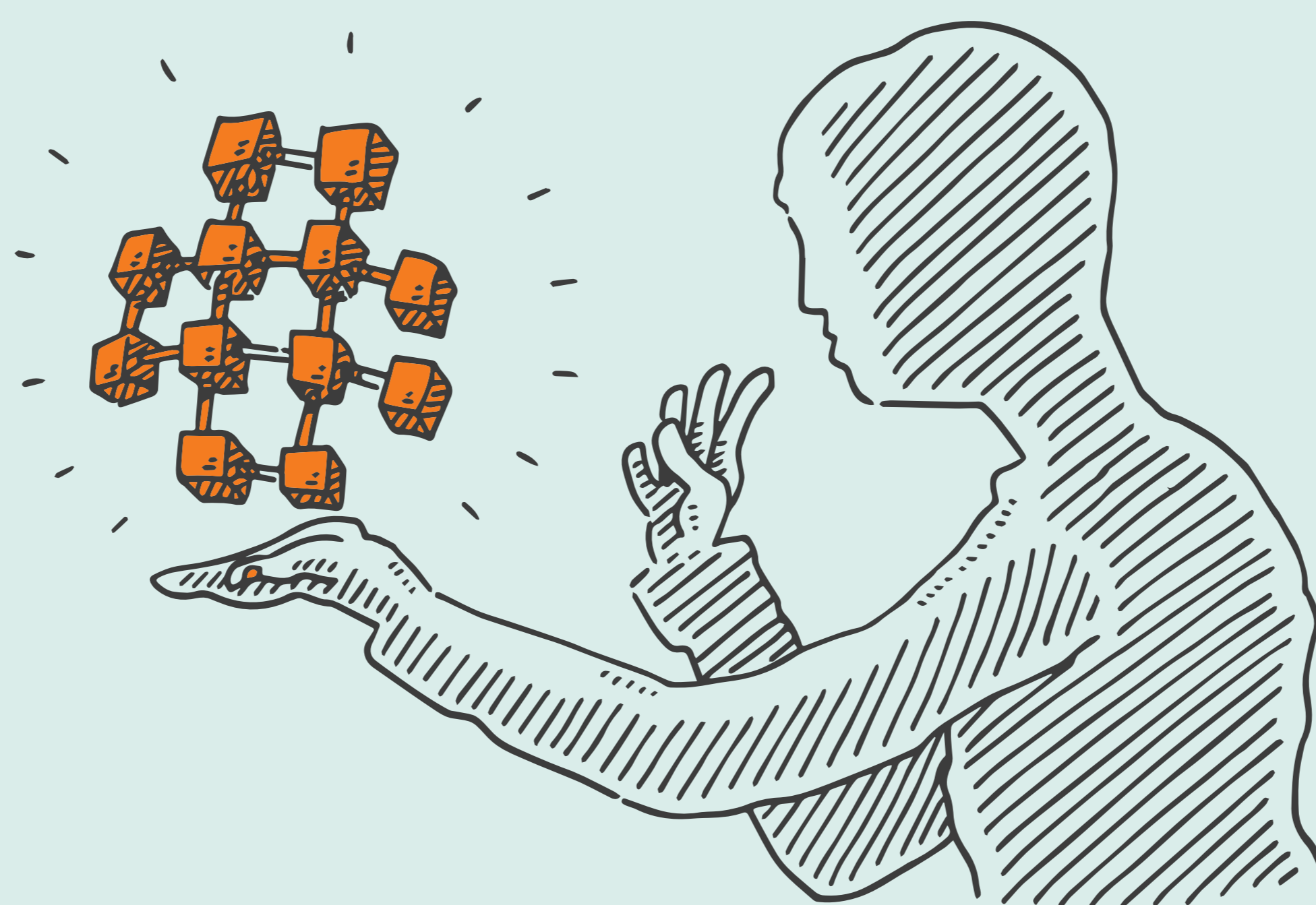


9. Policy personalisation goes next level

As insurance companies and MGAs aim to differentiate their products and maximise the bottom line, highly tailored policies based on the IoT, AI, and data will become the norm. Insurance companies are no strangers to the Internet of Things, with telematics used widely across automotive insurance. Thanks to AI, connected devices will increasingly be used more widely across personal and commercial lines, alongside predictive analytics, to adjust and optimise policies and premiums in real-time.

"I've witnessed first-hand how AI is revolutionizing underwriting, but what excites me most for 2025 is the emergence of real-time risk assessment through IoT devices," says [Gregory Rozdeba](#), CEO, [Dundas Life](#). "Last month, we implemented a pilot program using smart home sensors that reduced claims processing time by 40%, showing the incredible potential of connected insurance. Based on my experience working with various insurtech startups, I believe we'll see more personalised, usage-based insurance products that adjust premiums monthly based on actual behavioural data."

"Using data from social media, health records, and IoT devices makes risk assessments incredibly accurate," says [Brent Thurman](#), Owner, [Keystone Insurance](#). "This could lower premiums for those who pose less risk and draw in new customers looking for customised services. To stay in the game, insurance companies will have to step up their investment in data analytics tools and ensure their teams have the tech skills to handle these advancements."



10. Blockchain is back!

Many people had written off blockchain, following years of unrealised hype. But it's back on the agenda, with commentators claiming it has the power to boost security, and transparency throughout the insurance lifecycle. For example, one use case is in smart contracts for parametric insurance, enabling policies to automatically pay out when certain conditions are met, boosting claims efficiency. Could 2025 be blockchain's year?

"While working with various businesses, I've seen the need for secure and indelible records," says [Christian Strange](#), President, [Strange Insurance Agency, Inc.](#) "Blockchain can help prevent fraud and reduce administrative costs by eliminating intermediaries, making insurance policies more trustworthy for consumers."

"Contractors often face delays in getting paid for claims, which can affect cash flow," says [Michael Benoit](#), Founder and Insurance Expert, [ContractorBond](#). "Blockchain will enable transparent, tamper-proof records, speeding up the claims process and improving trust between insurers and policyholders."