



RESEARCH REPORT

Agency and Broker Talent Strategies in 2025 and Beyond

HOW TECHNOLOGY IS RESHAPING
KEY AGENCY ROLES AND RESPONSIBILITIES

Published: December 2024

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ReSourcePro INSIGHTS

ReSource Pro Insights offers a broad range of research and observations on the insurance industry. We provide substantial studies, analysis and perspectives on business and technology strategies and plans across the P&C ecosystem, covering retail agencies and brokers, MGA/wholesalers, carriers, and tech vendors. Our coverage includes distribution, underwriting, policy servicing, billing/payments, and claims business areas, as well as cross-enterprise areas such as strategic initiatives, digital transformation, innovation, customer experience, and talent.



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Use of our reports

About this research report

Talent remains one of the top strategic issues for retail insurance agencies. This research report is based on our experts' observations of the workforce evolution in the property and casualty insurance market, informed by our many strategy sessions with clients as well as a survey of agency and broker executives.

All diagrams in this report are based on the 2024 Talent and Productivity: Retail Agencies and Brokers survey (n=155). "Small/midsize agencies" refers to agencies with the equivalent of 1-100 full-time employees. "Large agencies" refers to agencies with the equivalent of 101+ full-time employees.

More expert insights on retail agencies can be found in the following research reports:

- Retail Agency Workforce Management: How Agency Leaders Can Create Greater Efficiency and Productivity Across Their Organizations
- Data-driven Success for Retail Agencies
- The State of AI in P&C Insurance
- The AI Advantage: Unlocking New Opportunities for Retail Agencies in Marketing and Sales
- The AI Advantage: Unlocking New Opportunities for Retail Agencies in Servicing and Operations

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Key themes shaping retail agency talent strategies

The retail insurance industry is at a crossroads, where the market is increasingly complex and dynamic, and the stakes for getting talent strategy right have never been higher. From the relentless pressure of recruiting in a competitive market to the disruptive forces of automation and shifting workforce demographics, agencies are grappling with a new reality and finding they must adapt or risk falling behind. Traditional approaches to workforce management are no longer sufficient in a time where technology, employee expectations, and customer demands are all evolving simultaneously. As retail agencies seek to adapt, talent and workforce management must be a strategic focal point. Below, we explore six critical trends shaping the talent landscape today.

- **The demand for talent persists:** Retail agencies continue to face a talent crunch fueled by a combination of factors. The ongoing wave of retirements is depleting institutional knowledge, leaving gaps that are difficult to fill. Competition for skilled workers has intensified, not only within the insurance sector but also spanning across industries. Additionally, there is a growing knowledge gap among candidates, as evolving skill requirements leave many applicants underqualified for increasingly complex roles.
- **Technology is reshaping agency roles:** In recent years, transformative technologies, such as generative AI tools like ChatGPT and Google's Gemini, have rapidly entered the insurance industry. As their applications become clearer, these tools are set to redefine roles by automating routine tasks and enabling employees to focus on higher-value activities. While technology offers immense potential, agency leaders must balance adoption with the need for digital readiness, proper training, and oversight.
- **Essential skills are evolving:** The insurance industry and the broader economy are undergoing rapid transformation, driven by technological advancements and shifting customer expectations. Job responsibilities are transitioning from routine, processing-centric tasks to roles that are more strategic, consultative, and data-driven. As a result, critical skills such as analytical thinking, data and AI literacy, and customer relationship management are becoming increasingly essential. Employees must adapt to these changes, requiring agencies to prioritize upskilling and reskilling initiatives to remain competitive.
- **Optimizing resources is a key priority:** Talent challenges, in combination with the wave of agency consolidation over the last decade, are now leading to an era of enterprise optimization. This involves evaluating staff capacity, tracking productivity, and addressing gaps in training, resources, or performance. By proactively optimizing their workforce, agencies can enhance efficiency, maximize effectiveness, and better leverage their existing talent.
- **Outsourcing plans are on the rise:** To overcome resource constraints and improve operational efficiency, many agencies are increasingly turning to outsourcing. This strategy involves utilizing external providers for technology support and engaging specialized partners like business process outsourcing (BPO) firms to handle routine tasks. Through outsourcing, agencies can reallocate internal resources to focus on high-value, customer-facing activities, ultimately driving growth and improving service delivery.

Lastly, many agencies underestimate the impact of automation and AI and the significance of future challenges. The growing influence of automation, AI, and shifting employee demographics is poised to profoundly transform how agencies attract, retain, and manage talent. The remainder of this report examines the current talent landscape for retail agencies, starting with executives' top concerns, talent acquisition strategies, and plans for leveraging external resources. It subsequently explores agency efficiency and the role of automation in shaping talent strategies, concluding with insights into the workforce of the future.

The current talent landscape

The themes outlined in the previous section underscore the urgency for agencies to adapt to the realities of a changing marketplace and workforce. Building and retaining a high-performing team is critical for long-term success and requires innovative strategies to address shifting workforce dynamics. Traditional talent management methods are no longer enough. To stay competitive, agency leaders must rethink and adapt their strategies.

To understand where retail agencies currently stand, ReSource Pro surveyed executives about their top talent concerns, outlook on talent acquisition, and plans for leveraging external resources. These insights are explored in detail in the sections below.

Today's most pressing talent concerns

Recruiting new talent remains the top concern for agency executives, driven by the persistent headwinds of navigating an increasingly competitive job market (Figure 1). In recent years, the demand for skilled professionals has driven up wages and increased competition, making it harder for agencies to attract qualified candidates. Furthermore, retail agencies compete not only with peers in the insurance industry but also with other sectors, such as technology, which often offer higher wages and more flexible work arrangements. While market dynamics have shifted over the past eighteen months, easing hiring pressures, two-thirds of agency leaders still identify talent acquisition as a significant challenge.

Secondly, almost half of executives reported that retaining their current employees is a significant concern. Retention has become increasingly challenging as employees prioritize higher compensation, comprehensive benefits, flexibility, career advancement opportunities, and a positive work environment. In today's competitive job market, employees often have the leverage to seek new opportunities that better align with their expectations, making it harder for agencies to hold on to top talent. Additionally, high levels of M&A activity have intensified retention challenges for acquiring agencies. For all agencies, the financial and operational costs of turnover – coupled with the loss of institutional knowledge – further underscores the importance of retaining skilled employees.

Compounding executives' talent concerns is the increasing skill gaps in both current and future employees. As technology automates and streamlines key tasks, roles will evolve, and employees will need to adapt to new responsibilities that often require more advanced skills. Without proactive efforts to upskill and reskill their workforce, agencies risk being unprepared for these shifts or, worse, being left behind.

Figure 1. Retail Agencies' Greatest Talent Concerns



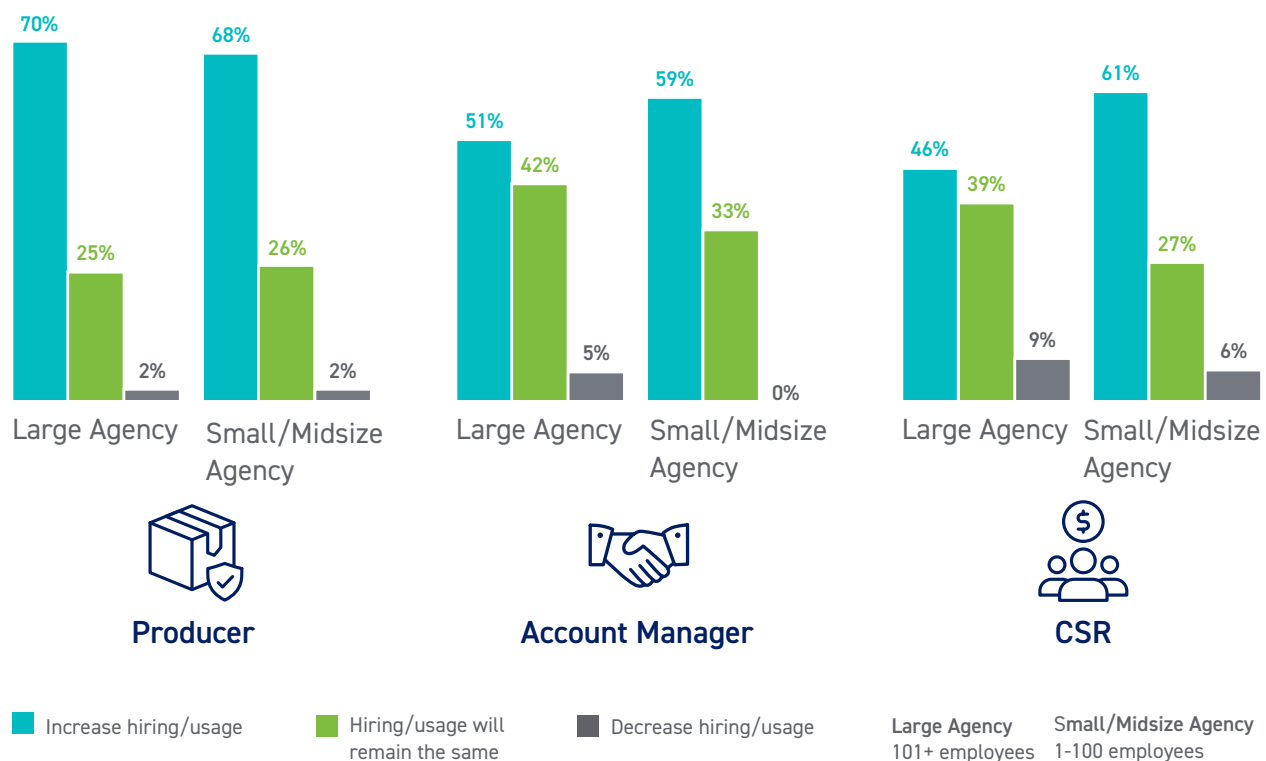
Given the evolving workplace dynamics, it's unsurprising that executives pinpointed employee experience and morale as a concern. When morale is high, employees are not just more engaged, productive, and loyal to the organization, but they also drive better business outcomes. Conversely, low morale can lead to decreased performance and higher turnover, which can negatively impact business results. For retail agencies, where client relationships and service quality are paramount, employee morale is not just a concern but a critical factor for agency success.

Other lower-ranked talent concerns include the loss of institutional knowledge, redefining roles and responsibilities, and developing a leadership pipeline. For each, 25% or less of executives cited it as one of their top three concerns. As retirements accelerate, however, agencies risk losing critical expertise and historical insights that have long guided decision-making and client relationships. To address this, agencies should consider implementing knowledge transfer programs, mentorship opportunities, and robust documentation processes to preserve valuable information. Additionally, redefining roles and responsibilities and cultivating future leaders are essential for ensuring long-term success.

Talent acquisition outlook

Over the next three years, hiring plans within retail agencies remain strong, with most agencies anticipating increased recruitment for producer, account manager, and CSR roles. As evidenced in Figure 2 below, the producer role is expected to see the most significant growth, reflecting agencies' focus on expanding their client base. Meanwhile, approximately half of large agencies and 60% of small/midsize agencies indicated plans to increase account manager usage. A small percentage of agencies also cited no hiring plans for each of the roles.

Figure 2. Agency Hiring Plans for Next Three Years

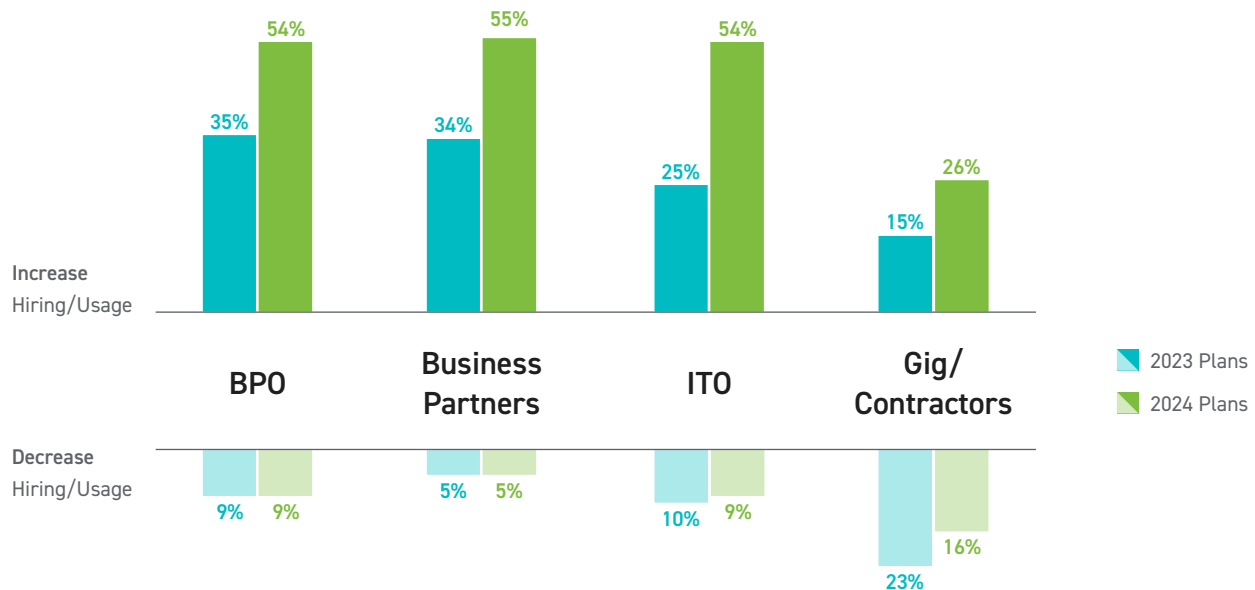


However, we see a potential shift in the CSR role. Among large agencies, only 46% reported plans to increase hiring for CSRs, a significantly lower percentage compared to small/midsize agencies. Additionally, nearly 10% of large agency executives said they expect to reduce their reliance on CSRs over the next three years. This trend is likely driven by the increasing adoption of automation/AI and plans to leverage external resources. For instance, some agencies partner with virtual assistants (VAs) instead of hiring full-time CSRs, while others outsource CSR tasks to BPO firms. The next section delves deeper into agency strategies for leveraging external resources.

Plans for leveraging external resources

Talent recruitment and retention challenges, coupled with rapidly evolving skill requirements, are prompting many agency leaders to explore external resources as a practical solution. By tapping into third-party expertise, agencies can mitigate workforce shortages, access specialized skills, and enhance operational efficiency without straining their internal teams. To better understand this trend, ReSource Pro surveyed agency executives about their plans for utilizing external resources over the next three years. The diagram below illustrates their expectations for leveraging business process outsourcing (BPO), business partners, information technology outsourcing (ITO), and gig/contractors while highlighting year-over-year changes from 2023.

Figure 3. Agency Plans for Leveraging External Resources (Next Three Years)



Business process outsourcing (BPO): Over half of agencies plan to increase their use of BPO services in the next three years, a significant increase from 2023 when only one-third indicated similar plans. BPO providers with deep industry expertise can support not only CSR roles but also account management and back-office functions, offering agencies greater flexibility and efficiency. Furthermore, they are crucial in helping agencies optimize their operations and focus internal resources on customer-facing activities and strategic initiatives.

Business partners: Agencies are increasingly recognizing the value of business partners, such as lead generation firms, with over half of agencies reporting they will increase their usage over the next three years. This trend highlights business partners' vital role in helping retail insurance agencies deliver specialized services and support their teams.

Information technology outsourcing (ITO): ITO has seen the most significant growth in usage plans, with a 30-point year-over-year increase in executives intending to expand their use of services. ITO providers offer critical services such as infrastructure management, system integration, cybersecurity, and data center operations. By partnering with ITO companies, agencies can address talent shortages in IT roles, streamline operations, and support digital transformation efforts.

Gig employees/contractors: Gig workers and contractors are a flexible solution that retail agencies can use to increase capacity during peak periods, cover leaves of absence, or fill skill gaps. While the percentage of executives planning to increase the hiring of gig workers/contractors has risen year-over-year (15% to 26%), one in six still plan to reduce their usage. Agency leaders tend to rely on BPO, business partners, and ITO providers compared to gig employees and contractors.



How efficient are agencies today?

Efficiency remains a critical challenge for retail insurance agencies due to the broad scope of tasks required for production and servicing roles. Legacy systems and manual processes often exacerbate this issue by slowing workflows and reducing productivity. While many agencies are beginning to adopt automation and AI to streamline operations, a thorough understanding of current processes and task-level efficiency is essential before investing in technology or external resources. To provide insight into these areas, ReSource Pro asked executives to evaluate their process efficiency for key production and account servicing tasks. Figures 4 and 5 below summarize their responses, offering a snapshot of their perspective on agency efficiency.

Producers

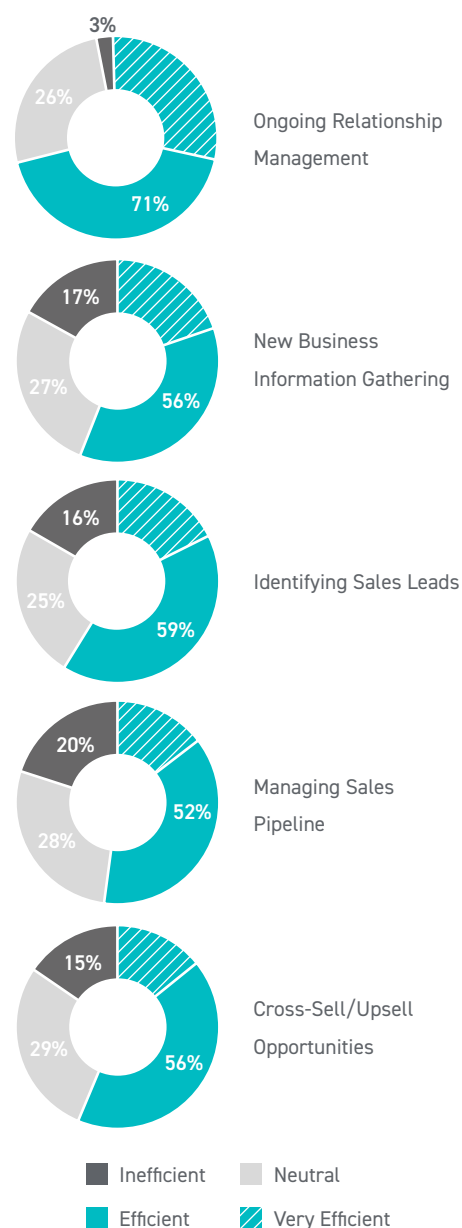
At first glance, agency leaders appear confident in their efficiency with key producer tasks. For example, 71% of executives rated their ongoing relationship management processes as efficient, while only 3% viewed them as inefficient. The most significant opportunity for improvement lies in managing the sales pipeline, yet even here, only one in five executives acknowledged inefficiency. However, these self-assessments warrant closer examination, as they contrast with broader industry challenges, including reliance on legacy technology systems, navigating the hard market, and achieving growth targets. This disconnect suggests that perceived efficiency may only partially align with actual performance outcomes.

To assess how efficient your producer processes are, begin by asking questions like the following:

- Are your producers consistently attracting high-quality leads?
- Are they capturing the required data to follow up and nurture these leads?
- What percentage of leads are converting at each stage of the sales pipeline?
- Are you providing prospects with a seamless, positive experience throughout the sales process?
- Are producers meeting their new business goals consistently?

After completing this evaluation at the agency and producer levels, agency leaders will have a better starting point to assess efficiency across the sales value chain. Additionally, it is essential to assess how technology impacts producer tasks. Solutions are already available that can help producers identify and qualify leads, evaluate coverage needs, and detect churn risks. As AI continues to evolve, even more advanced tools will emerge.

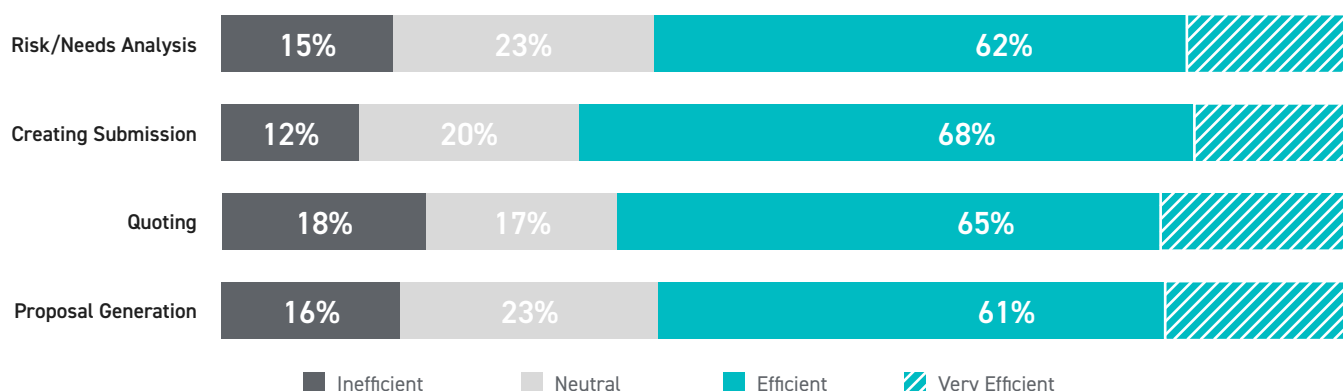
Figure 4. Efficiency in Producer Tasks



Account managers and CSRs

As seen with producers, agency leaders largely believe their processes are efficient or highly efficient in key servicing tasks, from account marketing and renewal activities to day-to-day client servicing. However, a closer look reveals that the story is nuanced. Figure 5a highlights that the majority of executives believe their processes for account marketing/renewal tasks are efficient. However, only 14-17% indicated they are very efficient. On the flip side, a third or more don't consider them efficient, suggesting that most agencies have room for improvement.

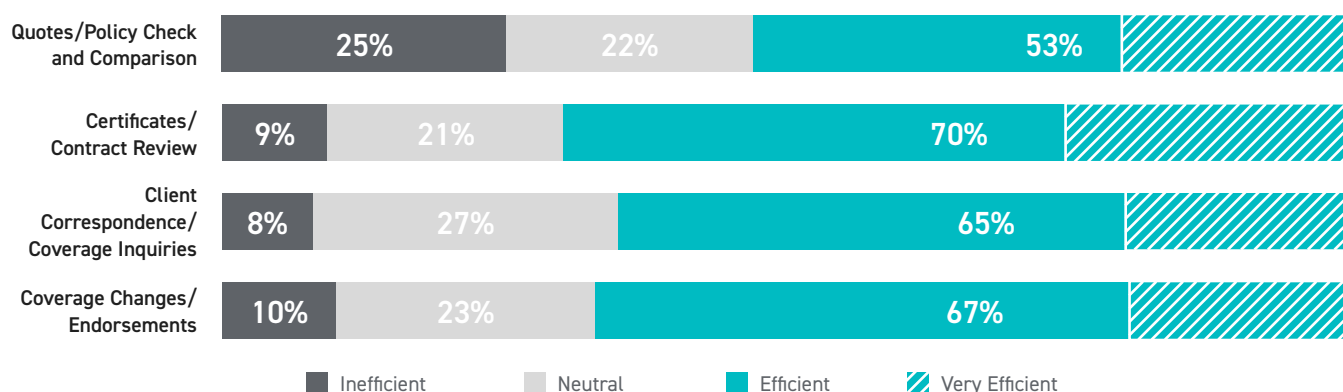
Figure 5a. Efficiency in Account Marketing and Renewal Tasks



The data in Figure 5b reveals similar trends in day-to-day servicing tasks. Quote/policy check has the highest inefficiency score among servicing tasks, which is unsurprising given the complexity and normally manual nature. To address this, some agencies leverage external resources by outsourcing policy checking, while others invest in AI-driven tools designed to automate and streamline this workflow.

Other tasks, such as certificates/contract review, client correspondence, and endorsements, reflect higher self-reported efficiency scores. However, only 20–25% of executives rated their teams as highly efficient in these areas, suggesting room for optimization. Across all servicing tasks outlined in Figures 5a and 5b, AI and automation technologies play an increasingly critical role in supporting staff and enhancing workflow efficiency, providing a path forward for agencies looking to improve operational performance.

Figure 5b. Efficiency in Servicing Tasks



Lastly, across all tasks, an interesting trend emerged, with significant differences between small/midsize agencies (<101 employees) and large agencies. For example, 72% of small agencies reported being efficient or very efficient in handling certificates and contract reviews, compared to only 49% of large agencies that said the same. Similarly, 64% of small agencies rated themselves efficient in new business information gathering versus 36% of large agencies. This variability likely stems from differences in industry focus (personal vs. commercial lines), the complexity and size of risks handled, and the operational challenges associated with larger teams and departments in bigger agencies.



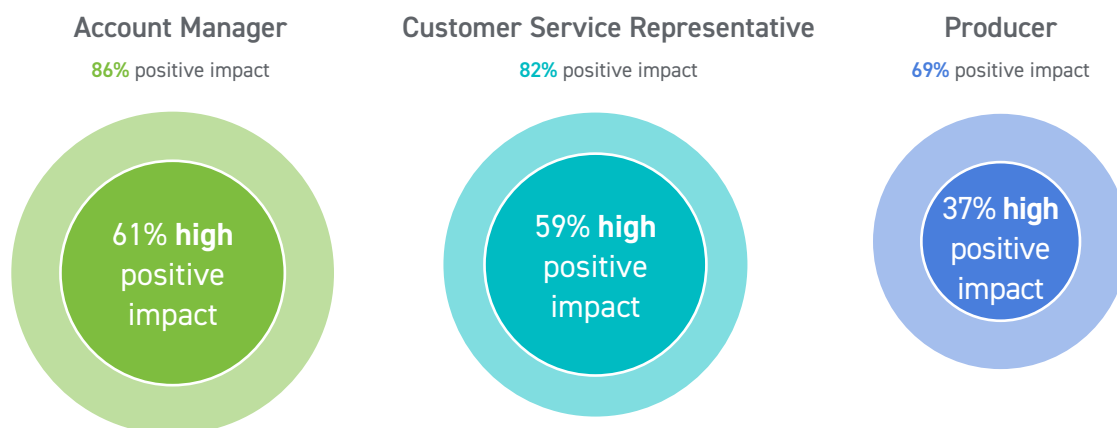
Reshaping retail agency roles through automation

While many agencies report moderate-to-high efficiency in key sales and servicing tasks, automation and AI are pushing the boundaries of what's achievable. These technologies promise to streamline workflows, enhance productivity, and enable staff to focus on higher-value, more complex responsibilities. But is the talk of transformation merely hype, or is it grounded in tangible outcomes? This section delves into agency executives' perspectives on automation's potential impact on various roles. We'll also explore how these shifts could reshape the workforce, ushering in a more dynamic and technology-integrated future.

Executives' perspective on the impact of automation

To better understand how automation may reshape key roles within retail insurance agencies, ReSource Pro asked executives to evaluate its potential impact on account managers, CSRs, and producers. Their responses ranged from viewing automation as having a highly positive impact to a highly negative one. These perspectives, illustrated in Figure 6 below, shed light on how leaders anticipate automation will influence productivity, workflows, and job functions within their organizations.

Figure 6. How Automation Will Impact Key Agency Roles (Percentage of Executives Citing)



At a high level, agency leaders primarily view automation as positively impacting key roles. Executives are most optimistic about automation's effect on account manager roles. Of the 87% who noted a positive impact, 61% rated it as highly positive. Similarly, executives broadly recognize the benefits of automation for CSR roles, albeit with slightly lower levels of enthusiasm. The picture is more mixed for the producer role, with only 69% citing a positive outlook.

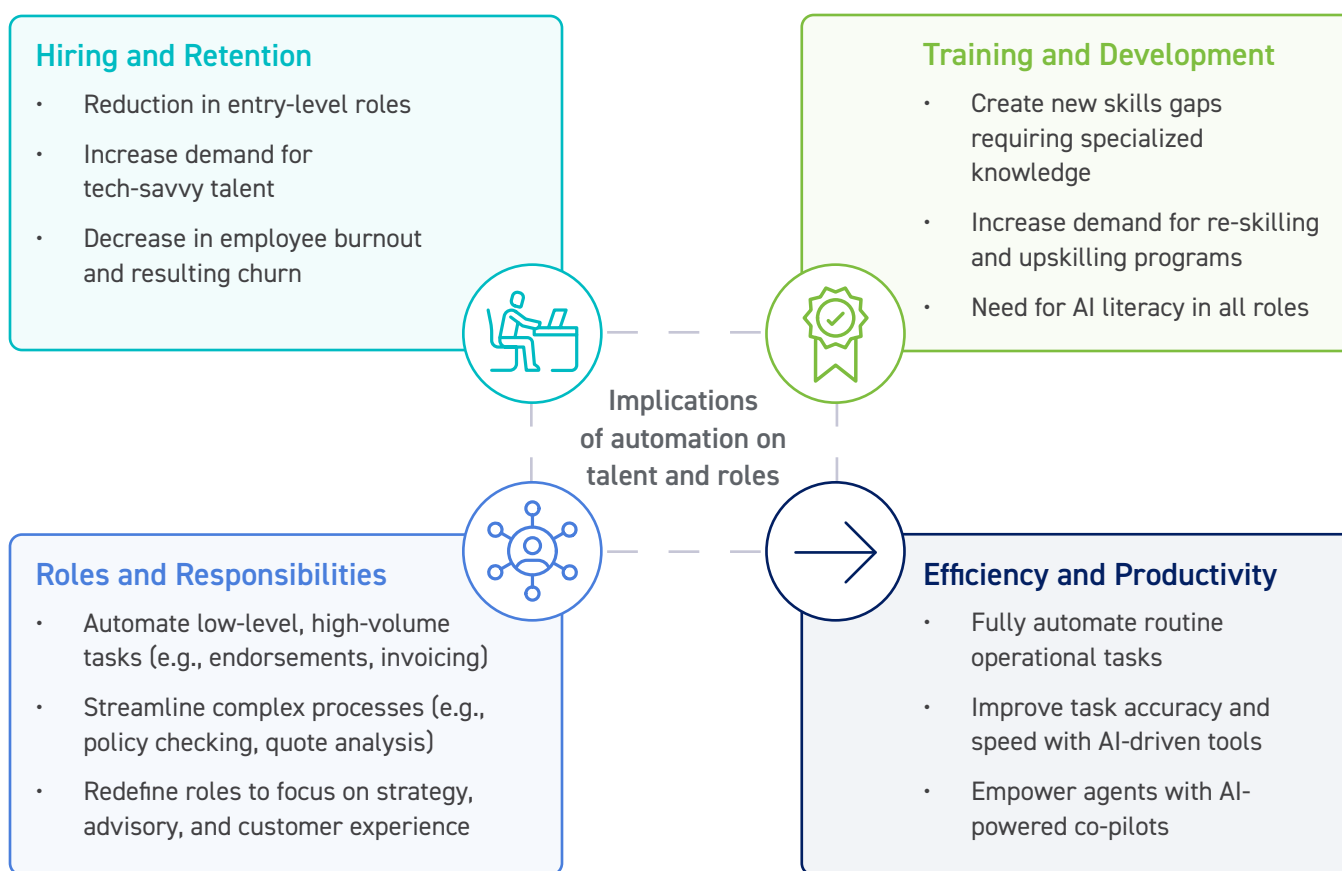
The difference in perspective likely stems from the unique role producers play in fostering customer relationships. Insurance is inherently a relationship-driven business, and many agencies attribute their success to the personal connections and trust their producers cultivate with clients – often over years or decades. This emphasis on human interaction creates resistance to adopting automation or AI in tasks perceived as client-facing. Agencies fear that automation could undermine these relationships by replacing the personal touch with impersonal technology.

However, this view overlooks the potential of automation to enhance, rather than replace, these relationships. For example, advanced AI tools, such as agent co-pilots, provide producers with real-time insights and guidance, empowering both new and experienced producers to better address client needs, deliver more value, and create more impactful engagements with customers.

Will automation transform agency roles?

As automation and AI reshape retail agencies in the years ahead, the impact on how agencies approach their talent and workforce strategies will be significant. To better understand these potential shifts, we've outlined four key areas where automation and AI will influence workforce dynamics: hiring and retention, training and development, roles and responsibilities, and efficiency and productivity. The diagram below highlights specific ways these shifts may reshape the future of agency talent.

Figure 7. Potential Implications of Automation on Talent and Roles



As agency leaders strive to understand the implications of automation and AI, it's essential to approach these advancements through the lens of both employees and customers. Automation and AI offer significant potential, but they also raise understandable concerns. Employees may worry about job displacement or changes to their roles, while customers may question the impact on relationships and service. Addressing these concerns with transparency, clear communication, and a commitment to balancing efficiency with empathy will be key to unlocking the full potential of these technologies.

The workforce of tomorrow

The retail agency workforce is on the brink of significant transformation stemming from advancing technology, evolving workforce dynamics, and changing industry demographics. While insurance is in the early days of AI adoption and automation, both will undoubtedly reshape the industry by transforming operations and redefining key roles and skill sets. Producers, account managers, and CSRs will all experience shifts in their day-to-day responsibilities, and new roles will emerge. To remain competitive, agencies must anticipate these changes and adapt their talent strategies to meet the demands of an increasingly dynamic and technology-driven environment. But what will these changes entail?

Routine tasks such as data acquisition and entry, document processing, and standard policy servicing will increasingly be automated, freeing up time for employees to focus on higher-value, customer-centric activities. Producers and account managers, for example, will shift toward more consultative roles, requiring deeper expertise in risk assessment, market trends, and strategy. Similarly, the CSR role will require more advanced customer experience management, communication, and problem-solving skills as their roles evolve from transactional support to proactive client engagement.

Moreover, integrating AI solutions will create a demand for new competencies, such as AI and data literacy. As technology enables greater efficiency and productivity, agency leaders must be willing to rethink and redesign roles and responsibilities. Accordingly, they must also invest in training and upskilling their workforce to better position employees and the company for success.

Call to action

To remain competitive, agencies must monitor and anticipate industry shifts and adapt their talent strategies to meet the demands of tomorrow. Those that fail to evolve risk operational inefficiencies, talent shortages, and diminished market relevance, while forward-thinking agencies that embrace innovation and invest in their workforce will be better positioned to thrive in the years ahead. Below are steps you can take today to begin moving in the right direction:

- 1 Hiring and Retention:** Evaluate your current hiring and retention strategies. Are you using metrics such as turnover, time-to-hire, and employee engagement to measure success? Identify gaps where adjustments may enhance employee engagement, recruitment, and retention.
- 2 Roles and Responsibilities:** Map out the current roles and responsibilities within your agency and the skillsets needed to excel in them. Evaluate how automation and AI might reshape these roles in the future and the impact these shifts will have on required skillsets.
- 3 Training and Development:** Identify current and future skill gaps by analyzing both existing role requirements and future trends in technology and customer expectations. Begin proactively addressing these gaps through targeted training, upskilling initiatives, and cross-functional learning opportunities.
- 4 Efficiency and Productivity:** Conduct a self-assessment of how productivity is currently measured and managed within your agency. Ensure you have clear metrics by department and/or role. Establishing a current baseline will enable you to measure the impact of technology and automation on future productivity. Learn more about managing agency productivity in ReSource Pro's research report: "Retail Agency Workforce Management."



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