FOCUS

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MEET THE

POLICY MAKERS.



THE 2026 POLICY MAKERS ANNUAL REPORT — EST. 2026

THE PEOPLE SHAPING HOW THE INDUSTRY OPERATES.

The inaugural class of state insurance regulators alongside top-tier carrier and MGA executives, from national names to regional and mutual leaders.

RELEASE	LIVE INTERVIEWS	HOST
2026	**ITC Vegas**	**Pete Crowe**
100K+ Circulation	Mandalay Bay · Sep 29 – Oct 1	President, FOCUS

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OPENING

THE OPERATIONS INFLECTION POINT

The P&C and specialty industry enters 2026 having staged a genuine underwriting recovery, posting its lowest combined ratio in over a decade. But the recovery is uneven, and its permanence depends entirely on how well operations leaders execute. **Carriers have rebuilt capital. The next advantage is operational.**

Rate adequacy supports profitability, reinsurance capacity supports confidence, and AI investment supports readiness. Operational discipline ties them together and determines how well an organization underwrites, services, communicates, governs, and partners through the next disruption cycle.

Insurance operations has become the control tower for market resilience.

The inaugural Policy Makers class of regulators, carrier executives, MGA founders, and technology leaders gave us the same message from different vantage points. Operations is the work that executes what every other discipline decides. It is why FOCUS maintains an 80+ Net Promoter Score, more than double the industry average, year after year.

FOCUS

Operational excellence, without compromise.



Pete Crowe
President, FOCUS · Host, Policy Makers

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WHAT'S AT STAKE

SIX TENSIONS DEFINING 2026 TO 2030

The hard market restored profitability, and sustaining it now depends on operational execution: AI governance, claims communication, underwriting discipline, and talent capture all put pressure on the same teams at once. For the industry, that makes the back office the front line of resilience.

01

Recovery with fragility

Profitability is back; liability, catastrophe, and social inflation will test how long it lasts.

SOURCE: NAIC

02

AI adoption vs. deployment

90% of insurers are evaluating GenAI; only 12% report the data maturity to deploy it.

SOURCES: CONNING · CAPGEMINI

03

Transparency vs. sensitivity

Regulators now demand explainability. The black-box era is over.

SOURCE: NAIC AI MODEL BULLETIN

04

Claims expectations vs. reality

Amazon-Prime-speed demand against a 44-day average time to final payment.

SOURCE: J.D. POWER

05

MGA scale vs. discipline

A $114B market bifurcating into the operationally disciplined and the exits.

SOURCE: CONNING

06

Talent scarcity vs. knowledge

A 400,000-position gap, with half the workforce projected to retire by 2035.

SOURCE: THE INSTITUTES

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01 THE STATE OF THE MARKET

A real recovery, unevenly shared. As pricing moderates, preserving the margin now comes down to how well a book is run.

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CHAPTER 01

A REAL RECOVERY, UNEVENLY SHARED

2025 reset the operating narrative. The question for 2026 is whether carriers can preserve underwriting margin as pricing moderates.

93.9%

P&C combined ratio for 3Q 2025, a 4.0-point improvement YoY (NAIC).

$37.6B

Net underwriting gain, 9M 2025, vs. $6.1B a year earlier (NAIC).

$1.2T

Policyholders' surplus, an all-time high as of June 30, 2025 (NAIC).

$749.6B

Net premiums written, 9M 2025, up 5.2% YoY (NAIC).

WHERE THE NEXT POINT OF MARGIN IS FOUND

01

Margin shifts from rate to mix

As pricing moderates, the next point of margin comes from portfolio construction more than rate. Disciplined carriers re-underwrite the book line by line and shed correlated exposure while competitors chase top-line.

02

The expense ratio is the lever you still control

Loss costs are exogenous and rate is set by the market; the expense ratio is yours. Converting fixed operating cost into surge-ready, pay-for-volume capacity defends margin through the cycle and frees capital.

03

Retention is an underwriting result

In a softening market a renewal is the cheapest premium you will write. Claims communication and service continuity now sit on the same P&L line as risk selection. The service deficit is a margin leak.

04

Prevent the loss you used to price

The forward edge is moving from pricing loss to reducing it: pre-bind mitigation, IBHS-grade resilience at $33 saved per $1 spent, and parametric, sensor-driven triggers. Every dollar of avoided loss is pure margin.

And reserve in real time. Favorable prior-period development and record surplus can mask casualty and commercial-auto deterioration. Carriers close the gap by moving from quarterly triangles to monthly refreshes, wiring claims feeds into the reserving engine so IBNR re-estimates as severity moves, and scoring open claims with models that flag adverse development. Those signals surface the drift 18–24 months before the annual review.

SOURCES: NAIC · S&P GLOBAL · TRIPLE-I / MILLIMAN · IBHS

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CHAPTER 01 · DIVERGENCE

LINE-LEVEL DIVERGENCE, AND A MARKET RUNNING TWO DIRECTIONS

Personal auto has shifted from crisis remediation to retention and segmentation. **Homeowners** is recovering while exposed to CAT volatility and consumer backlash. **Commercial auto** remains above a 100 combined ratio, with more than $10B of underwriting losses over two years, and **general liability** continues to feel social inflation. Preserving margin through a softening market prevents underwriting problems from surfacing 18–24 months later.

E&S and specialty have moved from relief valve to core market infrastructure. U.S. surplus lines reached $131B DPW in 2024 (+12.2%), now 12% of total P&C; AM Best revised its 2026 E&S outlook to Stable. Lloyd's 2025 result, an 87.6% combined ratio and £10.6B profit before tax, shows what disciplined specialty underwriting and expense control produce when pricing competition returns.

Florida: reform working

A MARKET FIXED

Combined ratio **76.8%**, surplus **+45%**, litigation down **~66%**, 18 new property insurers since reform, Citizens depopulation of **1.4M+** policies (Guy Carpenter).

California: stress continues

A MARKET UNDER STRAIN

FAIR Plan exposure of **$750B**, up **242%** since Sept. 2022; **684,388** policies in force, up 152%. Two futures, one lesson: the legal and regulatory environment is an operations input.

FOCUS · THE OPERATIONS PARTNER

Trusted to operate where the market is hardest.

Residual-market and state-run insurers trust FOCUS to underwrite, service, and run the books the standard market will not write. The operation comes as a service: licensed staff, claims, and underwriting that scale with volume. Partners can also adopt FOCUS' core platform, **InFOCUS**, for real-time visibility into exposure and aggregation, the same capabilities that let them manage catastrophe concentration, surge with claims, and price for affordability.

30+	6M+	$3B	80+
CARRIERS, MGAS & SCS LAUNCHED	POLICIES ON INFOCUS	PREMIUM OVER FIVE YEARS	NET PROMOTER SCORE

SOURCES: NAIC · AM BEST · LLOYD'S · GUY CARPENTER

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MEET THE POLICY MAKERS

ONE QUARTER IS NOT A TREND

Dr. Michel Léonard, CBE, Chief Economist and Data Scientist at the Insurance Information Institute, on reading the property and casualty market through the data, beyond the headlines

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IN CONVERSATION

“What does the front page mean when you come to work Monday?”

Michel Léonard has spent more than two decades on the data behind the industry. As Chief Economist and Data Scientist at the Insurance Information Institute, he leads its economics and analytics work, modeling the macro forces that move premium, loss, and capacity across property-casualty and specialty lines, then translating them into terms operators can use. The question he hears most is a simple one. How are we doing?

His answer starts with a discipline about the underlying economics, which is a separate question from how long the soft market has run. The market is softening, and a consensus is forming around it, but in the data the signal that matters is the multi-quarter trend. A single print tells you little.

> *“One quarter is not a trend.”*

What follows is his view of the turn ahead, what the data shows that the headlines miss, and where the cost of the business is really moving. It is the market context for every other voice in this report.

SOURCE: FOCUS INTERVIEWS

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IN CONVERSATION

THE TURN

A soft market is underway. The open questions are how deep it runs and how long it lasts, and the answer turns on monetary policy more than on anything else.

> **“Monetary policy is the single most important thing right now.”**
>
> MICHEL LÉONARD · ON THE FEDERAL RESERVE
>
> Léonard puts the Federal Reserve at the center of the picture. It remains in an easing cycle, and that easing feeds the underlying growth behind premium volume. What has changed is that expectations now move the market as much as the rate change itself.

> **“Lower rates are not reaching the homeowner the way they once did.”**
>
> MICHEL LÉONARD · ON THE BROKEN LINKAGE
>
> Mortgage rates used to track the Fed within weeks. That link has loosened as financial markets and other channels sit between the central bank and the borrower, which is why recent cuts have not flowed through to housing or to commercial property.

1.5Q

Quarters out to early next year, Léonard's window for the softening to take hold.

2Q

The minimum he will read before calling anything a trend. One quarter is noise.

The trend matters more than the inflection points. In a softening market, Léonard's counsel is to read the trend rather than try to trade the precise turn. How each carrier performed going into the soft market matters more than its exact timing. Companies that were slow to take rate earlier never built the cushion, and they face a harder climb back to profitability now. For Pete Crowe, President of FOCUS, that is the case for entering a soft market with the lowest possible cost base, since the leanest operations have the most room to move when rate gives way.



FROM FOCUS · AUTHORED BY PETE CROWE AND TOP INDUSTRY LEADERS

The 2026 Soft Market Survival Guide

How disciplined operations protect margin, carrier confidence, and enterprise value. Read it at **teamfocusins.com/softmarket**.

SOURCE: FOCUS INTERVIEWS

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IN CONVERSATION

BEYOND THE HEADLINE

Read past the headline and the front page, and two things in the current data tell a different story. One is how much of the recent cost the industry quietly absorbed. The other is what is actually changing about catastrophe risk.

> **"We absorbed about half of those replacement-cost increases ourselves."**
>
> MICHEL LÉONARD · ON AFFORDABILITY
>
> Through the pandemic, replacement costs rose 40.42% across all P/C lines, year over three years at the COVID high, and 55.44% in homeowners. Léonard's read is that the industry passed through only about half of that, carrying the rest as a societal partner on affordability.

> **"We have been diversifying risk for 300 years. The issue now is that correlation has increased."**
>
> MICHEL LÉONARD · ON CATASTROPHE
>
> Since Lloyd's first insured ships at sea, the model could assume perils were largely independent. A storm in one ocean and a storm in another were unrelated. Rising severity and frequency are well understood, Léonard says; the term missing from the conversation is the third one. Correlation across perils has increased sharply, and that is what strains the model at the core of the business.

40.42%

Replacement-cost growth across all P/C lines, year over three years at the COVID high; 55.44% in homeowners.

~½

Roughly the share of that increase the industry absorbed rather than passing it to policyholders.

Diversification still works when perils stay independent. The number that matters is the one that overlaps. Léonard's caution is that severe weather, secondary perils, and economic shocks are landing closer together, and correlation is harder to price than frequency or severity alone.

The operating model decides who can absorb it. For Pete Crowe, a carrier can keep carrying loss-cost pressure only when its cost to serve is low enough to leave room, and it can hold service through correlated events only when its operation can surge without losing the file. FOCUS builds exactly that, AI-enabled operations that lower the cost to serve and flex with demand, so affordability and accountability hold when the data turns.

SOURCE: FOCUS INTERVIEWS

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IN CONVERSATION

THE DAILY COST

Léonard reframes one of the industry's loudest debates. Legal-system abuse is real, and its true cost is the daily defense of the business, well beyond the occasional front-page verdict.

> **“It is not just the nuclear verdict once a year. Alongside it is the cost of doing business every day.”**
>
> MICHEL LÉONARD · ON LEGAL-SYSTEM ABUSE

Alongside the headline verdicts sits an often-overlooked trifecta that reaches every carrier: nuclear verdicts, third-party litigation funding (TPLF), and the reserving they force. The cost that truly bites, Léonard says, goes beyond defending the book to reserving, where long-tail uncertainty moves rates the most. Every carrier faces TPLF, even those spared a nuclear verdict. He is careful to separate the abuse from the tort system itself, which serves a legitimate purpose, and points to Florida as evidence that targeted reform works.

> **“MGAs have become one of the key ways capacity reaches the markets that need it most.”**
>
> MICHEL LÉONARD · ON CAPACITY

In catastrophe-exposed markets like California, the Northeast, Florida, and the Carolinas, Léonard sees managing general agents delivering capacity at viable prices. Free of legacy constraints, a new program can build a fresh book and select the risk it wants. Reinsurers are increasingly part of that answer too, with many acting as a source of capacity in their own right.

FOCUS PERSPECTIVE

The market rewards the lowest cost to serve

Léonard describes the market FOCUS is built for. For Pete Crowe, the carriers and programs that hold the line through a softening, correlated market are the ones that can see their own operation and run it lean. That is the layer FOCUS operates, the instrumented back office that lets an MGA or carrier price for affordability and move with the data.

- **Cost to serve** low enough to hold affordability
- **Capacity** stood up fast for new programs
- **Accountability** for every decision on the file
- **Observability** into the operation, in real time
- **Data** read on the multi-quarter trend

PETE CROWE, PRESIDENT · FOCUS

SOURCE: FOCUS INTERVIEWS

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IN CONVERSATION

RESILIENT

For all the volatility in the data, Léonard's bottom line is steady. Resilience here refers to the American household in the economic sense, distinct from the extreme-weather meaning the word usually carries. The consumer keeps buying, and demand for insurance holds.

> **"The American consumer keeps going, and demand stays remarkably steady."**
>
> MICHEL LÉONARD · ON RESILIENCE
>
> Through every shock of recent years, Léonard says, households and businesses have stayed strategic about how they spend, and they keep buying coverage. His read is that demand for insurance grows alongside the wider economy it supports.

Resilient, though still short of equilibrium. Replacement costs have settled back near their long-run trend, and combined ratios are improving. The work, Léonard says, is to benchmark against the worst case the industry already lived through, with COVID as the ultimate stress test, and to keep reading the trend across quarters rather than reacting to one.

That is the operating environment FOCUS builds for. Its AI-enabled operations are designed to keep the cost to serve low and the data visible, so the carriers and programs it operates for can hold affordability and move with the market. The discipline Léonard finds in the numbers is the one FOCUS brings to the operation.

THE TRIPLE-I ECONOMIC OUTLOOK

The Insurance Information Institute publishes its quarterly economic outlook and underwriting projections for property and casualty. Learn more at **iii.org**.

SOURCE: FOCUS INTERVIEWS

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02
THE REGULATORY VOICE

State insurance regulators on AI governance, market availability, claims standards, and the end of the black-box era. They are the literal expression of the Policy Makers name.

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MEET THE POLICY MAKERS

FAIRNESS YOU CAN EXPLAIN

Kate Harris, Chief Deputy Commissioner of the Colorado Division of Insurance, on what two years of AI reports taught the first state to regulate them, and why the carrier always answers for the outcome

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FEATURED POLICY MAKER

Kate Harris

Chief Deputy Commissioner · Colorado Division of Insurance

IN HER WORDS

“We expect the carrier to be able to explain decisions in plain language.”

Kate Harris is Chief Deputy Commissioner of the Colorado Division of Insurance, helping lead the agency across both property and casualty and life and health. From 2019 to 2023 she served as the Division’s Deputy Commissioner for Life and Health Policy, the period when Colorado’s AI-governance work under Senate Bill 21-169 began with life insurers. Earlier roles across Colorado’s and Washington’s health-insurance marketplaces and behavioral-health access shaped a career centered on consumer access and affordability.

> *“At the end of the day, DOI will hold the carrier responsible for outcomes.”*

FOCUS put eight questions to Harris in writing this summer, and her feature runs as she answered them, in her own words. The throughline is a pair of ideas: fairness a carrier can demonstrate, and decisions a person can understand.

Where Jason Lapham reads the property and casualty market, Harris carries the division-wide view and the life and health origin of Colorado’s approach to AI. **The record of the exchange begins on the next page.**

SOURCE: FOCUS INTERVIEWS

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IN HER WORDS

WHERE IT BEGAN

Harris led the Division's Life and Health Policy work when Colorado wrote the nation's first insurance AI-governance law. The first two years of annual reports told the Division exactly where the industry stood.

You led Life and Health Policy when SB 21-169's governance work began with life insurers. What did those first two years of annual AI reports actually teach the Division?

KATE HARRIS

When we started implementation work, we suspected there would be a wide range of insurer preparedness for governance around big data, AI, and predictive models because ***this was the first time carriers had to put together this information for a regulator****. That was one of the reasons why we established governance and risk management requirements as an initial step. Our impressions were correct in that the first annual reports we received reflected that wide range of preparedness. However,* ***the second year showed a maturity on the part of carriers across the board*** *with increasing levels of sophistication on governance.*

Now that auto and health insurers are reporting too, what should they expect, and what did life insurers learn the hard way that the others can skip?

KATE HARRIS

From our side, life insurers didn't have any particularly hard lessons; the process went well. Although we focused initially on life insurers, we have expectations that other insurers will have a head start on what is expected.

SB 21-169

Colorado's 2021 law on insurers' use of big data and predictive models. Harris helped lead its early implementation.

2 yrs

Of annual AI reports from life insurers, the proving ground for Colorado's governance approach.

July 1

The 2026 date the first annual reports from auto and health insurers came due.

2019–23

Harris' years leading Life and Health Policy, where the SB 21-169 work began.

SOURCE: FOCUS INTERVIEWS

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IN HER WORDS

WHERE THE STAKES LIVE

Asked where she worries most about AI and big data touching access or affordability, Harris mapped the risk line by line: health, personal lines, and life each carry their own stakes.

Health and life raise different fairness questions than auto or homeowners. Where do you worry most about AI and big data touching access or affordability?

KATE HARRIS

On the health side, the use of AI or predictive models for utilization reviews or to assist in prior authorization decisions has the potential to make these processes easier and faster, but there are risks that those tools will lead to certain populations being subject to unfair discriminatory practices and outcomes, which SB 21-169 is trying to prevent, or inaccurate denials which we have also heard as a growing concern.

For personal lines like auto and homeowners insurance, the main concerns center on how the use of big data and complex predictive models can inadvertently lead to unfairly discriminatory underwriting and pricing outcomes for protected classes without discriminatory intent.

There is also the "black box" problem that occurs with complex algorithms making it difficult for regulators, consumers and even insurers to fully understand pricing decisions which raises concerns about lack of transparency and explainability. ***This is why we think the concept of explainable fairness is a key.***

The life side doesn't have the same stakes as the others. But it's still important for life insurers to demonstrate that their predictive models are not causing unfair discrimination.

When a consumer doesn't understand why a decision went against them, what do you expect the carrier to be able to do?

KATE HARRIS

We expect the carrier to be able to explain decisions in plain language and in a way that is intuitive to an average person.

SOURCE: FOCUS INTERVIEWS

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IN HER WORDS

WHO ANSWERS FOR IT

As AI absorbs more of the work inside carriers, Harris' answer to the accountability question never moves. The Division wrote it into the rules.

As AI absorbs more of the work inside carriers, who do you expect to answer for an outcome, and does that change who the Division holds responsible?

KATE HARRIS

As stated quite explicitly in our regulation 10-1-1: "If an insurer uses third-party vendors and other external resources with respect to ECDIS, as well as algorithms and predictive models that use ECDIS, ***the insurer remains responsible****..."*

We also included in our governance rules accountability requirements for carriers so they can't just blame the black box of the modeling. ***At the end of the day, DOI will hold the carrier responsible for outcomes.***

What separates a carrier genuinely governing its models from one checking a box?

KATE HARRIS

When a carrier can identify a risk through a governance process, and then responds to it. When we hear actual experience from carriers on going through the governance process and how it informs their decision making, we know they are genuinely governing their models.

FOCUS PERSPECTIVE

Built so the carrier can answer

Regulation 10-1-1 names the operating reality FOCUS accepts as a third-party partner: the carrier remains responsible for every outcome. So FOCUS engineers its AI-enabled operations for exactly the accountability Harris describes, with the evidence ready before anyone asks.

- **Human intervention** built into the workflow
- **Observability** into how a result is reached
- **Accountability**: a named owner per output
- **Decisioning**: model work, licensed review
- **Auditability** to reconstruct any decision

PETE CROWE, PRESIDENT · FOCUS

SOURCE: FOCUS INTERVIEWS

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IN HER WORDS

THE OPEN DOOR

For all the rulemaking, Harris' advice to every carrier and MGA reduces to one word: transparency. The regulator that wrote the first playbook wants the conversation early.

If you could tell every carrier and MGA one thing about working with a regulator in this environment, what would it be?

> KATE HARRIS
>
> ***Transparency.*** *It's really important for carriers to have forthright conversations with regulators so we can work with them on new processes and tools they are considering. Even if they are not sure how we will react, we want to stress that we are always open to a conversation and want to work together.*

What makes you optimistic about where regulation and the industry are headed together?

> KATE HARRIS
>
> *Since we were at the forefront of regulating AI with SB 21-169 and we are tackling the core components of governance and unfair discrimination, we are well positioned to think about what comes next from a regulatory perspective. We've successfully worked with carriers on SB 21-169 in Colorado, and as AI continues to be a larger part of the insurance industry,* ***we are confident that we can maintain our partnership with carriers through future regulation.***

FOCUS operates on the same conviction. Its AI-enabled operations pair the intelligence with the accountability Harris describes: a person owns every decision the model touches, and the trail behind it can be reconstructed on request. The carriers and MGAs FOCUS operates for should be the ones that can answer the Division's question with evidence.

BRING THE DIVISION IN EARLY

Colorado works with carriers on new processes and tools while they are still taking shape. The Division's governance expectations are set out in Regulation 10-1-1 at **doi.colorado.gov**.

SOURCE: FOCUS INTERVIEWS

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MEET THE POLICY MAKERS

SOMEONE HAS TO TRANSLATE

Jason Lapham, Deputy Commissioner for Property & Casualty at the Colorado Division of Insurance, on the important role AI plays in pricing and underwriting and the work that has to come with it

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FEATURED POLICY MAKER

Jason Lapham

Deputy Commissioner, P&C · Colorado Division of Insurance

IN CONVERSATION

"You have to translate what the model produces into something people can understand."

Jason Lapham spent eighteen years on the life and health side before moving to property and casualty at the Colorado Division of Insurance in 2024. Since 2022, Lapham has also been responsible for implementing Senate Bill 21-169, the state's 2021 law governing how insurers use big data and predictive models. FOCUS president Pete Crowe interviewed Lapham on where AI fits in insurance, and where the accountability for it has to live. On AI, Lapham's message held steady: it belongs in insurance.

> *"AI is not a bad word. This is the way of the world."*

But belonging comes with a bar. When a model shapes a decision, the carrier has to be able to explain it, in terms the audience in front of it can actually use. That, across every conversation, is the throughline: **someone has to translate what the model did into plain language.**

It is the regulator's version of a theme that runs through this report. The model can do the work; a person still has to own the output and answer for it. The pages that follow trace how Lapham draws that line, and how FOCUS builds toward it.

SOURCE: FOCUS INTERVIEWS

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IN CONVERSATION

WHAT CLEARS THE BAR

Lapham names a few expectations for any carrier using AI: no unfairly discriminatory outcomes, explainability, and actuarial soundness. Explainability is where most conversations live.

> **“Being able to explain the output is what matters. It's not about what's in the model.”**
>
> JASON LAPHAM · ON WHERE REGULATORS LOOK
>
> Regulators do not have the resources to crack open every model, and Lapham does not try. What gets tested is the output, benchmarked for discriminatory impact, and the decision made on it. Regulators expect insurers and their third-party partners to have appropriate model governance programs and risk management practices.

> **“You can't claim that's proprietary.”**
>
> JASON LAPHAM · ON THE ANSWER THAT FAILS
>
> A consumer questioned a rate change tied to a telematics program, and the carrier called the data confidential. Hiding behind trade-secret status does not work. Answered well, the carrier walks the customer through the specific driving behaviors the program flagged and how they connect to risk, in plain language. That satisfies the regulator and the consumer at once, turning a data request into carriers and regulators working together to keep pricing fair and coverage available.

FOCUS PERSPECTIVE

Someone has to answer for it

Lapham's bar is the one FOCUS builds toward. For Pete Crowe, putting AI to work in carrier and MGA operations only counts if a person can stand behind every output. The intelligence is designed with its controls around it from the start.

- **Human intervention** built into the workflow
- **Observability** into how a result is reached
- **Accountability**: a named owner per output
- **Decisioning**: model work, licensed review
- **Auditability** to reconstruct any decision

PETE CROWE, PRESIDENT · FOCUS

SOURCE: FOCUS INTERVIEWS

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IN CONVERSATION

THE MATURITY CURVE

AI did not arrive quietly. Colorado began enforcing its rules just as the technology, and the apprehension, went mainstream.

> **"If regulators don't understand something, most likely the answer is going to be no."**
>
> JASON LAPHAM · ON WHY EXPLAINABILITY MATTERS
>
> Not to raise the bar for its own sake, Lapham says. Regulators need to understand the process and tools insurers use before they can sign off. A clear explanation is what turns a hard question into a conversation.

> **"It's not just a check-the-box approach."**
>
> JASON LAPHAM · ON HOW CARRIERS HAVE CHANGED
>
> When Colorado's stakeholder process for life insurers began in 2022, carrier governance ranged from advanced programs to nothing at all. Two years of annual reports later, that gap has shrunk into real sophistication. For auto and health insurers, their reports became due in July, and he hopes to see similar progress.

SB 21-169

Colorado's 2021 law on insurers' use of big data and predictive models. Lapham led its rollout.

1 yr

Later, the NAIC issued its AI model bulletin, closely tracking Colorado's requirements.

2 yrs

Of annual AI reports from life insurers; auto and health carriers are now being folded in.

12 states

In an NAIC pilot folding AI-governance review into market-conduct and financial exams.

The timing sharpened everything. When Pete Crowe noted that thirty-nine of forty pitches at a recent conference led with AI, it did not surprise Lapham. Colorado began implementing Senate Bill 21-169 just as ChatGPT reached the public. The technology's arrival brought both promise and apprehension, and the bill gave carriers a framework to meet it. The signals are consistent now, and carriers are answering with governance rather than box-checking.

SOURCE: FOCUS INTERVIEWS

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IN CONVERSATION

READING THE MARKET

Behind the AI questions sits an older regulatory job: knowing what is actually happening in the market, and getting the data to prove it.

> **"We need to know what's going on in our markets, not to exercise a heavy hand."**
>
> JASON LAPHAM · ON WHY REGULATORS ASK FOR DATA
>
> Homeowners and auto pressure have pushed personal lines to the center. The mandate is availability and affordability, and meeting it depends on data carriers cannot always produce cleanly.

> **"It was much more difficult than I realized to work with that data."**
>
> JASON LAPHAM · ON THE GAP BETWEEN QUESTION AND ANSWER
>
> Even a simple question can be hard to answer when the data carriers send back varies wildly in quality. The gap between the question and the evidence is where much of a regulator's real work lives.

The work is rarely clean. When Colorado requested data to understand the impact local building codes had on insured losses, the numbers carriers sent back arrived in widely different formats and quality, with gaps where consistent reporting should have been. Rather than abandon the question, Lapham and the DOI team worked with the imperfect data they had, filling gaps with carriers where they could. That work helped inform the legislative effort in 2026 to establish a grant program to help homeowners retrofit their roofs.

The patience is deliberate. Crowe pointed to his own Colorado homeowners premium, up sharply over five years, as the squeeze consumers feel while carriers retreat from the most exposed areas. Lapham previews data calls when he can, so the exercise serves both sides rather than catching anyone out. The point is to understand a market well enough to respond to the people living in it.

SOURCE: FOCUS INTERVIEWS

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IN CONVERSATION

THE SHARED WORK

For all the rules, Lapham keeps returning to something simpler. Nobody has this figured out yet, and the work is shared.

> **“We're all learning this at the same time together.”**
>
> JASON LAPHAM · ON THE PATH FORWARD
>
> While the tools are this new, open communication between carriers and regulators matters more than any single rule. His advice for the conversation is to be prepared to have a good story to tell, and anticipate the questions before they are asked.

> **“Last year versus this year, the market is just so different. Who's doing the work, how people are getting it done.”**
>
> PETE CROWE · FOCUS
>
> Crowe sees the shift from the operator's seat. As AI absorbs more of the work, the question Lapham keeps pressing, who can explain the output, becomes a question of who is accountable for it.

The strongest carriers go in with their eyes wide open. They name the risks, do the real work of addressing them, and can tell that story when a regulator asks. The obstacle is the silence when no one at the table can explain what the model did, or answer for it.

That is the operation FOCUS is building toward. Its AI-enabled operations are designed so the intelligence and the accountability move together: a person owns every decision the model touches, and the trail behind it can be explained on request. The aim is for the carriers and MGAs it operates for to be the ones that can always answer the regulator's question, because accountability is engineered into the operation alongside the AI.

COLORADO'S FRAMEWORK FOR AI IN INSURANCE

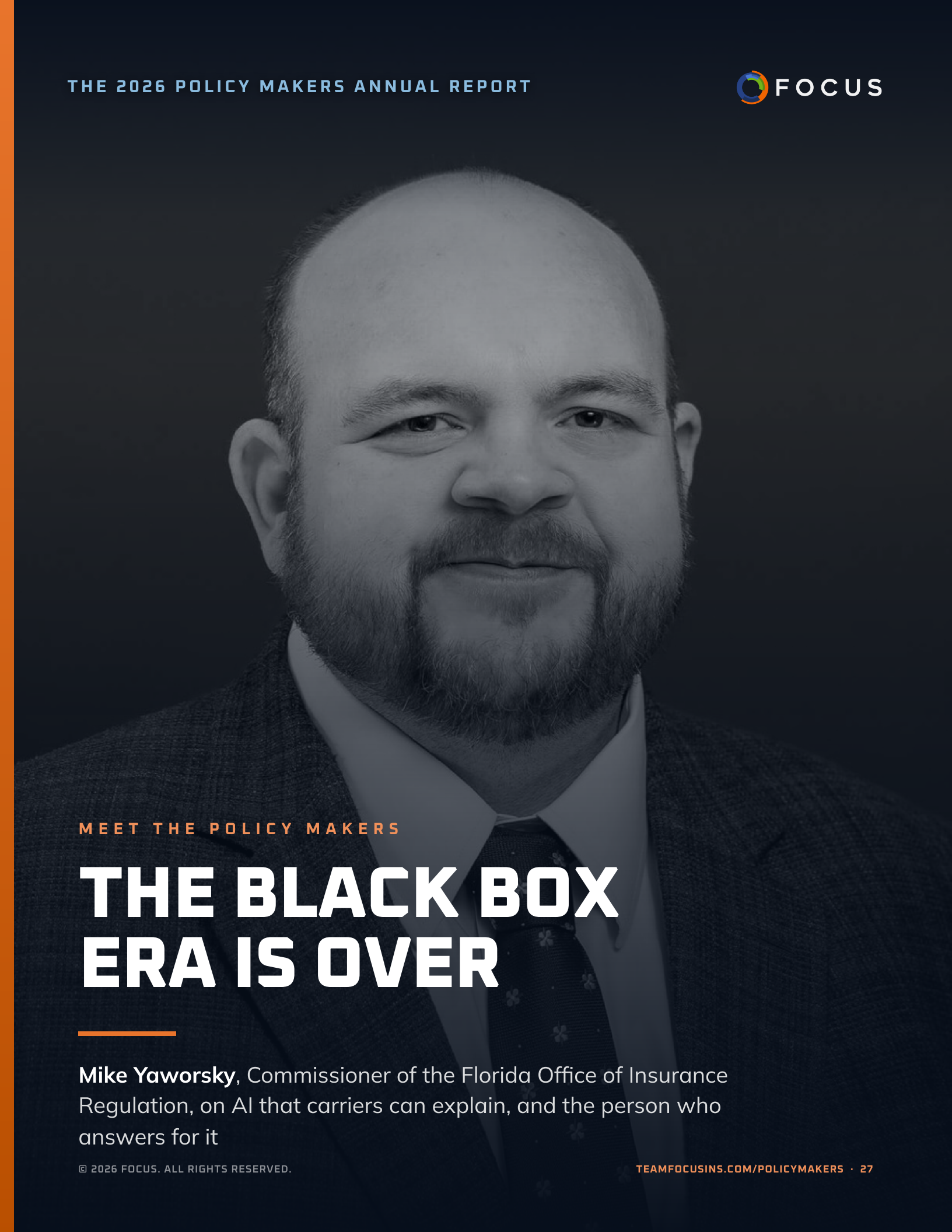
Colorado's expectations for insurers using big data and predictive models are set out in Senate Bill 21-169. Visit **doi.colorado.gov** to learn more.

SOURCE: FOCUS INTERVIEWS

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FOCUS



MEET THE POLICY MAKERS

THE BLACK BOX ERA IS OVER

Mike Yaworsky, Commissioner of the Florida Office of Insurance Regulation, on AI that carriers can explain, and the person who answers for it

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IN CONVERSATION

“If a company can't explain how it's using the model, that is not helpful.”

Mike Yaworsky leads the Florida Office of Insurance Regulation, the most catastrophe-exposed and litigation-tested market in the country, and he chairs the national committee on big data, AI, and analytics. FOCUS president Pete Crowe interviewed Yaworsky on what makes a carrier operationally sound in Florida, and on where the accountability for new technology has to live. On AI, his message is welcoming and clear: Florida wants it, deployed responsibly.

> *“We're very AI forward. We just want it deployed responsibly.”*

The bar comes with a condition. When a model shapes a decision, a carrier has to be able to explain what it did. A filing landed this year with AI inside it, and when the office asked what those elements did, no one could say. **A black box that a company cannot explain is the thing that worries a regulator.**

It is the regulator's version of a theme that runs through this report. The model can do the work, and a person still has to own the output and answer for it. The pages that follow trace how Yaworsky draws that line, and how FOCUS builds toward it.

SOURCE: FOCUS INTERVIEWS

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IN CONVERSATION

WHAT GREAT LOOKS LIKE

Yaworsky watched companies rise and fall through three storms in a row. His take on the ones that survived is simple: experienced management, personalized claims handling, and a process built to take the volume.

> **“Management matters a great deal. You have to have the folks who have seen it and done it.”**
>
> MIKE YAWORSKY · ON EXPERIENCE

Florida's market is complex and nuanced, Yaworsky says, and the companies that do well pair fresh talent with people who carry decades of it. There is room for someone who is starting a career in insurance, and there has to be someone in the room who has been through the cycle before.

> **“The more tightly you support the consumer during a claim, the more likely they stay with you.”**
>
> MIKE YAWORSKY · ON A SUCCESSFUL CLAIM EXPERIENCE

Following the storms, Yaworsky watched the moment a policyholder began to feel like a number. The trigger was almost always the same: the person they were dealing with changed, once or repeatedly, or they had to submit the same documents four or five times. Stay present, keep them informed, and the policyholder stays with you.

3

Major storms in a row that turned Florida's emergency response into a machine and woke carriers up on claims.

4–5x

Times a policyholder resubmitted the same documents before they started to feel like a number.

The fix is operational, and the state wrote it into law. The Insurer Accountability Act now requires carriers to keep a claims handling manual and procedure built to take a catastrophic event, because the office had seen companies caught without one after a decade of quiet seasons. Companies that personalize claims handling with competent people managing it, keep the promise at the heart of the industry.

SOURCE: FOCUS INTERVIEWS

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IN CONVERSATION

THE BLACK BOX

Yaworsky chairs the national committee on big data, AI, and analytics, and he is openly enthusiastic about the technology. The line he draws is about explanation rather than approval: a carrier has to know what its tools are doing.

> **“A black box is not going to work. You need to be able to explain it and know what it's doing.”**
>
> MIKE YAWORSKY · ON THE CENTRAL CONCERN

A rate filing arrived this year with AI inside it. The carrier was not required to disclose that, and Yaworsky's team figured it out anyway. When they asked what the AI elements did, the answer did not come. For a regulator, that silence is the worry, not the technology itself.

> **“We don't license software or AI. There's a human who is responsible for that behavior.”**
>
> MIKE YAWORSKY · ON THE HUMAN IN THE LOOP

The debate gets caught up in whether a person is the ultimate decider, Yaworsky says. What matters is that a named, responsible human stands behind the result. The flexibility is there for carriers to build things that may genuinely lower cost for consumers, with the right guardrails around them.

FOCUS PERSPECTIVE

Explain the output

Yaworsky's bar is the one FOCUS builds toward. For Pete Crowe, putting AI to work in carrier and MGA operations only counts when a person can stand behind every output and explain it on request. The intelligence is designed with its controls around it from the start.

- **Explainability**: never an unexplained box
- **Decisioning**: model work, licensed review
- **Accountability**: a named owner per output
- **Human intervention** built into the workflow
- **Observability** into how a result is reached

PETE CROWE, PRESIDENT · FOCUS

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IN CONVERSATION

THE HEALTHY MARKET

Behind the AI questions sits an older job: keeping the private market sound enough that capital stays in it. Yaworsky points to Florida's 2022 tort reform as the turn, and to the next 24 months as the test.

> **“You want clean, efficient insurers doing their job, paying claims, collecting premium, making reasonable profits.”**
>
> MIKE YAWORSKY · ON A MARKET THAT WORKS

Florida's reform moved the state from an outlier on attorney's fees into the mainstream, and Yaworsky watches the same fight play out elsewhere, in Georgia and Louisiana. The aim is to keep third-party intervention from soaking capital out of the system, so the private market stays sustainable.

> **“Takeouts can't be your only plan. You need a robust organic growth plan in place.”**
>
> MIKE YAWORSKY · ON THE NEXT 24 MONTHS

As the market softens, Yaworsky urges carriers to invest where it is uncomfortable: organic growth beyond Citizens takeouts, exposure management, and long-term thinking. The last cycle taught the state to make sure companies were built to keep the business they wrote, beyond simply acquiring it.

Claims handling stays at the top of the list. Even after the storms receded and the litigation eased, Yaworsky keeps reputation first. The industry now has a chance to step out of crisis mode and do the long-term work, the five and ten year visioning, that a stable market finally allows. The companies that use it well, he says, are the ones already moving in a tech-savvy direction and automating where it generates real efficiency, with people who understand what the technology is doing.

SOURCE: FOCUS INTERVIEWS

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IN CONVERSATION

THE SHARED WORK

Yaworsky keeps returning to the fact that technology is changing fast, and that the answer is transparency over heavy-handed rules.

> **“We want to do it smartly. Be transparent about what you're doing and how you're using it.”**
>
> MIKE YAWORSKY · ON THE PATH FORWARD
>
> Florida's draft legislation is geared toward disclosure, Yaworsky says, rather than control. If a carrier runs a systemic process on AI, the regulator wants to know, and wants the carrier to be able to show what it is doing. The work is shared, and the discussion is where it gets settled.

The promise behind the model is the product. A policyholder does not experience a carrier through its rating engine. They experience it through the call after the storm, and through a rate they can have explained to them in plain terms. That is the moment a regulator protects, and Yaworsky wants every carrier ready to answer for it.

That is the operation FOCUS has built. Its AI-enabled operations are designed so the intelligence and the accountability move together: a person owns every output the model touches, licensed hands review the calls that matter, and the trail behind any decision can be explained on request. The aim is for the carriers and MGAs it operates for to be the ones that can always answer the regulator's question, because explainability and accountability are engineered into the operation alongside the AI.

FLORIDA'S FRAMEWORK FOR AI IN INSURANCE

The Florida Office of Insurance Regulation sets the state's expectations for insurers using AI and predictive models. Visit **floir.com** to learn more.

SOURCE: FOCUS INTERVIEWS

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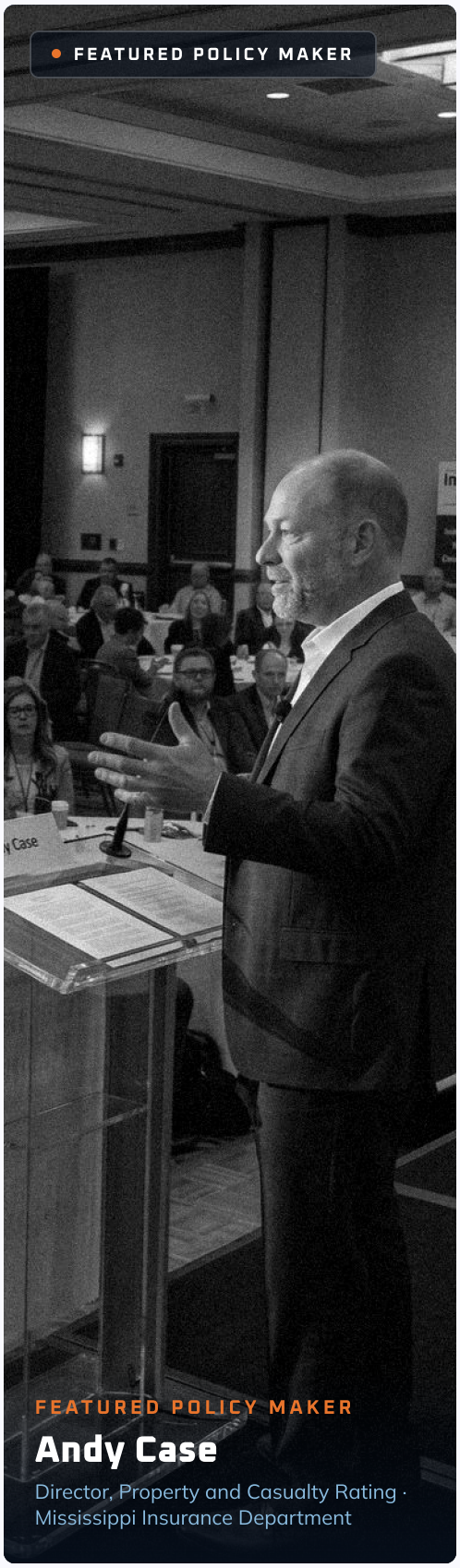


MEET THE POLICY MAKERS

WHO OWNS THE CLAIM?

Andy Case, Director of Property and Casualty Rating at the Mississippi Insurance Department, on what broke in claims service, and how regulators see it

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IN CONVERSATION

“There is no owner on that claim.”

Andy Case spent more than two decades on the carrier side managing catastrophe claims at Allstate across the Gulf and South before moving to the Mississippi Insurance Department, where he oversees property and casualty, compliance, and consumer affairs. He has watched claims service from the inside, and now from the regulator's seat. His verdict is blunt: since COVID, claim handling across the industry has declined, and the cause is structural.

> *“Since COVID, claim handling has eroded across the industry.”*

The culprit is the operating model the industry adopted, routing a single claim through call centers and a rotating group of adjusters. Every step gets handed to a different person on a different day, and no single person carries the file. The policyholder ends up repeating the same story to the fifth person who picks up the phone.

It is the operational version of a theme that runs through this report. The work can be automated and scaled, but someone still has to own the outcome and answer for it. The pages that follow trace what broke, what it is costing, and how Case wants carriers to respond.

SOURCE: FOCUS INTERVIEWS

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IN CONVERSATION

WHAT BROKE

What broke is structural. A claim moves from hand to hand, each adjuster inheriting a file they did not open, until the person on the phone is reading notes someone else wrote. The work still gets done, but the thread of accountability gets lost in the handoffs.

> ### “You need someone who can handle that conversation.”
>
> ANDY CASE · ON THE HUMAN IN THE CLAIM
>
> When a homeowner calls after a hurricane having lost everything, Case argues, they need a licensed adjuster who knows the market and owns the claim from first call to payment. After a storm, a policyholder needs more than a ticket number; they want someone who will stay with the claim until it is resolved.

> ### “When the complaints pile up, regulators have to step in.”
>
> ANDY CASE · ON THE LOUISIANA CAP
>
> After two hurricanes and a wave of complaints, Louisiana capped the number of adjusters who can touch a single claim at five. On a year-long total-loss rebuild with adjusters rotating off for rest, carriers now struggle to comply. For Case, it comes back to the goal everyone shares, claim service strong enough to keep the promise made to the policyholder.

5

Adjusters maximum per claim, Louisiana's cap after a wave of hurricane complaints.

~115

Tornadoes a year in Mississippi, near the top of the country.

Fragmentation has a cost the data now shows. Case ties the call-center model directly to the decline in service, and the complaints that follow it. An operating model built for economies of scale traded away the one thing claimants remember: a knowledgeable response from someone who owns the outcome.

For Pete Crowe, the fix lives in the operating model. Technology can carry the routine and flag the moment a claim needs a human, or a licensed professional, to step in. Transparency and real-time reporting show how the work is performing, and evaluations catch a problem before a policyholder feels it. Built this way, claim service holds its promise on its own.

SOURCE: FOCUS INTERVIEWS

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IN CONVERSATION

BEYOND RATE

In a CAT-exposed state, Case watches rate and discretionary income cross. His read is that rate alone has reached its limit, and the moment calls for new solutions.

> **“Historically, we have always taken rate, but the world has now moved beyond that. Technology exists and now it's time to build better solutions.”**
>
> ANDY CASE · ON AFFORDABILITY
>
> Percent deductibles, ACV settlement schedules, and rising dwelling values have squeezed homeowners from several directions at once. Consumers, Case says, are tired of rate and ready to trade coverage for relief.

> **“Parametric is an excellent solution. We need more like these.”**
>
> ANDY CASE · ON ALTERNATIVES
>
> He wants more modular and parametric products, coverage people can size to what they can afford. Some carriers are already moving toward this. One lets policyholders buy roof coverage in increments and set their own premium, and Case sees that kind of flexibility as the way forward for the market.

$5K / $27K

A homeowner's payout on a $27,000 roof under a percent deductible and an ACV schedule.

2–5%

Percent deductibles, standard since Katrina, that move more CAT cost to homeowners.

The math lands on the policyholder. Case has sat in town halls and heard it directly: with higher deductibles, higher dwelling values, and higher premiums stacking up, a family starts asking what is left to collect when something happens. Many would rather choose their coverage than keep paying for a policy they can barely afford.

SOURCE: FOCUS INTERVIEWS

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IN CONVERSATION

THE OPEN DOOR

For all the pressure, Case wants the same thing from carriers that he offers them: an honest conversation before a problem becomes an exam.

> ### “It's my job to help you fix it.”
>
> ANDY CASE · ON THE REGULATOR'S ROLE
>
> Sixteen years as a regulator, two market-conduct exams in that time, and thirty-nine years in property and casualty all told. Case would rather a carrier bring him a developing trend early than have him discover it later. “I'll be your advocate,” he says.

> ### “Don't tell me there's nothing to see here.”
>
> ANDY CASE · ON PROACTIVE DISCLOSURE
>
> If a carrier names a problem and is working on it, Case walks away satisfied. All he asks is that no one wait until an issue is undeniable to put it on the table.

FOCUS PERSPECTIVE

Someone has to own it

Case names the failure FOCUS is built to fix. For Pete Crowe, claims and service operations only work when one person owns the file end to end and stays accountable for it, even as adjusters rotate through a catastrophe, with the technology holding the claim together rather than passing it around.

- **Claim ownership**: one file, one owner
- **Licensed** hands on coverage questions
- **Accountability**: a named owner on every claim
- **Human intervention** where it matters most
- **Observability** into every claim's status

PETE CROWE, PRESIDENT · FOCUS

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IN CONVERSATION

THE SHARED WORK

Case keeps coming back to one idea. Regulator, carrier, agent: all of them are serving the same people, in different roles.

> **“We're all serving the same people, just in different roles.”**
>
> ANDY CASE · ON THE PATH FORWARD
>
> Retention used to anchor the business, Case says, and carriers still get the claim right the vast majority of the time. But the platform for claims changed for everyone, and under the pressure of scale the promise of a knowledgeable response has slipped, showing up in rising complaints and recoveries.

The promise is the product. A homeowner does not experience an insurer through its rating model. They experience it through the call after the storm, when they need someone who knows their file and can give them an answer. That is the moment that got away from the industry, and the one Case wants carriers to reclaim.

That is the operation FOCUS has built. Its AI-enabled claims and service operations are designed so the intelligence and the accountability move together: a named owner for every file, licensed hands on the calls that matter, and a record that can answer for any decision. The aim is for the carriers it operates for to be the ones a policyholder trusts on the worst day.

MISSISSIPPI'S STRENGTHEN HOMES PROGRAM

Mississippi's wind and hail roof mitigation program runs through the state Department of Insurance. Learn more at **www.mid.ms.gov**.

SOURCE: FOCUS INTERVIEWS

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CHAPTER 02 · THE DATA PICTURE

MORE FORWARD-LOOKING MODELS, MORE ACCOUNTABILITY

88%

of auto insurers (70% of homeowners) now use, plan to use, or are exploring AI/ML models (NAIC).

12

states piloting the NAIC AI Systems Evaluation Tool as of March 2026, across market and financial examination.

76.8%

Florida domestic P&C combined ratio in 2025; litigation down ~66% from peak (Guy Carpenter).

$750B

California FAIR Plan exposure (March 2026), up 242% since Sept. 2022.

The NAIC AI Model Bulletin (adopted December 2023), a forthcoming Third-Party Data and Models Working Group, California's Sustainable Insurance Strategy (forward-looking CAT models tied to 85% market-share availability requirements in distressed areas), and Climate RBC interrogatories all point one way: **more permissioning of forward-looking models, paired with more transparency and accountability.**

SOURCES: NAIC · GUY CARPENTER · CALIFORNIA DOI

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03
AI AND THE OPERATIONS GAP

Ninety percent are evaluating. Twelve percent are data-ready. Closing that gap, with governed, production-grade deployment, is the operating priority for 2026.

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CHAPTER 03

ADOPTION VS. DEPLOYMENT

The gap between AI interest and AI execution is the defining operational tension of 2026, and it traces back to data readiness.

90%

of executives evaluating GenAI; 55% in early or full adoption (Conning).

12%

of insurers report very high data maturity, despite AI being entirely data-dependent (Capgemini / Informatica).

72/28

split of AI spend: 72% to technology, only 28% to change management (Capgemini).

$50–70B

AI revenue opportunity for insurance; 10–15% premium-growth improvement from AI underwriting (McKinsey).

Where it already works: Aviva runs 80+ AI models in motor claims, saving £60M ($82M) in 2024, cutting liability-assessment time by 23 days and complaints by 65%. The addressable opportunity sits wherever routine work lives: 57% of underwriters spend most of their time on routine tasks, and 64% of claims adjusters struggle to meet turnaround targets.

SOURCES: CONNING · CAPGEMINI · MCKINSEY · DELOITTE

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CHAPTER 03 · THE BRIDGE

THE BRIDGE IS AN OPERATING ARCHITECTURE

The distance between evaluating AI and deploying it is closed by how the work is organized: layered in by stage, under licensed accountability, with observability, auditability, and deterministic control where it matters.

LAYER AI IN BY STAGE

STAGE 01

Assist

AI drafts, retrieves, and summarizes the file.

People make every decision.

CONTROL · SOURCE-TRACED OUTPUT

STAGE 02

Augment

AI recommends and pre-fills the work.

A licensed professional approves what binds.

CONTROL · HUMAN IN THE LOOP, FULL AUDIT TRAIL

STAGE 03

Orchestrate

AI executes routine, bounded decisions inside limits people set, with human review wherever judgment is required.

People own the exceptions.

CONTROL · DETERMINISTIC GUARDRAILS

THE CONTROL PLANE

Observability

Every agent action traces to a governed source, in real time.

Auditability

Every decision reconstructs for a regulator, reinsurer, or board.

Deterministic decisioning

Rating, eligibility, and regulatory rules run as rules.

FOCUS · LICENSED ACCOUNTABILITY

AI speed, with a licensed professional on the outcome.

FOCUS is building through each stage with named, licensed people accountable for the result, observability and audit trails built in, and deterministic control wherever money moves or a regulator will ask. It is the MVP and validated-learning loop applied to AI in operations: each stage ships the smallest trustworthy increment of autonomy, proves it in production, and earns the next stage. Authority advances on validated learning.

250K+
UNDERWRITING FILES REVIEWED YEARLY

1.2M+
PRODUCTION TASKS COMPLETED YEARLY

80+
NET PROMOTER SCORE

SOURCES: CONNING · CAPGEMINI · NAIC AI MODEL BULLETIN

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MEET THE POLICY MAKERS

ESCAPING THE USE CASE LOOP

Andrée Bourgon, Co-Founder, COO, and Head of Finance at Ascendex, on why most insurers stall on AI, and how to break out

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IN CONVERSATION

“At some point, the use case loop has to be put into practice.”

Andrée Bourgon co-founded Ascendex Underwriters in September 2024, backed by Altamont Capital Partners, and built a commercial specialty MGA technology-first, from nothing. Sitting down with FOCUS president Pete Crowe at Target Markets, she named the thing she watches insurers get stuck on. She calls it the use case loop: we could do this, or test that, or what about this, with the deciding and the deploying always one step away.

> *“If you don't start making the decisions and deploying it, you end up in this loop.”*

AI and automation are foundational, she says, so each deployment becomes the base for the next one. When teams keep cycling through possibilities, they fall further and further behind teams that ship. “Ultimately, that's what's keeping a lot of insurance companies behind.”

What makes the loop escapable is that the old rules no longer hold. A tech decision used to mean a three-, five-, even ten-year commitment to one platform. Now the tooling is modular and the cost of technology keeps falling, so building is fast and at a much lower cost. Test an idea that fails and the team is out ninety minutes rather than six months. That economics is what lets Ascendex take a product to market in **twelve weeks**, then keep tightening from there.

SOURCE: FOCUS INTERVIEWS

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IN CONVERSATION

BUILT FROM SCRATCH

Ascendex Underwriters opened in September 2024 with Altamont Capital Partners behind it and a mandate Bourgon takes literally: build a digital, technology-first underwriting business for commercial specialty, starting from a blank page.

> ## “We started with nothing.”
>
> ANDRÉE BOURGON · ON THE BLANK PAGE
>
> Pete Crowe asked whether Ascendex began with technology in hand. It began with less than that. The team spent an extended period understanding, diagnosing, and figuring out how to build the technology: the underwriting ecosystem partner, the back office billing and receivables partner, third-party data, AI, and automation, all identified and built from the ground up.

> ## “What does this stack ultimately look like?”
>
> ANDRÉE BOURGON · ON DESIGNING THE STACK
>
> Every architecture question was asked and answered before a single underwriter was on board: how much business is throughput, how much requires underwriter touch points, what automation looks like in the environment. When underwriters arrive, they morph into that stack, moving from their world of how to underwrite into the Ascendex world.

Sept 2024

Ascendex Underwriters founded, with Altamont Capital Partners as sponsoring partner.

0

Legacy systems, partners, or processes inherited on day one. Everything was built from the ground up.

The build serves a specific kind of underwriter. The programs Ascendex incubates arrive with product and market fit already proven: insurance products, in Bourgon's words, “ready to be pushed into a digital solution.” Underwriters come sometimes with capacity and sometimes without, and Ascendex works with them to secure capacity providers for the products they bring to market. Altamont, the sponsor behind Accelerant, Hadron, and Augment, backed the same thesis here: commercial specialty, run digital from the start.

SOURCE: FOCUS INTERVIEWS

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IN CONVERSATION

WHAT CARRIERS GRADE

Capacity is the lifeblood of any program, and Bourgon says carriers have grown selective in a specific way: they grade whether an underwriting partner runs its business with command of its data, its cash, and its clock.

> **"That means command and control of the data, and knowledge of the data."**
>
> ANDRÉE BOURGON · ON COMMAND AND CONTROL
>
> Ascendex sits in the middle of the flow, transmitting regulatory and compliance policy information to its carrier partners. Because the stack was built as one set of data rather than disparate systems, the team can translate exactly what is going over to a carrier, and prove command of the treasury ecosystem: money in, money out, reconciled.

> **"Month closes on the 31st. Within two to three days, we're closed."**
>
> ANDRÉE BOURGON · ON SPEED
>
> When a carrier partner requested a biannual audit and asked how long Ascendex needed to assemble the information, the answer was tomorrow afternoon. The carrier offered until the end of the month. Ascendex sent it the next day anyway, because the flow of underwriting data to carriers and claims partners is itself the goal.

FOCUS PERSPECTIVE

The deploy-first standard

Bourgon's scorecard reads like an operations audit: one set of data, a close measured in days, an audit answered overnight. That is the bar an operations partner has to clear for MGAs and carriers, and her deploy-first discipline is how it gets cleared. Decide, ship, and make every AI-enabled output something a licensed professional can explain and stand behind.

- **Decide and deploy**: pilots graduate to production
- **Fast close**: carrier-ready within days of month end
- **Licensed accountability**: a named owner per output
- **One data set**: nothing disparate to reconcile
- **Explainability**: outputs a person can walk through
- **Judgment first**: people analyze, systems click

PETE CROWE, PRESIDENT · FOCUS

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IN CONVERSATION

WHAT "REAL" LOOKS LIKE

Pete Crowe asked what is real versus vaporware. Out of the loop means shipping, and Bourgon pointed to where AI already earns its keep.

> **"Maybe it is not 100 percent correct, but imagine I can get you 80 percent of the way there."**
>
> ANDRÉE BOURGON · ON CONFIGURING PRODUCTS WITH AI
>
> Ascendex uses AI to build a product inside its policy lifecycle system. The model gets most of the way there, and an underwriter finishes the last stretch. The build-ready instructions behind a launch once took weeks; now they take about a week.

> **"We don't want them clicking."**
>
> ANDRÉE BOURGON · ON FREEING THE UNDERWRITER
>
> The highest-value work is research and judgment. Moving one underwriter into the Ascendex stack cut the path to a rate from 300 clicks to 40.

12 wk

Concept to a product in market, down from a twelve-month policy-admin build.

300 → 40

Clicks to reach a rate, after moving an underwriter into the Ascendex stack.

1 wk

Build-ready underwriting instructions that once took weeks to produce.

90 min

What testing an idea that fails now costs, instead of six months.

None of this is about replacing people. Bourgon draws a sharp line between models that return research and bots that take a person out of the loop. At Ascendex the models help underwriters think, and a human makes every call.

BUILD A PRACTICE WITH ASCENDEX

Ascendex Underwriters launches multiple practices each year. Visit **ascendexuw.com** to learn more.

SOURCE: FOCUS INTERVIEWS

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FOCUS



MEET THE POLICY MAKERS

PROOF, IN PRODUCTION

Pete Crowe, President of FOCUS, on why most AI pilots stall before they matter, the capabilities FOCUS runs live inside a regulated operation, and the discipline that moves a pilot into the real world

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FEATURED POLICY MAKER

Pete Crowe

President · FOCUS · Host, Policy Makers

IN HIS WORDS

“You can do a proof of concept quickly. A real working application takes a while.”

Every feature in this report asks a leader how the work actually gets done. This one turns the question on the publisher. Pete Crowe is President of FOCUS, the insurance operations partner behind 30+ carrier, MGA, and service center launches, and for the past year he has run a standing AI strategy program with one operating rule: every capability earns its place in production before anyone talks about it.

> *“We’re already doing the work. We already understand it. That’s the difference.”*

Most AI pilots stall for operational reasons, and the industry data now proves it. FOCUS runs live capabilities in production inside a regulated operation, under the same QA scores and licensed accountability it publishes, with a plan that grows the footprint in multiples from here. And the first build is the expensive one: everything after it compounds.

SOURCE: FOCUS AI STRATEGY SESSIONS, 2025–2026

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IN HIS WORDS

THE PILOT TRAP

The industry spent two years funding AI experiments. The research now shows where almost all of them end, and the reasons are operational.

MIT's State of AI in Business study found that **95 percent of enterprise generative AI pilots show zero return**. Gartner puts abandonment after proof of concept near half and projects that over 40 percent of agentic AI projects will be cancelled by the end of 2027. The diagnosis behind those numbers reads like an operations checklist: data readiness, workflow integration, and a missing definition of the outcome before the build starts. Crowe recognized the pattern early, from the inside.

> **"You build it once and it's painful. You have to learn the nuances before the thing is actually beneficial."**
>
> PETE CROWE

The gap between a demo and a dependable capability is where pilots die. A proof of concept ignores edge cases; production is made of them. FOCUS budgeted for the pain instead of hiding it.

> **"There's something to the story of how you're assessing and building. It's like showing pictures of the home remodel as you go."**
>
> PETE CROWE

While the market leads with finished-house claims, Crowe argues the credible position is the build itself: what is live, what is next, and what it took to get each capability through.

95%

Of enterprise GenAI pilots showing zero return (MIT, State of AI in Business 2025).

~50%

Abandonment after proof of concept (Gartner).

40%+

Of agentic AI projects projected cancelled by end of 2027 (Gartner).

12%

Of insurers reporting the data maturity to deploy AI at all (Capgemini).

SOURCES: MIT · GARTNER · CAPGEMINI · FOCUS AI STRATEGY SESSIONS

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IN HIS WORDS

LIVE, UNDER SCRUTINY

The capabilities in production inside FOCUS today all answer to the same QA scores, licensed staff, and market-conduct standards the rest of the operation does.

The live list is specific: **automated QA review, inspection report analysis, email triage, and new business document ingestion with in-good-order checks**. Behind them, CSR assist, self-service, and proactive outbound are moving through the same production gate, and the plan from here runs in multiples: each capability that ships becomes the template that speeds the next, so the live footprint is built to double, then double again. The automated QA capability shows what production means in practice: call review that once sampled roughly one percent of interactions at random now covers the large majority of them, with the same team. Every capability ships inside the operating architecture this chapter describes, with people owning the exceptions and deterministic rules wherever money moves.

> **“If you’re making one table, you just build the table. If you’re making multiple tables, you first build the jig.”**
>
> PETE CROWE
>
> The early builds were made for an audience of one. Making a capability repeatable is an upfront tax, Crowe says, and you win on the back end: the template does the work on every deployment that follows.

THE OPERATING RULE

AI speed. Licensed accountability.

Every capability FOCUS ships pairs automation with a named, licensed owner for the outcome. Authority advances one stage at a time, on validated learning, with observability and audit trails built in from the first deployment.

- **Production first** proved inside FOCUS before it is sold
- **Licensed staff** accountable for every outcome
- **QA coverage** expanding, same team
- **Deterministic rules** wherever money moves

SOURCE: FOCUS AI STRATEGY SESSIONS · CAPABILITY LIST PER FOCUS LEADERSHIP, 2026

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IN HIS WORDS

BUILD ONCE, THEN COMPOUND

The first deployment carries the learning cost. Crowe's plan for what follows is organizational: pods of builders working through a documented process map, capability by capability.

> **"The second deployment takes a week instead of two months, because the baseline structure is in place."**
>
> PETE CROWE
>
> Once a capability survives production for one book of business, most of its nuances are solved. Carrying it to the next program is configuration work, and the payback curve steepens with each deployment.

> **"A pod of two or three people can tackle two of those things. Three pods can tackle six or eight. It's a commitment from a people perspective."**
>
> PETE CROWE
>
> Throughput is a staffing decision. FOCUS documented its processes end to end, ranked the opportunities, and is building a dedicated AI team in pods so several capabilities advance at once.

THE KNOWLEDGE BASE

75 years of operating history. Only FOCUS has it.

The capabilities train on the company's own operational record: 75 years of it, spanning carriers, MGAs, and service centers, including an MGA that FOCUS built and ran for decades. All of it is anonymized before it touches a build, so no client's book is ever exposed. It is the one input a competitor cannot buy or rebuild.

SOURCE: FOCUS AI STRATEGY SESSIONS, 2025–2026

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IN HIS WORDS

THE OPERATING RECORD

Crowe's wager is that the AI era rewards published, auditable operating numbers over vendor-reported benchmarks, and FOCUS publishes its record.

The numbers below are the ones FOCUS runs its business on, measured continuously and reviewed with every client. As buyers begin writing RFPs around AI claims, Crowe expects audited operating metrics with licensed oversight to become the deciding evidence, and FOCUS built its record before the question arrived.

300+

US-based licensed insurance professionals running the work.

95%+

QA scores across the operation, measured continuously.

80+

Net Promoter Score, more than double the industry average.

$3B+

Premium managed over five years across 30+ carrier, MGA, and service center launches.

The chapter's thesis, proved on one P&L. Ninety percent of insurers are evaluating AI and twelve percent are ready to deploy it. The distance between those numbers closes with operating discipline, and the fastest way to learn that discipline is from an operation that already crossed it in production.

THE FOCUS BUILD

FOCUS runs AI-enabled insurance operations for P&C carriers and MGAs: capabilities proved live in production, a build queue set to multiply them, all under licensed accountability. See where the build stands at **teamfocusins.com**.

SOURCE: FOCUS OPERATING DATA, 2026

FOCUS | Operational excellence, without compromise

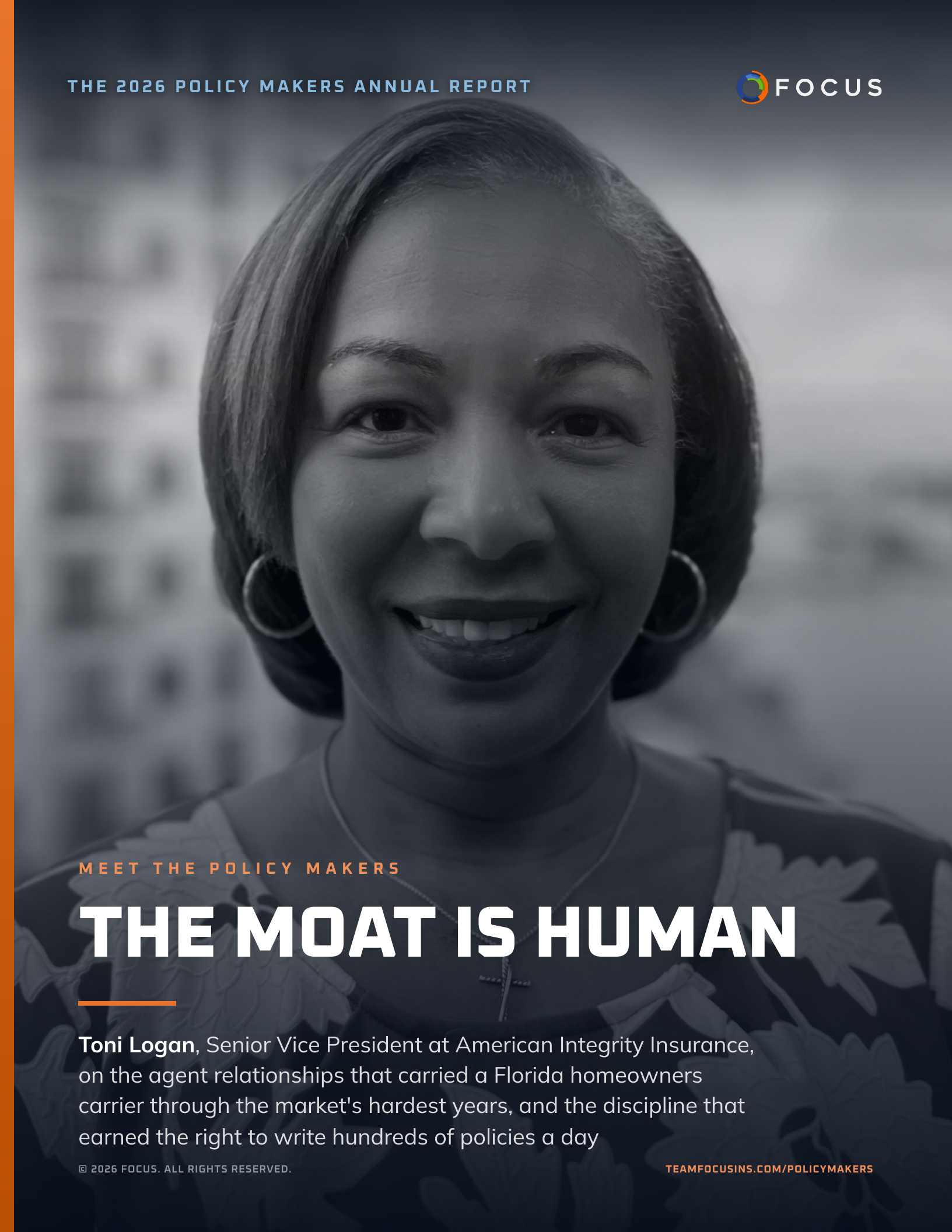
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04
THE CARRIER VOICE

The leaders running regional and mutual carriers on durability: modernization that keeps a company strong, and relationships that make it the preferred market.

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FOCUS



MEET THE POLICY MAKERS

THE MOAT IS HUMAN

Toni Logan, Senior Vice President at American Integrity Insurance, on the agent relationships that carried a Florida homeowners carrier through the market's hardest years, and the discipline that earned the right to write hundreds of policies a day

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FEATURED POLICY MAKER

Toni Logan, APR

Senior Vice President · American Integrity Insurance

IN HER WORDS

"People think insurance is boring. I would kill for a boring day."

Toni Logan is Senior Vice President at American Integrity Insurance, the Tampa-based homeowners carrier (NYSE: AII) with 437,000 policies in force across the Southeast as of the first quarter of 2026, written through more than 1,000 independent agents. She has spent nearly three decades in insurance communications, with stops at Allstate and USAA before joining American Integrity in 2015, and she leads the marketing and communications function through the most consequential stretch in Florida property insurance history.

> *"We help people get back in their homes and restore a sense of normalcy and peace after they've suffered a loss. It's a noble job."*

FOCUS sat down with Logan this summer, and her story runs on one conviction: in a business everyone calls a relationship business, very few carriers actually operate like one. Her account arrives in three parts. Education built trust when the market was in crisis. Relationships are engineered with intent, from the CEO's cell number on down. And the discipline to say hard things earned the loyalty that lets the brand grow into new states today.

SOURCE: FOCUS INTERVIEWS

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IN HER WORDS

THE MANIFESTO

Years before Florida's reforms took hold, American Integrity told its agents exactly what would happen without them. Then it all happened.

Agents are policy experts, Logan says, but most are too busy writing business to track the forces moving underneath the market. So when the pandemic collided with Florida's fraud crisis, American Integrity chose to become the industry's teacher. The company launched quarterly webinars, armed agents with white papers and talking points built with its VP of Legislative Affairs, and showed up to legislative Capitol Days **30 to 35 people deep**, with CEO Bob Ritchie routinely the only carrier CEO in the building, President Jon Ritchie beside him, and top agents invited along so legislators could hear from them directly.

> **"In 2020, Bob wrote what we refer to internally as a manifesto: right now you don't see this, but let me tell you what's going to happen if we don't get reform. He predicted pretty much everything."**
>
> TONI LOGAN

At the time it sounded like hyperbole. Three years and a wave of carrier failures later, agents were telling him he had called every beat of the crisis, down to how many companies would go out of business.

> **"They really started to see us as a thought leader, a partner who had the best interest of the whole industry at heart, not just our own individual success."**
>
> TONI LOGAN

The education campaign never told agents what to do. It laid out what was happening and let them decide, and that restraint is precisely what converted attention into trust.

2007

Founding year of American Integrity, now nearly two decades into serving the Southeast.

437K

Policies in force across Florida and the Southeast, as of 1Q 2026.

30–35

People American Integrity brought to legislative Capitol Days at the height of the reform fight.

1,000+

Independent agents who exclusively represent the carrier across the Southeast.

SOURCE: FOCUS INTERVIEWS · AMERICAN INTEGRITY COMPANY REPORTING

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IN HER WORDS

RELATIONSHIPS BY DESIGN

The agent loyalty that looks effortless from the outside is engineered with intent, from the CEO's cell number to a trip agents never forget.

Every carrier calls itself relationship-driven. Logan can list what that actually costs: leadership that answers its own phone, a sales team trained on the economics of the business, dinners across the state where the first question is about the kids, and an annual trip for top producers that Logan herself plans. The result is a bond that behaves less like a distribution channel and more like a family.

> **"They have Bob's number. They can text him, they can call him. That makes a world of difference when you feel like your voice is being heard."**
>
> TONI LOGAN

Access runs through the whole leadership team. Agents know their underwriter, the claims leadership, and the executives over sales, product, and pricing, and they use those lines all year long. Her sales team earns its seat differently too: "They don't just go drop off trinkets. They really understand the business."

> **"This is about creating memories, about cementing the partnership on a much more emotional level."**
>
> TONI LOGAN

The annual top-producer trip has spawned its own communities. One group of agents met on the trip, named themselves the Diamond Dolls, and now runs standing calls to trade what is working in their markets. "These are connections that wouldn't have been made without us. There's enough room for all of us to be successful together."

FOCUS PERSPECTIVE

Relationship capacity is an operations problem

Logan's playbook takes something most carrier teams cannot find: time. Hours absorbed by servicing backlogs and data entry are hours no one spends at an agent's dinner table. FOCUS exists as an operations partner so carriers can run policy servicing at scale while their people do the relationship work Logan proves is the durable advantage.

- **Servicing and FNOL** absorbed at partner scale
- **Licensed agents** on the work that requires them
- **AI-enabled workflows** with human sign-off
- **Operating cost** that flexes with volume

PETE CROWE, PRESIDENT · FOCUS

SOURCE: FOCUS INTERVIEWS

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IN HER WORDS

THE UNVARNISHED TRUTH

Trust earned in the crisis met its real test in the recovery, when American Integrity reopened capacity slowly and on its own terms.

When fraud was bleeding the Florida market, American Integrity was among the first carriers to pull back capacity. Agents pushed back and thought the company was overreacting. Then the market moved exactly as the carrier said it would. When reform finally arrived, the company held its line again, waiting to be sure the changes would stick before reopening, and it kept agents informed at every step.

> ### “Sometimes you’ll like what I have to say, sometimes you won’t.”
>
> BOB RITCHIE, CEO, AS LOGAN TELLS IT
>
> The unvarnished truth became the brand’s signature. Agents accepted the early pull-back they disliked because the reasoning was shared openly, and the track record kept proving out.

> ### “We told them: we’re going to slowly open up the pipe, but once we do, you get first dibs.”
>
> TONI LOGAN
>
> Top-producing agents were first in line when capacity returned, a promise made in the hard years and kept in the good ones.

> ### “Now we’re writing hundreds of policies a day.”
>
> TONI LOGAN
>
> The brand equity built with agents now filters down to policyholders, many of whom are agents themselves and among the company’s loudest advocates. With Florida stabilizing, that engine is carrying the carrier into Georgia, South Carolina, and North Carolina, with Bob Ritchie, President Jon Ritchie, and the leadership team visiting each new state to start the relationship work all over again.

SOURCE: FOCUS INTERVIEWS

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IN HER WORDS

REAL PEOPLE, REAL REACH

Nearly 40,000 LinkedIn followers later, the content strategy is the same one the relationships run on: show real people doing real work.

Few regional carriers can claim an audience like American Integrity's. Logan credits a mix most brands never attempt: thought leadership from a bought-in executive team, a year-round series with staff meteorologist Natalie Ferrari, testimonials from agents and policyholders about the moment of truth after a loss, and genuinely playful culture content that leadership is willing to star in. Fun is one of the company's six core values, and it shows up in the feed.

> **"People like to see real people. Sure, we want to show our expertise, but we also want to show that we're having fun."**
>
> TONI LOGAN

The strategy became possible when the team got room to think. Director of Brand Management Alexandra Rodriguez brought a cohesive strategy and a modernized website in under a year, and graphic designer Caitlin Hart gives the feed its look. Ideas arrive from employees across the company.

> **"All we're doing is taking information and sharing it with the right people to get them the exposure they rightfully deserve."**
>
> TONI LOGAN

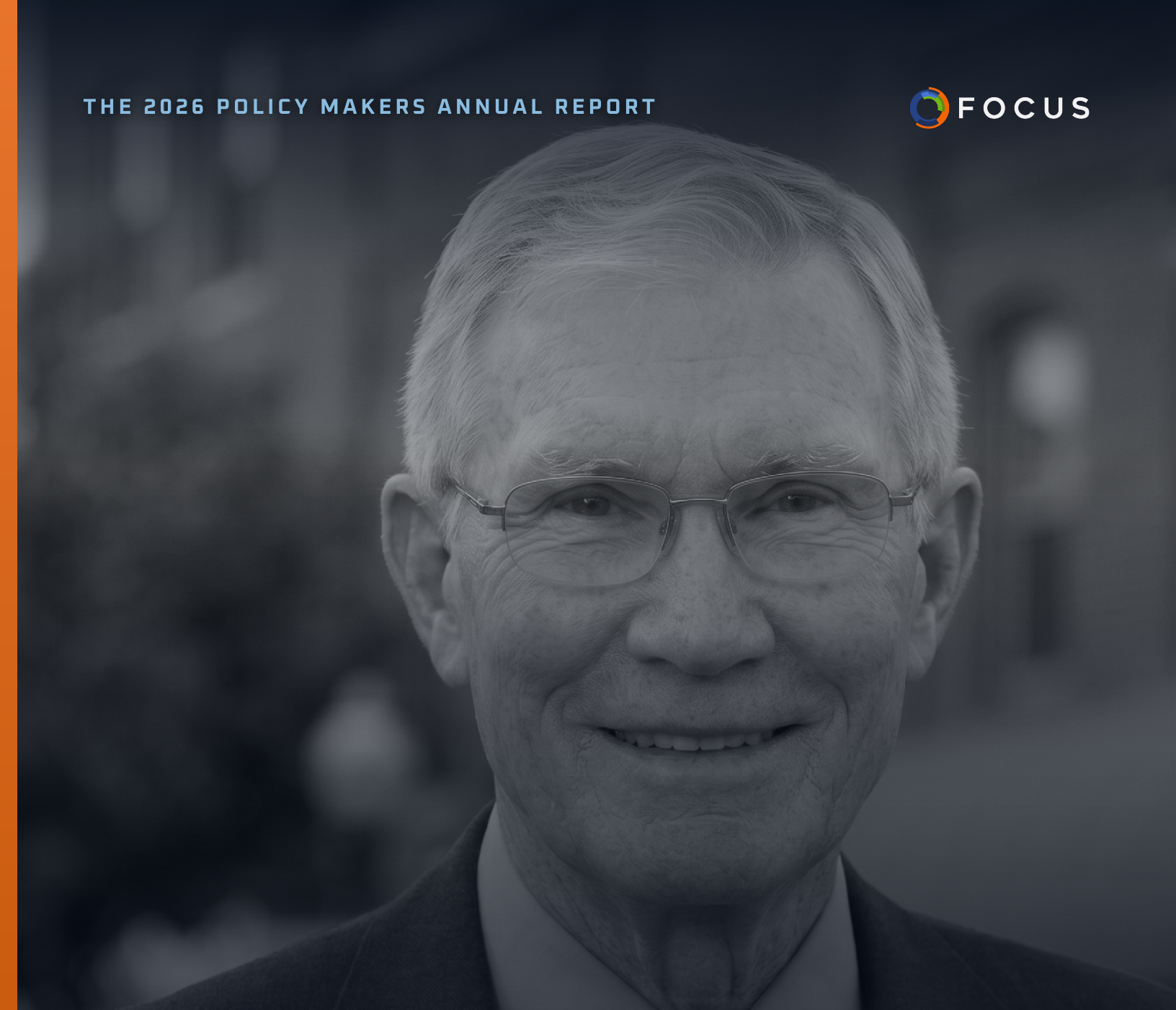
The team turned that lens inward this year and put individual leaders up for industry recognition. Five American Integrity leaders were named 2026 Insurance Luminaries finalists, and three were selected as winners, including Ritchie as a thought leader of the year. Asked what happens as automation hands every carrier more time to chase relationships of their own, Logan is unbothered: "I think our authenticity shines through. It's just easier to talk to somebody when you know them."

REPRESENT AMERICAN INTEGRITY

American Integrity Insurance (NYSE: AII) writes hundreds of policies a day through more than 1,000 independent agents across the Southeast, and its top producers get first access as capacity grows. Independent agents interested in an appointment can start the conversation at **aii.com**.

SOURCE: FOCUS INTERVIEWS · AMERICAN INTEGRITY COMPANY REPORTING

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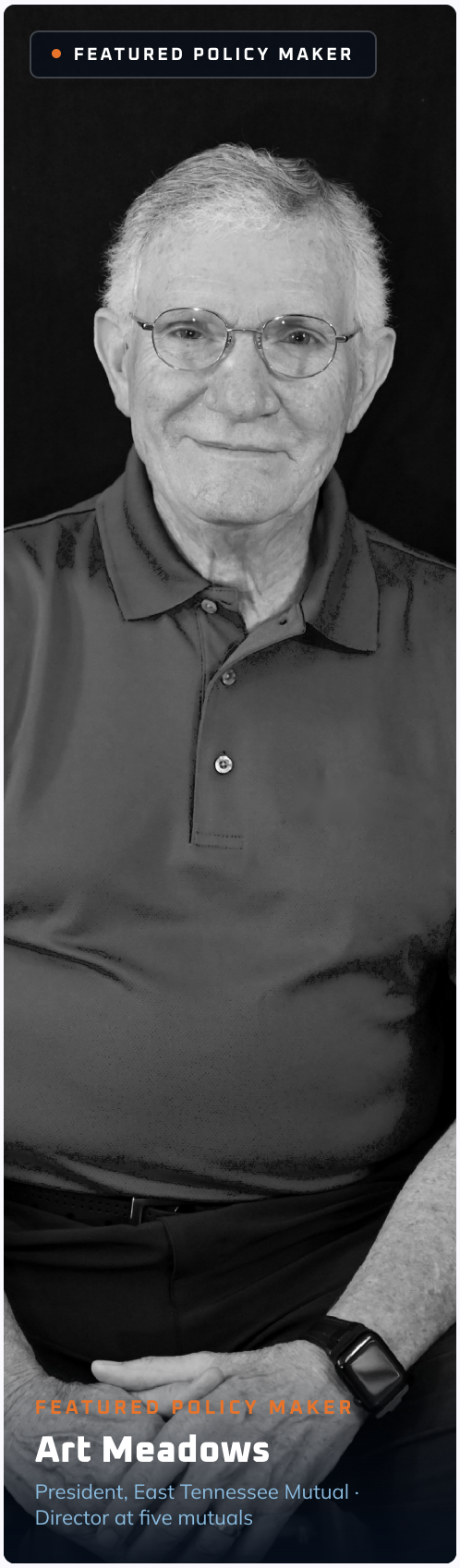


MEET THE POLICY MAKERS

WHAT KEEPS A MUTUAL STRONG?

Art Meadows, president of East Tennessee Mutual and a director at five more, on the market cycle, the next generation of talent, and what the mutuals that adapt are doing to stay strong

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IN CONVERSATION

“We took on 20 percent more premium, and our reinsurance rate went down.”

Art Meadows has spent more than four decades in mutual insurance, and today he is president of East Tennessee Mutual while serving as a director at five more. Earlier this year he came out of retirement again, stepping in as interim CEO of Panhandle Farmers Mutual, the company he led for 17 years. Few people have watched the small-mutual segment more closely, or done more to prove how much room it still has to adapt.

> *“The number of mutuals is shrinking considerably, and it has been for the past five to seven years.”*

Two pressures define the current cycle:

- The cost of reinsurance has reset the math for a generation of small mutuals.
- The managers who built them are retiring, and the next bench is still forming.

Consolidation has followed, and Meadows sees it as one response among several. Handled well, affiliations expand a carrier's geographic spread and strengthen its capital position while keeping the mutual model intact.

Meadows is proof of the other responses. He turned Panhandle around once before, and he has spent his career showing that small mutuals can modernize, diversify, and hold on to the one thing the giants gave up. In this executive feature, Art describes what is reshaping the market and what the mutuals that adapt are doing differently.

SOURCE: FOCUS INTERVIEWS

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IN CONVERSATION

THE MARKET CYCLE

The first pressure is the cost of reinsurance, and it moves with the market. A run of severe catastrophe years and tighter investment conditions reset pricing across the board, and for the smallest mutuals the new math was the hardest to absorb. Meadows has watched the cycle turn before, and he expects it to turn again.

> **"If the investments are doing well and the severity of the storms is down, the market gets much better."**
>
> ART MEADOWS · ON THE CYCLE

Reinsurance pricing moves with conditions, Meadows notes. After a stretch of costly catastrophe years, retentions and deductibles climbed across the market to rebuild against the losses, lifting the old $100 deductible toward $2,000 and $2,500. As storm severity eased and investment returns improved, availability widened and rates began to stabilize, and the disciplined, well-diversified carriers are the first to feel the relief.

> **"They were paying 62 cents on the dollar for reinsurance. That doesn't leave much when you still have to pay claims."**
>
> ART MEADOWS · ON THE ACUTE END OF THE CYCLE

At the sharpest end of that cycle, Meadows has merged in company after company. One small mutual he folded into a Carolina carrier was spending 62 cents of every premium dollar on reinsurance. A Tennessee company he merged last fall was near 50. Another Tennessee mutual called just this week, asking to be taken in because it could no longer afford the premium.

62¢ / $1

Of every premium dollar going to reinsurance at one small mutual before Meadows merged it in.

136 → 35

Illinois mutuals in roughly eight years, a consolidation curve Meadows sees repeating across states.

The cost flows downhill. As reinsurance repriced, carriers pushed rate to keep pace, raising what policyholders pay by 35 to 40 percent over three years. That protects a balance sheet, but it widens the affordability gap across the market, and it does the least for a mutual too small to spread its risk. The carriers that diversify their book, Meadows notes, are the ones that ease the pressure fastest.

SOURCE: FOCUS INTERVIEWS

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IN CONVERSATION

THE NEXT GENERATION

The second pressure is people. The managers who built these companies are stepping down, and the next bench is still forming, which is part of why Meadows keeps getting called out of retirement, and part of what makes remote hiring such a lever.

> **"The pool of experienced talent has gotten so thin, it takes real searching to find the right person."**
>
> ART MEADOWS · ON THE TALENT GAP
>
> The pool is thin and getting thinner. Salary demands have climbed, seasoned operators are scarce, and in the small communities where many mutuals sit, the local bench is scarce to begin with. Even when a company finds someone, Meadows watches younger hires move on every three to five years, often right after it has finished training them, and the seat opens up all over again.

> **"Remote working lets you cast the net much wider than searching for local talent ever could."**
>
> ART MEADOWS · ON WIDENING THE NET
>
> His answer is to stop fishing in one small town. Panhandle runs today with no one in the office and never misses a beat. Remote and hybrid models, Meadows argues, are the single biggest lever a small mutual has to widen a small local talent pool, and the companies refusing to use it are the ones missing the boat.

400K

Insurance professionals expected to retire by 2030, the demographic cliff behind the succession crunch.

3–5 yrs

How long Meadows sees younger hires stay before moving on, often right after they are trained.

Retirement is not only a leadership problem. It hits underwriters, adjusters, and claims staff at once, and in a five-person shop, being down two or three people means new business and claims stop moving. The small mutual, Meadows says, cannot out-hire the problem. It has to change the model.

That is where an operational partner builds resilience. FOCUS keeps underwriting, FNOL, and servicing moving with a licensed, AI-enabled bench that scales on demand. When a seat goes empty, the work does not stop, for a five-person mutual or a national carrier alike.

SOURCE: FOCUS INTERVIEWS

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IN CONVERSATION

WILLING TO CHANGE

Across 22 small mutuals he has helped modernize, Meadows says the deciding factor was never the technology. It was whether the company was willing to change.

> **“They want the new system to do things the old way. I tell them they're wasting their time.”**
>
> ART MEADOWS · ON MODERNIZATION
>
> The efficiency is real and measurable. One mutual he knows runs the same book as Panhandle with 14 employees; Panhandle does it with five, a gap he credits entirely to the technology and partners it has adopted. The companies that embrace it, he says, are the ones finding new efficiency, broader reach, and a longer runway.

> **“We took on 20 percent more premium, and our reinsurance rate went down. It was the geographic spread.”**
>
> ART MEADOWS · ON DIVERSIFICATION
>
> A merger last fall spread East Tennessee Mutual's risk across more of the state, and the reinsurers rewarded it with a better rate. The same works without acquiring anyone: appoint agents in new counties, run the expansion through the reinsurers' models, and turn a concentrated book into a diversified one priced to match.

FOCUS PERSPECTIVE

The operational partner for a growing mutual

Meadows describes the exact mutual FOCUS is built to support: one that is ready to diversify its book and modernize its operations and wants a partner to carry the build alongside it. As an operational partner, FOCUS gives a small mutual the AI-enabled back office and the licensed FNOL and servicing hands to run a wider, expanding book, while its own team stays focused on reading portfolio performance and shaping the next move.

- **Diversification**: an expansion strategy that earns a better reinsurance rate
- **AI-enabled operations**, without the in-house build
- **FNOL and servicing** with licensed hands
- **Remote-ready** talent when a seat goes empty
- **Performance visibility**: real-time reporting on the book
- **A transition plan** for the people already on staff

PETE CROWE, PRESIDENT · FOCUS

SOURCE: FOCUS INTERVIEWS

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IN CONVERSATION

IT COMES BACK TO PEOPLE

Ask Meadows for the one thing that has carried him across four decades and a long list of mutuals, and he does not say technology or reinsurance. He says relationships.

> **“Build relationships with people who can help you. That pays huge dividends over time, and it's a two-way street.”**
>
> ART MEADOWS · ON THE ADVICE THAT LASTS

It echoes the line he gave the 2011 cover of NAMIC's Mutual INsurance, “surround yourself with a wonderful supporting cast, and build great relationships,” and the one he still offers anyone stepping into a leadership seat. The industry recognized that career in 2025, when NAMIC presented him its Chair Award. People call him for direction all the time, and he gives it freely, because the same network he relies on relies on him. As Pete Crowe put it in the interview, don't come to the potluck with just a fork. Bring a dish and share.

The same instinct shapes how he reads AI. Meadows is already beta-testing it, with partners running inspections straight into his admin system untouched by human hands, and flagging claims photos that have been doctored or pulled from years before. He is blunt that some operators still refuse it because they say it can't be trusted, and just as blunt that the refusal is the risk.

“It's going to be a must that we adapt to use AI,” he says, calling it the future of the insurance business and a good deal of business beyond it. For Meadows, the technology is never the point on its own. It is what lets a small mutual keep the promise its policyholders remember, the closeness of a company that still knows your name when you call, and this is exactly the level of service FOCUS delivers for mutuals time and time again. What has stayed constant across every cycle is that closeness, and Meadows is confident the carriers willing to adapt will carry the mutual model strong into the decades ahead.

NAMIC AND THE MUTUAL ADVOCACY FRONT

From West Virginia's tort reform to the fight over replacement-cost mandates, Meadows points to industry advocacy as a lifeline for small mutuals. Learn more about the National Association of Mutual Insurance Companies at **namic.org**.

SOURCE: FOCUS INTERVIEWS

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05 CLAIMS: THE MAKE-OR-BREAK

The industry's service deficit now threatens to unwind the retention gains the hard market produced.

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CHAPTER 05

THE OPERATIONAL MANDATE

The gap between what customers need in a claim and what the industry delivers is the single largest driver of regulatory pressure, consumer litigation, and retention risk.

32.4

days, average property claim cycle time, filing to finished repairs (J.D. Power).

44+

days, average time to final payment after FNOL (J.D. Power).

440

point satisfaction gap between customers who found communication “very easy” vs. “difficult.”

51%

of high-value customers say they “definitely will” renew. That is the retention stake.

Communication matters more than speed. The 440-point satisfaction gap between customers who found their carrier easy to reach and those who did not dwarfs anything cycle-time improvement alone recovers. Through the hard market, carriers invested in rate and underwriting. The service deficit now threatens to unwind the retention gains they won. This is the operational mandate of 2026.

CUSTOMER STORY · THE SERVICE TEST

“A policyholder or agent wouldn't even know they're not talking to our company.”

A startup carrier launched with no service staff of its own. FOCUS stood up the operation and ran it under the carrier's brand, putting a dedicated team on the phones from day one. As the industry's service scores slid, this book opened with what the customer calls an internal department, white-labeled end to end. The operation performed from the start, running at the 80+ NPS standard FOCUS holds across every account.

Brad · COO, MGA and regional carrier

FOCUS Voice of the Customer Research, 2025

SOURCE: J.D. POWER 2025 U.S. PROPERTY CLAIMS AND AUTO INSURANCE STUDIES

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AUTHORED BY PETE CROWE AND TOP INDUSTRY LEADERS

THE 2026 SOFT MARKET SURVIVAL GUIDE

Pricing is moderating, and the next point of margin comes from how the book is run. This guide turns the report's playbook into the operating moves that hold profitability through the turn.

- **Hold underwriting discipline as rate softens**
- **Convert fixed operating cost into surge-ready capacity**
- **Turn claims service into a retention engine**
- **Layer AI in by stage, under licensed accountability**

GET THE GUIDE

teamfocusins.com/softmarket

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WHEN THE SPIKE COMES

RESILIENCE, ON DEMAND.

A catastrophe lands, a book of business transfers, a program doubles overnight. The AI-native shops can move fast, and most are writing their first storm season. FOCUS pairs that speed with a 25-year licensed track record, standing up surge-ready people and a platform that have already held through landfall.

FROM SIGNED AGREEMENT TO LIVE OPERATIONS, IN 30 DAYS

DAYS 1–15

Discovery, scope & access

System access, licensure, workflow mapping.

DAYS 16–30

Build, hire, train & UAT

Team onboarded, quality framework live.

DAY 31+

Launch, ramp & optimize

In production, QA scoring, SLA baseline.

25+

YEARS OF SPECIALIZED P&C OPERATIONS

20+

CAT EVENTS SUPPORTED

0

SLA BREACHES THROUGH A CAT SEASON

A quarter-century of storm seasons sits behind every surge plan. That track record is the one thing the newest AI-native operators have yet to earn.

FOCUS · THE OPERATIONS PARTNER

Built to surge.

FOCUS provides surge-ready licensed professionals and a core platform, so carriers and MGAs scale into surge and back out with ease, white-labeled under your brand the whole way.

Operational excellence, without compromise.



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FOCUS

ONE PARTNER, EVERY STAGE

LAUNCH. GROW. SCALE.

FOCUS runs the operation at every stage of a carrier or MGA, from the first policy to the millionth, so the back office keeps pace with every stage of growth.

LAUNCH

Stand up a new carrier, MGA, or program. Licensed staff, the InFOCUS platform, and a branded service center go live in 30 to 60 days.

- Underwriting setup
- Policy servicing
- Licensed service center
- Accounting & billing
- Claims FNOL intake
- Print & imaging

teamfocusins.com/focus-launch

GROW

Expand states, products, and lines. Account rounding turns the service center into a revenue engine.

- Expanded underwriting capacity
- Retention & renewal programs
- Multi-state & multi-line expansion
- Enhanced accounting & billing
- Claims support
- Workflow & KPI reporting

teamfocusins.com/focus-grow

SCALE

Add capacity, surge, and automation as volume climbs, with underwriting and claims that keep pace.

- Full underwriting management
- Loss-ratio improvement
- Multi-program orchestration
- Claims management
- Service scorecards & QBRs
- Real-time executive reporting

teamfocusins.com/focus-scale

EVERY STAGE, AI-ENABLED

AI accelerates the work

AI reads a submission, routes a claim, flags a coverage exception, and summarizes a quarter of QA scoring in seconds. The speed is real.

Licensed humans own the outcome

A licensed professional answers the regulator, calls the policyholder who lost a roof, and signs the statutory filing. Accountability is the operation.

AI speed. Licensed accountability.

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FOCUS

CHAPTER 06

THE TALENT SHORTAGE IS AN OPERATIONS ACCELERANT

50%

of the current insurance workforce projected to retire by 2035 (The Institutes).

400K+

projected talent-gap positions across the industry (The Institutes).

73%

see loss of institutional knowledge as the retirement wave's most significant impact.

60%

anticipate critical shortages in underwriting and claims specifically.

The shortage is driving three structural responses: **knowledge capture** (digitizing guidelines and protocols before they walk out the door), **AI-era training architecture**, and **outsourcing and partnership models** that carry operational infrastructure, licensed staff, and surge capacity. AI handles the volume; humans handle the judgment. The underwriter of 2030 is an AI-assisted expert who owns the judgment.

And the shortage is reshaping the work that remains. As AI lifts the productivity of every underwriter and adjuster, the scarce skill shifts to tuning and managing the agents themselves: writing the guardrails, grading the outputs, and retraining as models and exposures move. With technology changing faster than any prior cycle, agent management becomes a permanent operating function that compounds as the tools evolve.

SOURCE: THE INSTITUTES 2026 SKILLS REPORT

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CHAPTER 07 · 2026 TO 2030

THE EXPERT-CENTRIC INSURER

By 2030, leading insurers operate as hybrids: AI agents performing high-volume execution, human experts governing exceptions, and orchestration managers owning cross-functional workflow design. The near-term work is redesigning roles, KPIs, controls, and data around AI.

The proof in the numbers

Capgemini's “intelligence trailblazers,” the top 10% of P&C insurers by AI integration, delivered **21% higher revenue growth** and **51% greater share-price increases** over 2021–2024. As Capgemini frames it: transformation is constrained by how decisions are made and work is organized.

New risk categories

AI liability: GenAI-related U.S. lawsuits grew 978% from 2021 to 2025; new ISO exclusions effective January 2026. **Autonomous vehicles:** Level 3 adoption could shift ~$5B of premium from personal to commercial lines. **Cyber accumulation, climate-health, and deepfake fraud** are all emerging operational risk.

WHERE THIS LEAVES US

The recovery is real, and sustaining it comes down to how well the work is run: underwriting that maintains discipline as pricing softens, claims that communicate, AI layered in stage by stage under licensed accountability, and institutional knowledge captured before it retires.

SOURCES: CAPGEMINI 2026 P&C REPORT · MCKINSEY · RISK & INSURANCE · TRIPLE-I / IBHS

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A LETTER FROM THE PRESIDENT

TO THE PEOPLE WHO RUN INSURANCE.

For twenty-five years I have watched this industry do the unglamorous work that holds everything else up. A claim paid the week after a hurricane. A program stood up so a town keeps its coverage. An underwriter who says yes to the risk no one else will write. It rarely reaches the headlines, and the country runs on it.

This report is a tribute to that work and the people who do it. Regulators thinking hard about AI so consumers stay protected, and asking the industry for the open, transparent communication that protection depends on. Carrier and MGA leaders building operations that are resilient. Economists reading the data so the rest of us can act. They are the Policy Makers, and they are the reason I am proud to spend my career here.

The next decade will test all of us. AI will change how the work gets done, catastrophes will arrive closer together, and the people who carry the institutional memory will retire. The answer remains the same: **operational excellence, run by people who own the outcome.**

At FOCUS, that is the only thing we do. We are honored to stand beside the leaders in these pages: regulators who pair innovation with transparency, executives who treat relationships and underwriting discipline as durable assets, and operators modernizing without losing what made them strong. They are why I am certain the best of this industry is still ahead, and why it is a privilege to build it with them.



Pete Crowe
President, FOCUS · Host, Policy Makers

FOCUS

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APPENDIX

KEY STATISTICS REFERENCE

P&C MARKET FINANCIALS

Combined ratio (3Q 2025)	**93.9%**	NAIC
Net underwriting gain (9M 2025)	**$37.6B**	NAIC
Policyholders' surplus (Jun 2025)	**$1.2T**	NAIC
Net premiums written (9M 2025)	**$749.6B**	NAIC
U.S. surplus lines DPW (2024)	**$131B**	NAIC
U.S. MGA DPW (2024)	**$114.1B**	Conning
InsurTech funding (2025)	**$5.08B**	Gallagher Re

CLAIMS PERFORMANCE

Property claim cycle time	**32.4 days**	J.D. Power
Time to final payment (FNOL)	**44+ days**	J.D. Power
Communication satisfaction gap	**440 pts**	J.D. Power
High-value “definitely renew”	**51%**	J.D. Power

AI & DATA READINESS

Insurers evaluating GenAI	**90%**	Conning
In early / full AI adoption	**55%**	Conning
High data maturity	**12%**	Capgemini
AI spend: tech vs. change mgmt	**72 / 28**	Capgemini
AI revenue opportunity	**$50–70B**	McKinsey

CATASTROPHE & TALENT

Global nat-cat losses (2025)	**$224B**	Munich Re
Global insured losses (2025)	**$108B**	Munich Re
U.S. SCS insured losses (2025)	**$51B**	Triple-I
FORTIFIED mitigation savings	**$33:$1**	IBHS
Workforce retiring by 2035	**50%**	Institutes
Projected talent gap	**400K+**	Institutes

FOCUS BY THE NUMBERS

Net promoter score	**80+**	FOCUS
Inbound calls handled annually	**1.5M+**	FOCUS
Policies managed, InFOCUS Platform	**6M+**	FOCUS
Carriers, MGAs & service centers launched	**30+**	FOCUS
Premium managed over five years	**$3B**	FOCUS
Underwriting files reviewed annually	**250K+**	FOCUS

ALL CITATIONS FROM PUBLICLY AVAILABLE INDUSTRY PUBLICATIONS · FOCUS INTERVIEWS AT AAIS, TARGET MARKETS, INSURANCE INNOVATORS, GALLAGHER RE, OTHER CONFERENCES, AND VIRTUAL INTERVIEWS

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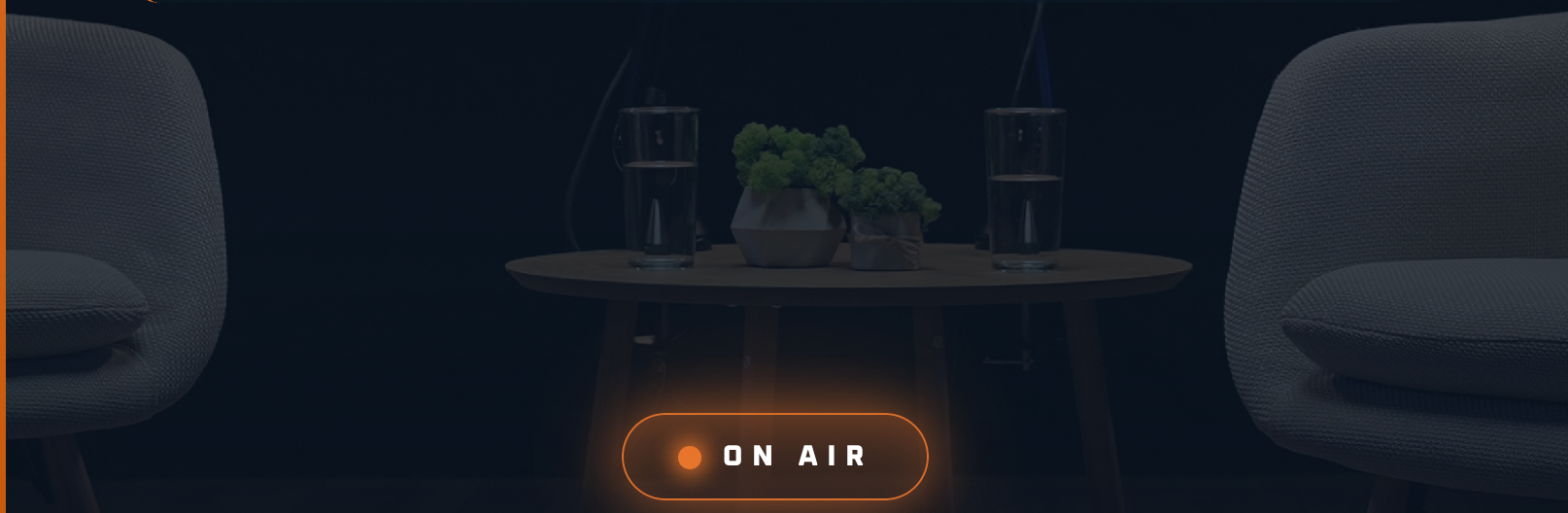
THE POLICY MAKERS STUDIO · LIVE AT ITC VEGAS

TAKE THE MIC.
GO ON THE RECORD.

The Policy Makers Studio films live at ITC Vegas, September 29 to October 1.
Twenty minutes on camera with Pete Crowe. Join the 2026 Policy Makers.

REQUEST TO BE INTERVIEWED AT THE POLICY MAKERS STUDIO

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