

As Seen In

THE STANDARD

NEW ENGLAND'S INSURANCE NEWSMAGAZINE

Published Since 1865 Boston, Mass.

June 12, 2026 Vol. 297 No. 12

SPECIAL FOCUS ON PERSONAL LINES PAGE 8

Maintaining Personal Lines Profitability with AI and Analytics

By: Anurag Shah

Artificial intelligence (AI) and business intelligence (BI) are already transforming nearly every aspect of an independent insurance agency's workflow. For agents and brokers servicing personal lines, those changes cannot come soon enough.

Profitability remains a significant challenge, especially for agencies with multiple single-policy auto or homeowners accounts that require high-touch service. With AI and BI, agencies can service their clients faster, improve retention and even lower the cost of acquiring new customers.

Let's look at the specific places where AI and analytics are already removing traditional barriers and helping agencies grow their margins without sacrificing client relationships or adding headcount.

Right-Size Client Coverage

When it comes to homeowners policies, all six states in New England allow insurers to offer \$500 deductibles. Such low deductibles usually result in higher annual premiums. The reality is most homeowners can afford a higher

deductible, which allows them to lower their premiums and secure more comprehensive coverage.

With AI and analytics, agents and brokers can analyze customer profiles and wallet-share data, evaluate coverage options and match clients' coverage needs to a deductible they can afford. Doing so helps agents have more informed discussions with their customers while providing more protection for clients' properties and their families.

Expedite the Submissions Process

One of the most tedious processes of agency work is submitting underwriting requests to carriers. Each submission includes hundreds of questions. If the carrier decides not to write the risk after reviewing it, agents must start the process over with a different carrier.

When agents can access detailed risk data for a prospect's property, the submission process becomes easier. Agents can learn in advance how close a property is to the coast, whether it's in a flood

zone or seismic zone and how far away the home is from the nearest hydrant or fire station. They can also find out if the home has working smoke detectors and indoor or outdoor security systems.

Armed with all this data, agents can more precisely identify which of their preferred carrier partners are most likely to write the new business. To see how, consider an agent shopping a policy for a homeowner with a vacation property on Cape Cod. That agent can choose carriers that specialize in coastal properties, thereby increasing the odds of securing coverage on the first submission.

Make Personal Auto Profitable

The automotive side of personal lines has been the least profitable and most turbulent for agents and their carrier partners to navigate in recent years. Pricing is changing rapidly, especially for clients with electric vehicles, which carry different risks and cost more to insure and repair than gas-powered vehicles.

Data is already helping carriers price risks more accurately by providing

S•P STANDARD
1865 PUBLISHING
CORPORATION

www.spcpub.com

deeper insights into drivers, vehicles and repair costs. Agents can also use data to their advantage to lower the cost of acquiring new personal auto customers and the time and effort required to service them.

A good starting point is for agents to review their list of preferred auto carriers and determine which risks they're more apt to write, and which ones they avoid. With this data, agents can then get more selective when seeking new auto clients. Rather than chasing down every lead, they can pursue the clients most likely to qualify for coverage, saving hours of time and reducing acquisition costs.

From a customer service perspective, some agencies are already using AI to create 24/7 online service centers that answer clients' most common questions. This approach brings two benefits. It eases the burden on human agents while allowing customers to get accurate information about their policies and coverage at any time of day or night.

Streamline Renewals

Most policy renewals are straightforward, which makes the renewal process a prime target for automation. Agencies that use AI to remove repetitive steps from the process expedite the customer experience and give their human employees more time to focus on higher-value work, such as growing the agency's book of business.

For renewals that require customization, agents can rely on specific data points to evaluate renewal options and move beyond a one-size-fits-all approach. Take, for example, renewals for two personal

auto clients. One wants to add a classic car to their existing policy. The other is renewing a policy for their Honda Civic.

For the first client, mileage data isn't relevant, because the classic car likely won't be driven often. Thus, data on the car's value, storage and seasonal use will be more appropriate. For the second client, mileage data will be essential. So will telematics data that provides insight into speeding, harsh braking events and other driving behaviors that are critical to determining renewal coverage and pricing.

Navigate Rate Increases Deftly

Both homeowners and auto policies are prone to annual rate increases, leading to difficult conversations between agents and their customers. Often, customers mistakenly believe rate increases make agencies more money, but that isn't always the case once state-specific rules and industry competition are factored in.

Data can help make these high-stakes conversations more productive. If an agent in New Hampshire can show a customer their 6.5% rate increase is less than the 7% customers are paying across the border in Massachusetts, it may help soften the blow. The customer will not be pleased about paying 6.5% more, but they will understand market conditions better. They might also believe they saved some money comparatively.

Expand AI and Data Use

Every agency is at a different stage of its AI and analytics journey. One way to catch up to the competition is by partnering with an agency network that specializes in supporting independent

agents.

Agencies working with SIAA – The Agent Alliance, for example, can benefit from AgencyIQ. It's a business intelligence platform that uses AI and predictive analytics to close coverage gaps and estimate when clients are at risk for churn. It also provides demographic information that agencies can use to match their customers with the most comprehensive coverage.

Keep Humans in the Loop

AI and analytics are powerful tools to help independent agencies stay profitable in personal lines. But they're not a replacement for humans. The agencies that succeed in the AI era will be those that strike the right balance between using automation to streamline workflows and investing in staff that can continue to deliver the personal, human touch that will always be a centerpiece of our industry. ■



Anurag Shah is chief data officer for SIAA and has more than 15 years of technology, software and systems development experience in insurance and related fields. SIAA is the nation's leading network for starting,

growing and evolving independent insurance agencies with more than 5,200 member agencies writing more than \$18 billion in total written premium. Learn more at siaa.com. To learn more about SIAA NXT, SIAA's intelligent distribution platform enabling technology and AI for the benefit of member agencies, visit siaanxt.com.

Reprinted by permission of Standard Publishing Corp. © 2026.

To subscribe to *The Standard* and stay up-to-date on what's happening in New England insurance, please go to www.spcpub.com or call 617-457-0600.