THE MUTUAL FACTOR

2026

How performance, structure, and focus set mutual insurance companies apart.

NAMIC®
NATIONAL ASSOCIATION OF MUTUAL INSURANCE COMPANIES

AON

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ABOUT AON

Aon plc (NYSE: AON) exists to shape decisions for the better — to protect and enrich the lives of people around the world. Our colleagues provide our clients in over 120 countries with advice and solutions that give them the clarity and confidence to make better decisions to protect and grow their business. Follow Aon on Twitter and LinkedIn. Stay up to date by visiting the Aon Newsroom and sign up for News Alerts here.

ABOUT NAMIC

The National Association of Mutual Insurance Companies is the foremost trade association representing the property/casualty insurance industry. Serving more than 1,300 member companies, including local and regional insurers as well as some of the nation's largest carriers,NAMIC members collectively write $453 billion in annual premiums, representing 58% of the homeowners and 52% of the automobile insurance markets. For more than 130 years, NAMIC has been the leading voice advancing public policy solutions and regulatory frameworks that promote a strong, competitive market and protect member companies and their policyholders.

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FOREWORD

A MARKET IN TRANSITION DEMANDS DISCIPLINED GROWTH, RESILIENT EXECUTION, AND A WORKFORCE READY FOR CHANGE.

Mutual insurers enter the next phase of the market cycle from a position of renewed financial strength but with a more complex set of strategic demands. Improved underwriting results and stronger surplus growth provide a foundation for growth while catastrophe frequency, distribution consolidation, rising customer expectations, and the accelerating deployment of artificial intelligence require carriers to act with greater precision. The opportunity is not simply to grow as conditions soften, it is to translate the mutual model into a modern competitive advantage by combining disciplined underwriting, prevention, responsive service, data-driven distribution management, and deliberate investment in people and skills.

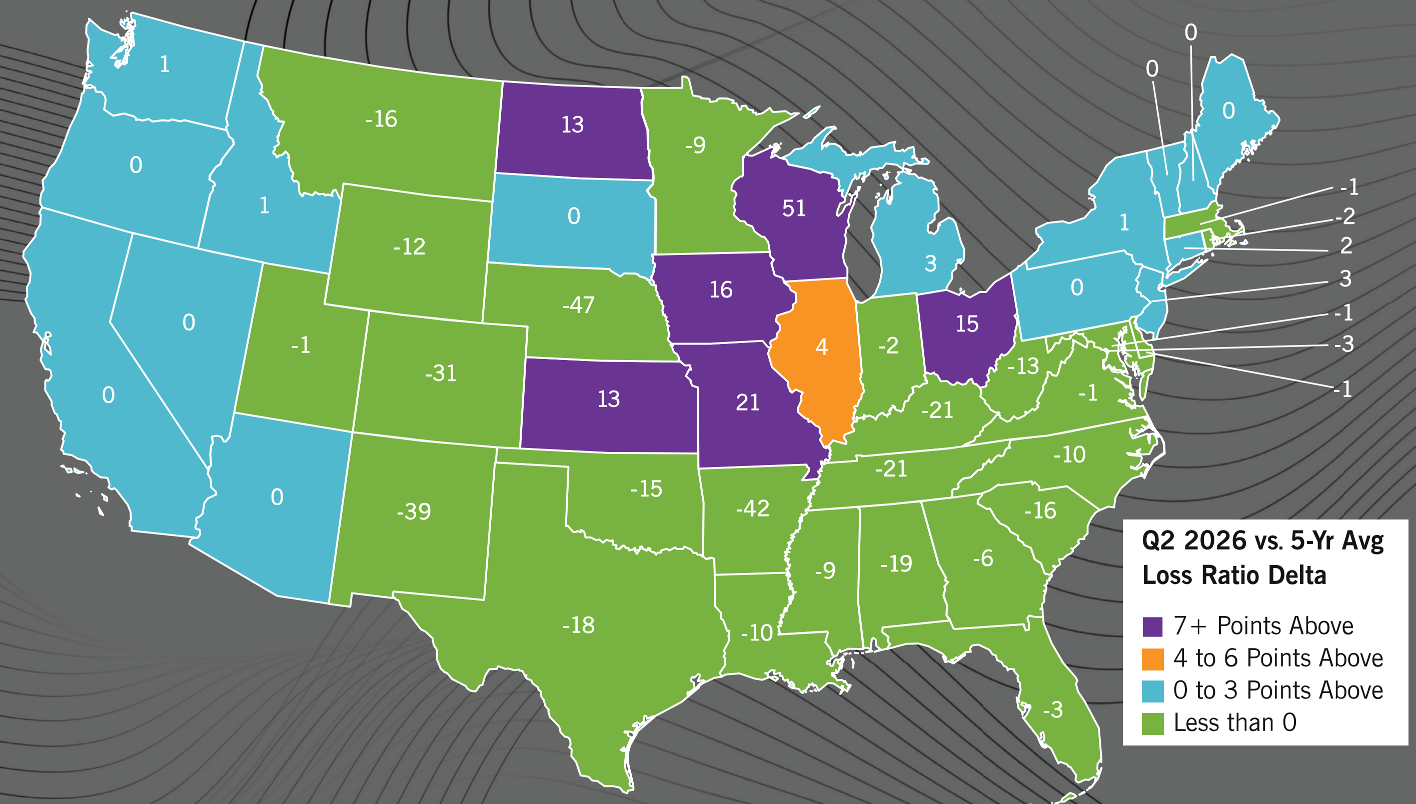
CATASTROPHE FREQUENCY REMAINS FRONT AND CENTER

Global catastrophe losses during the first half of 2026 were below long-term averages, but the United States remained the primary source of insured catastrophe activity. U.S. natural catastrophes generated approximately $36 billion in insured losses, accounting for roughly 75% of global insured catastrophe losses with 11 billion-dollar insured events through June.

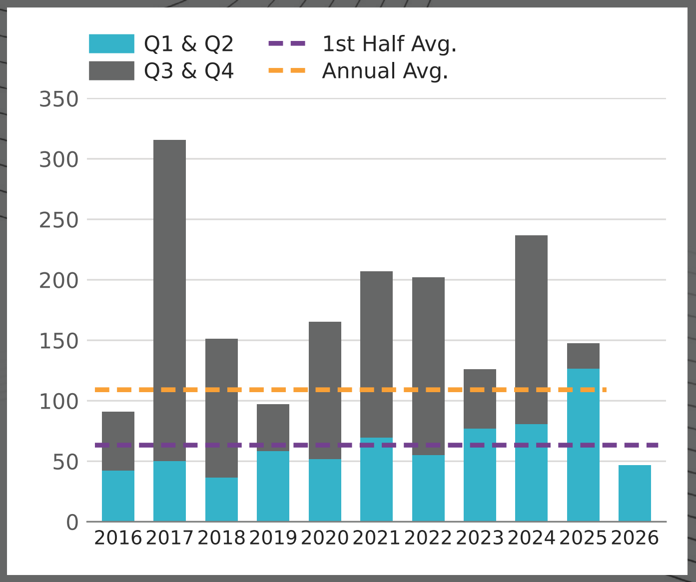
Severe convective storms remained the dominant loss driver. Tornadoes, hail, and straight-line winds produced approximately $27 billion in U.S. insured losses, making SCS the costliest insured peril globally during the period. For mutual insurers with meaningful concentrations in rural communities and secondary markets, the cumulative effect of frequent localized events can place sustained pressure on underwriting results even when aggregate catastrophe totals appear moderate.

The first half of 2026 reinforces the need for disciplined exposure and accumulation management, stronger analytics, effective risk mitigation, and reinsurance programs calibrated to both frequency and severity. Potential El Niño conditions could suppress Atlantic hurricane activity, but SCS, hail, flooding, winter weather, and other regional perils will continue to shape volatility.

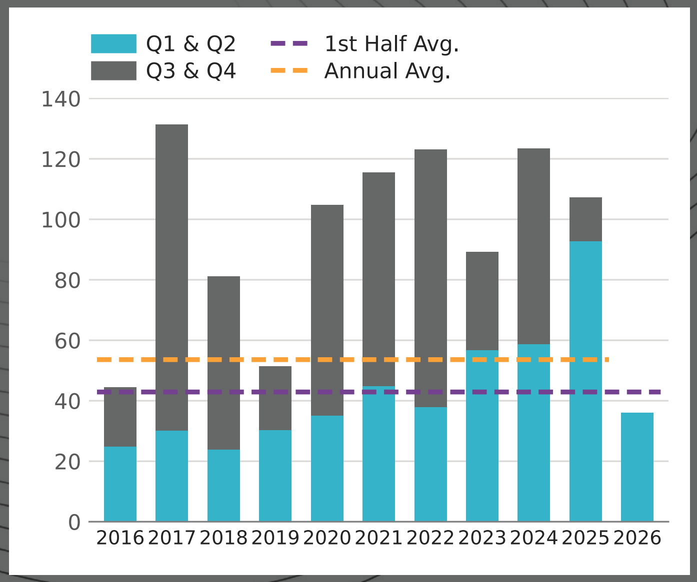
Q2 2026 Industry Loss Ratio vs. 5-year (2021-2025) Quarterly Average



U.S. Economic Loss (2026 $B)



U.S. Insured Loss (2026 $B)



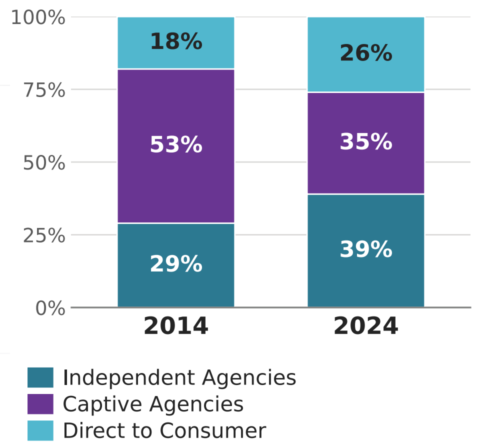
DISTRIBUTION STRATEGY ENTERS A NEW ERA

As rate and premium growth moderate, the competitive focus is shifting toward profitable growth, retention, and operational efficiency. Agency consolidation continues to concentrate influence among fewer, larger, and more sophisticated distribution partners. The five largest public and private-equity-backed brokers increased their share of the U.S. brokerage market from 32% in 2014 to 50% in 2024. In commercial lines, their share increased from 51% to 75% over the same period.

Customers are also becoming more comfortable using multiple access points. Local agency relationships remain important while digital comparison, direct engagement, and platform-based servicing continue to gain relevance. Mutual insurers do not need to choose between technology and relationships, they need to integrate them.

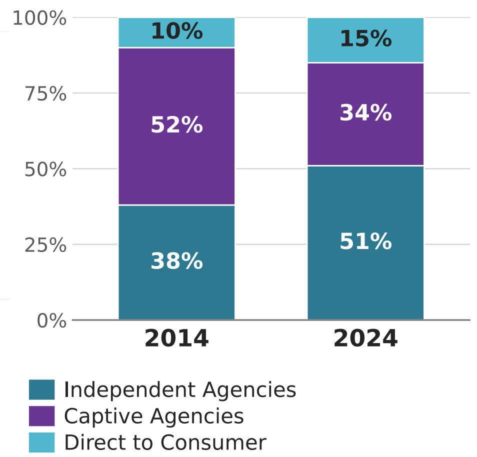
The strongest distribution strategies will segment partners with greater precision. Large broker platforms may require dedicated engagement, faster turnaround, clearer appetite, and more sophisticated data sharing. Smaller and regional agencies may place greater value on consistency, local decision-making, underwriter access, claims responsiveness, and commitment to community-based business. Carriers that understand where they are overconcentrated, underrepresented, or undifferentiated will be better positioned to protect retention and capture profitable growth.

Personal Auto Premium Mix by Distribution



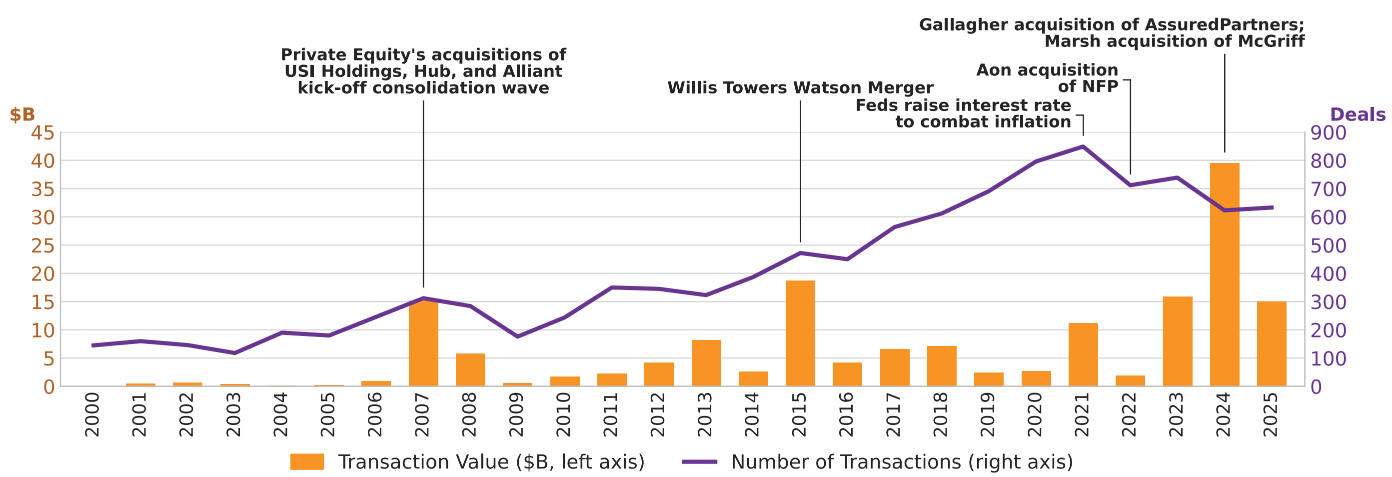
Source: Conning – 2025 Global Mergers & Acquisitions in the Insurance Industry

Homeowners Premium Mix by Distribution



Source: Conning – 2025 Global Mergers & Acquisitions in the Insurance Industry

M&A Activity in the U.S. Insurance Distribution Space



Source: Conning – 2025 Global Mergers & Acquisitions in the Insurance Industry

PREVENTION BECOMES A COMPETITIVE STRATEGY

In a softening property market, pricing becomes less effective as a stand-alone differentiator. A well-designed prevention strategy can help protect margins, improve risk selection, retain policyholders, and demonstrate value throughout the policy lifecycle.

Prevention is more than a claims initiative. It can generate better risk information, support portfolio segmentation, and improve pricing decisions. A recent analysis by Aon found that policies incorporating roof actual cash value provisions experienced approximately 30% lower SCS claim severity than comparable policies without those provisions.

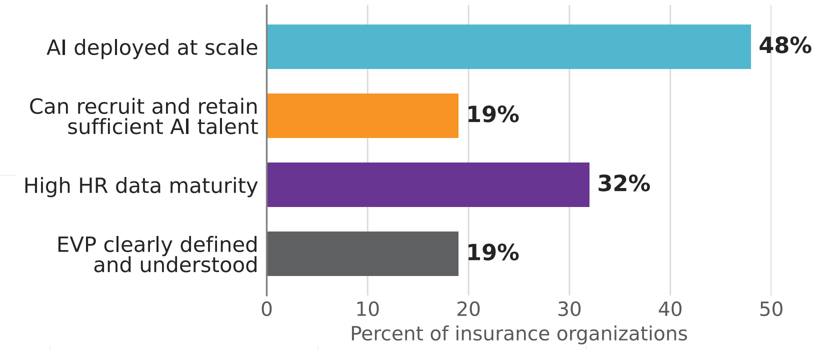
The economic case should be evaluated across loss ratio impact, policyholder retention, marketing and distribution, operating efficiency, data, financial strength, and ratings. Through this broader lens, prevention becomes an enterprise investment in the economics of the policyholder relationship and a practical way to reinforce the mutual value proposition.

AI ADOPTION IS OUTPACING WORKFORCE READINESS

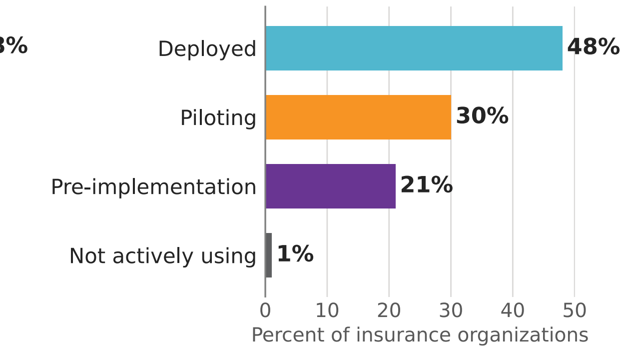
The 2026 Human Capital Trends Study released by Aon shows an insurance industry moving quickly on artificial intelligence. Among 130 insurance industry participants, 78% report deploying or piloting AI solutions and 48% report AI deployed at scale. 92% agree that AI will create new opportunities and require new skills while 81% expect AI to automate some tasks without eliminating the need for existing roles.

The central challenge is execution readiness. Only 19% of insurance organizations say they can recruit and retain sufficient AI talent. Just 32% report high HR data maturity, even though accelerating digital transformation in HR processes is the industry's top people strategy priority. These findings point to a widening gap between technology deployment and the workforce, data, and change capabilities needed to capture value.

Execution Foundations Lag Technology Deployment



AI Adoption is Advancing Quickly



48% OF INSURANCE ORGANIZATIONS REPORT AI DEPLOYED AT SCALE WHILE ONLY 19% SAY THEY CAN RECRUIT AND RETAIN SUFFICIENT AI TALENT.

THE HUMAN CAPITAL AGENDA BECOMES A BUSINESS IMPERATIVE

For mutual insurers, human capital strategy is becoming a core source of resilience and sustainable growth. The value of AI will depend on how effectively carriers redesign work, roles, and skills around it while preserving the expertise and relationships that underpin the mutual model. Adaptability and change management were identified as the most critical workforce skills for organizational success over the next three years.

The study also highlights an opportunity to strengthen the employee value proposition. Only 19% of insurance organizations report an EVP that is clearly defined and well understood. 70% of employees say benefit customization is important while only 28% of insurers currently offer customized benefits. Better workforce data, targeted communication, and more personalized employee experiences can help convert existing investments in benefits and well-being into stronger attraction and retention for scarce skills.

Three actions stand out: expand AI upskilling and reskilling across underwriting, claims, actuarial, and support functions; personalize benefits and rewards through better data and technology; and build a differentiated, data-informed EVP that makes well-being, career opportunity, and transparent practices more visible.

THE MUTUAL ADVANTAGE IN THE NEXT MARKET CYCLE

The next stage of the market will reward carriers that connect financial strength with disciplined execution. Catastrophe frequency requires more granular exposure management and reinsurance. Distribution consolidation requires clarity about which partnerships can support profitable growth. Prevention offers a way to improve risk outcomes and deepen policyholder value. AI can increase efficiency and decision speed, but only when supported by capable people, mature data, and effective change leadership.

Mutual insurers are well positioned to compete, but success will depend on deliberate action. The carriers that emerge strongest will use data to understand risk and distribution more precisely, invest in prevention as an enterprise capability, tailor engagement to different agency and policyholder segments, and align technology investment with workforce readiness. By modernizing how they prevent loss, access business, develop talent, and serve policyholders, mutual insurers can protect recent financial progress while building a stronger foundation for sustainable growth.

PRIORITIES FOR LEADERS

1 BUILD RESILIENCE

Manage catastrophe frequency through granular exposure analytics, mitigation, and fit-for-purpose reinsurance.

2 MODERNIZE EXECUTION

Segment distribution partners, invest in prevention, and define measures for profitable, durable growth.

3 ALIGN PEOPLE + TECHNOLOGY

Connect AI deployment to work redesign, reskilling, HR data maturity, and a differentiated employee value proposition.

EXECUTIVE SUMMARY

"NAMIC and Aon are pleased to release the 2026 edition of the Mutual Factor, a data-driven look at the property/casualty insurance industry that offers NAMIC member company leaders a clearer view of where the mutual sector stands today and the forces shaping its outlook.

This year's findings point to a sector that ended 2025 from a position of notable financial strength. Mutual companies grew surplus at a strong pace, maintained favorable leverage profiles, and achieved meaningful improvement in underwriting results. Those gains provide important context for a market still contending with severe weather events, economic uncertainty, inflationary pressures, and other operating challenges.

Beyond the overall sector view, this report examines results by region, business profile, and company characteristics to show how different factors influence mutual insurers in different ways. This segmentation helps illuminate the effects of underwriting trends, catastrophe exposure, growth strategies, and market conditions across the insurance landscape.

A key component of the report is a benchmark study examining mutual insurers through the lens of AM Best's rating framework. The results show favorable balance sheet strength, enterprise risk management, and business profile assessments, reinforcing the mutual model's stability and long-term durability in a more complex operating environment.

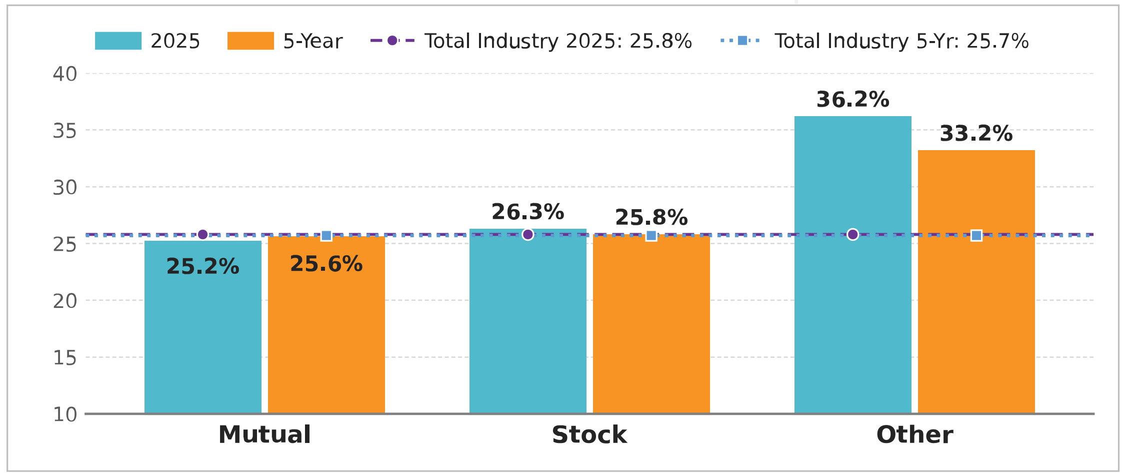
Also included with this year's report are results from a survey of independent agents about their views of mutual and stock sectors. Overall, respondents had favorable views of both sectors but did view mutuals more favorably across many of the characteristics that define the mutual industry.

We hope this report serves as a practical benchmarking resource for mutual insurers and a useful guide to the sector's current performance, emerging opportunities, and areas that warrant continued attention. As market conditions shift, the mutual model's commitment to policyholders, agents, and communities remains central to its value.

THE STATE OF MUTUALS

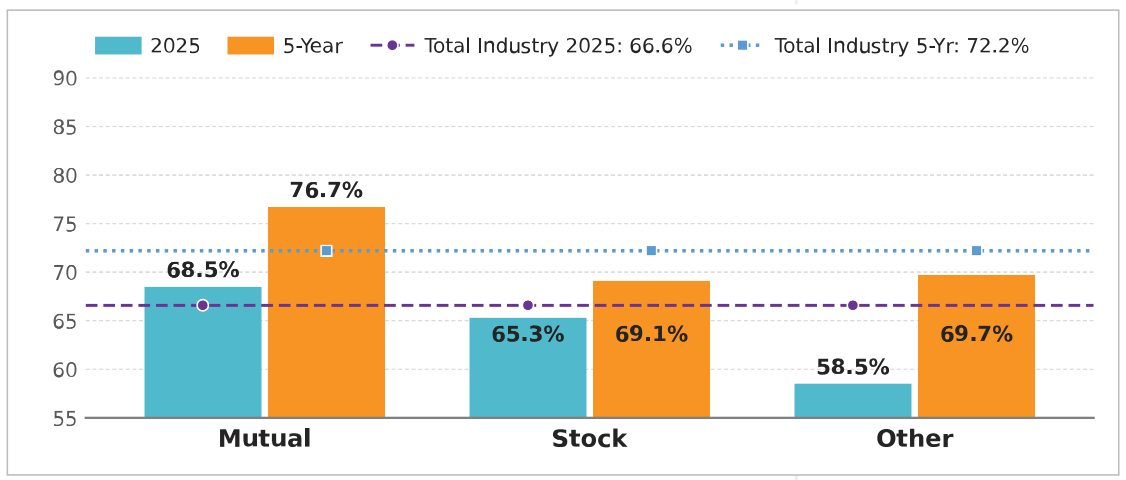
EXPENSE RATIO (%)

The 2025 expense ratio for mutual insurers was 25.2%, which was about 1 point lower than stock insurers' expense ratio of 26.3% in 2025. Both mutual insurers and stock insurers experienced an increase in expense ratio compared to 2024 – 50 basis points for mutual insurers and 60 basis points for stock insurers. On a five-year basis, the expense ratio for mutuals was 25.6%, which was about 20 basis points lower when compared to 25.8% for stock insurers.



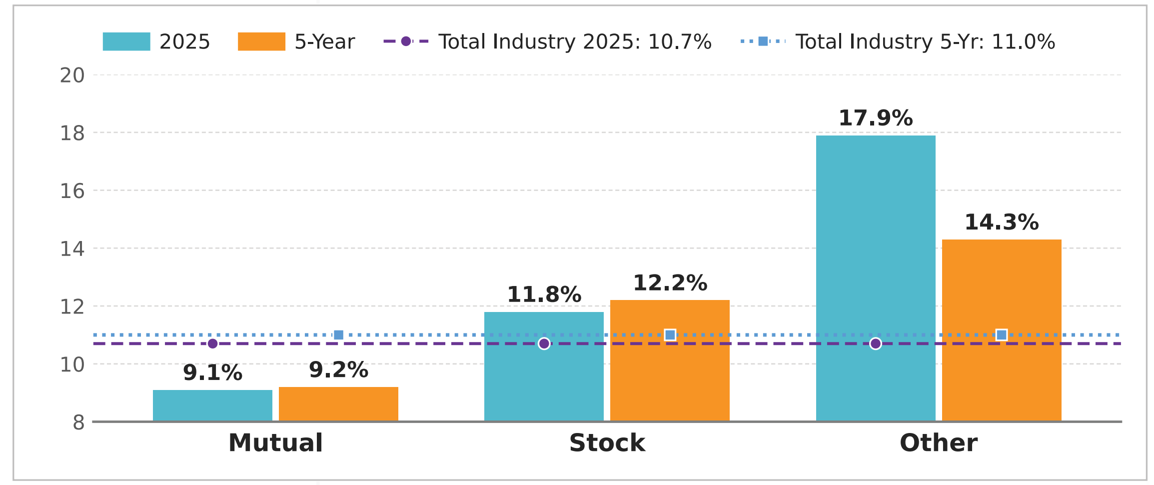
LOSS & LAE RATIO (%)

Mutual insurers typically pay out a higher share of each premium dollar in claims and claim-related expenses, known as loss adjustment expenses, than stock insurers. In 2025, mutual insurers paid out 68.5% of each premium dollar for claims and claim-related expenses compared to 65.3% for stock insurers. The delta of 3.2 points between the two was a large improvement from the 2024 results, which saw the loss and LAE ratio for mutual insurers (75.5%) nearly 8 points higher than stock insurers (67.7%). Results for 2024 were more indicative of the five-year results.



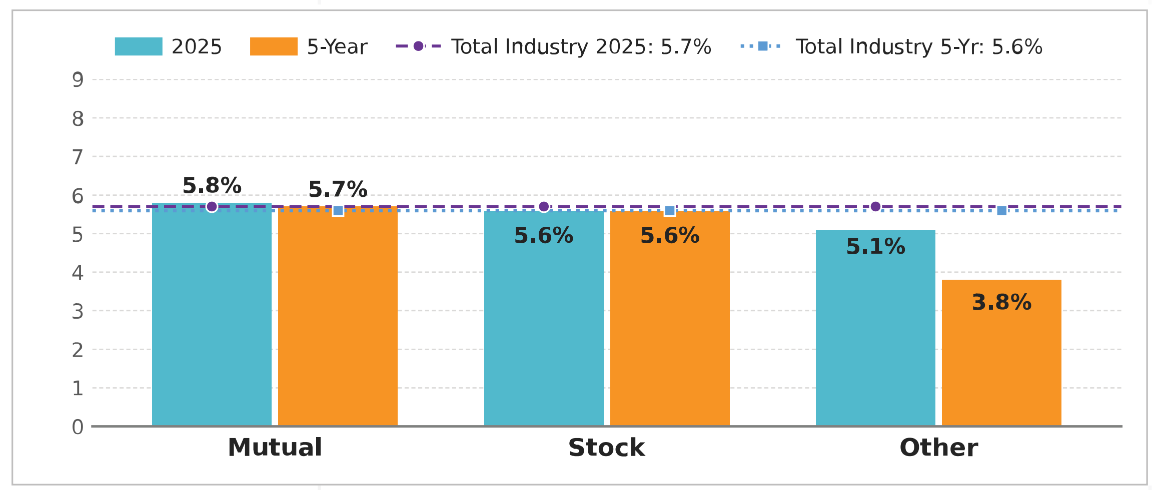
NET COMMISSION RATIO (%)

Mutual insurers' commission expense ratio (9.1%) was about 2.7 points lower than stock insurers (11.8%) for 2025, reflecting the benefit that business mix and type of distribution have on the commission structure for large mutual insurers. The difference between mutual and stock results was also similar on a five-year basis.



DIRECT GENERAL EXPENSE RATIO (%)

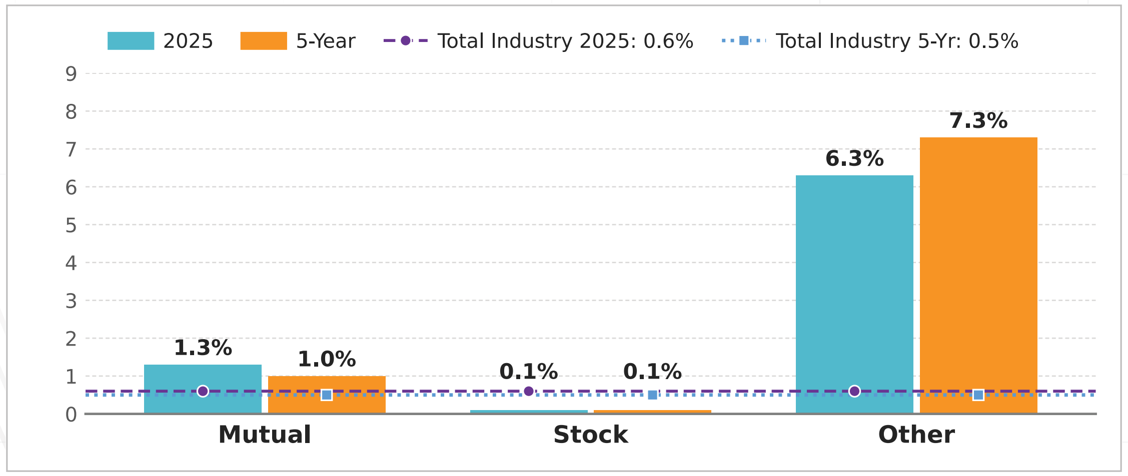
General expenses reflect the cost to the insurer of underwriting and servicing policies. Expressed as a ratio to direct premiums written, this ratio was 5.8% for mutual insurers and 5.6% for stock insurers in 2025. The trend is similar on a five-year basis, with mutual insurers about 10 basis points higher than their stock counterparts.



THE STATE OF MUTUALS CONTINUED

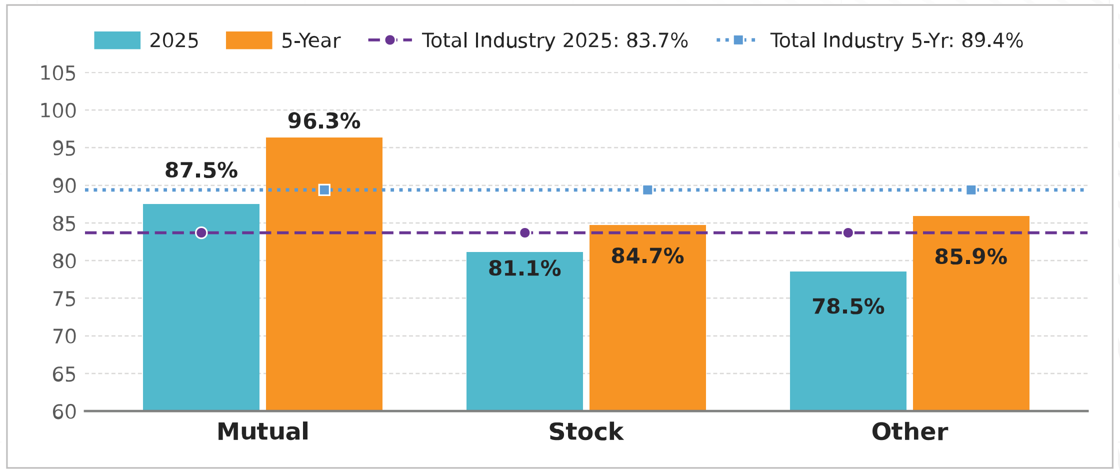
DIVIDEND RATIO (%)

Paying dividends to policyholders is much more common among mutuals than stock companies, reinforcing the fact that mutuals' policyholders are also the companies' owners. In 2025, mutual insurers paid dividends to policyholders equal to 1.3% of net premiums compared to only 0.1% for stock companies, with the total industry falling within the median at 0.6% for the year. Mutual companies paid out more dividends relative to net premiums in 2025 when compared to the recent five-year period (1.0%), as companies regain underwriting profitability. Dividend payments for stocks remain consistent over five years. Policyholder dividends are an important customer retention tool for some mutuals and can also represent a reward and incentive for policyholders who file few, if any, claims.



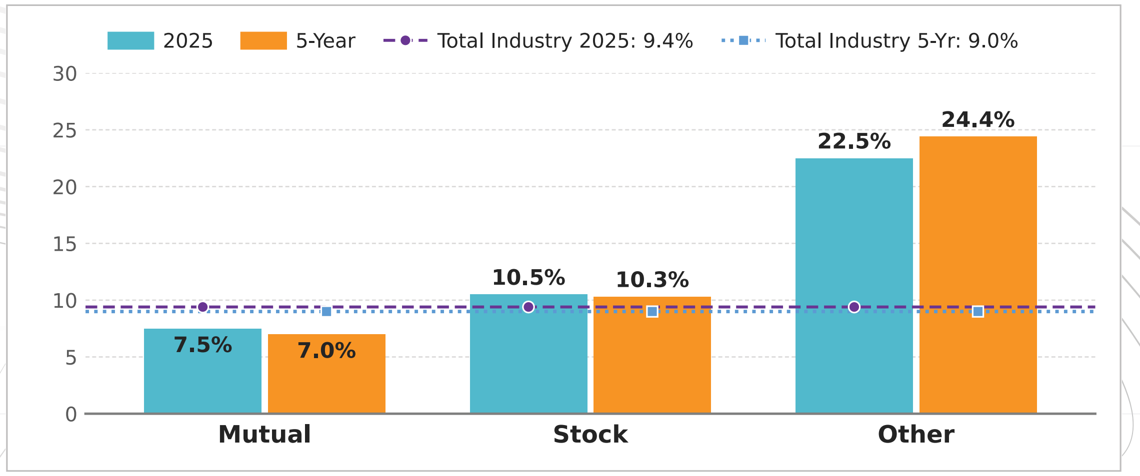
OPERATING RATIO (%)

The operating ratio for mutual insurers in 2025 was approximately 6.4 points higher than for stock insurers. This delta closed about 4.4 points when compared to 2024. Over the last five years, mutual insurers' operating ratio was 11.6 points higher. This emphasizes the combined effects of higher loss ratios and a lower investment income ratio.



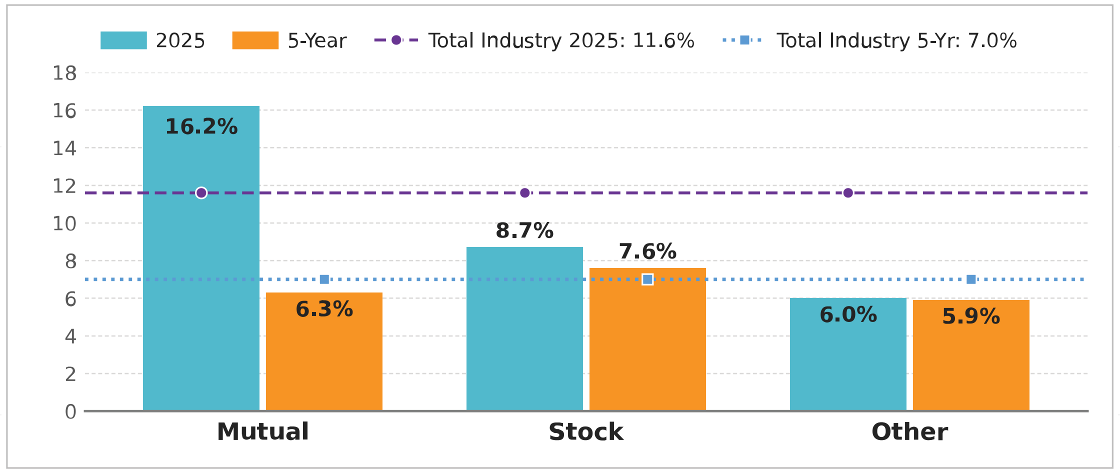
NET INVESTMENT INCOME RATIO (%)

The net investment income ratio for mutual insurers in 2025 stood at 7.5%, below the 10.5% recorded for stock insurers. Results for both mutual and stock insurers were slightly down from 2024, with mutual insurers reporting a 30-basis-point decline and stock insurers reporting a 50-basis-point decline. The lower figure reflects, in part, the mutual segment's more conservative approach to investing and lower asset leverage. The high net investment ratio for the "other" types of insurers is a result of state funds and higher asset leverage to back long-tailed reserves.



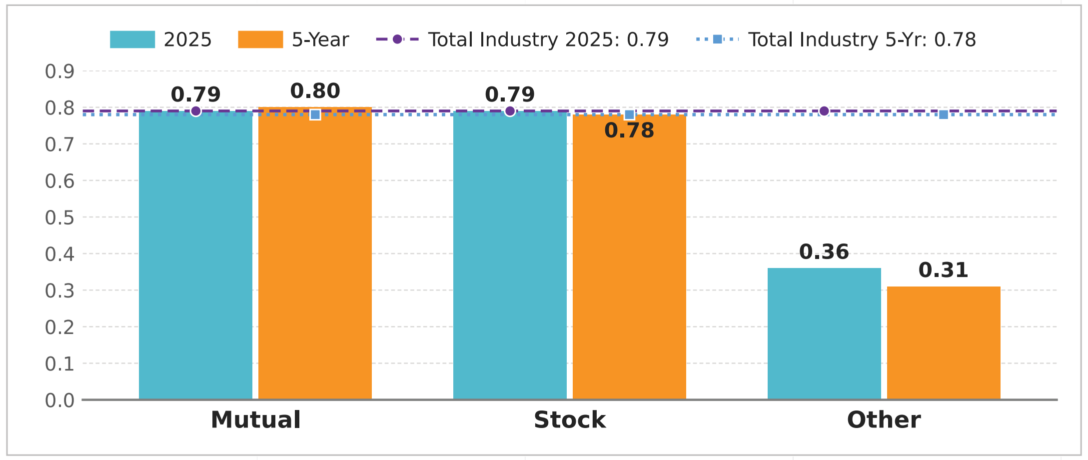
CAPITAL AND SURPLUS GROWTH (%)

Surplus for the entire industry grew by 11.6% in 2025, which was in line with the growth experienced in 2024. The mutual segment grew by 16.2%, nearly double the 8.7% growth of their stock counterparts. The last five years showed positive surplus growth for both mutual (6.3%) and stock insurers (7.6%).



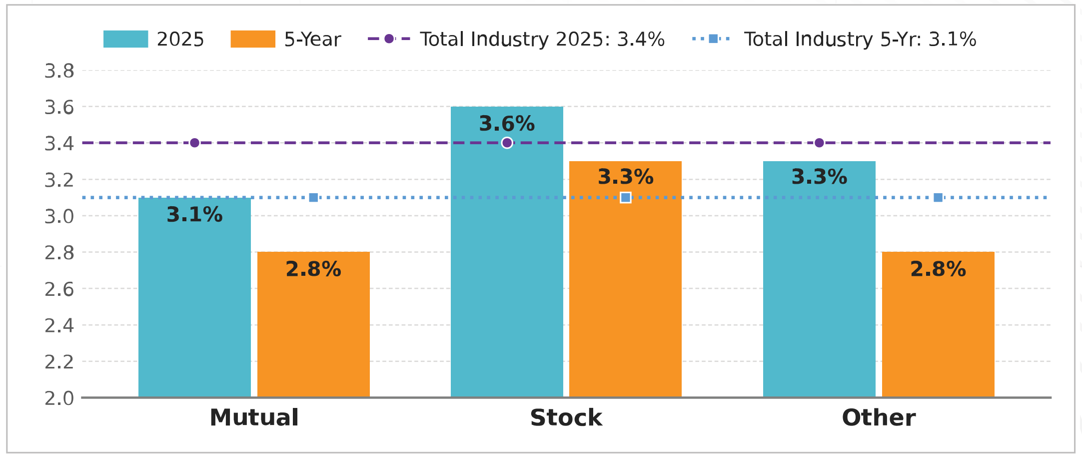
NET WRITTEN PREMIUM TO SURPLUS RATIO

Historically, mutual insurers operate with slightly less leverage than stock insurers. This means that mutual insurers carry more surplus – i.e., claims-paying capital per dollar of net written premium. In 2025, mutual insurers held $1.27 in surplus for every $1 in net written premiums received while stock insurers held $1.25 in surplus for every $1 in net written premiums received. These amounts increased about $0.13 for mutual insurers and $0.03 for stock insurers between 2024 and 2025.



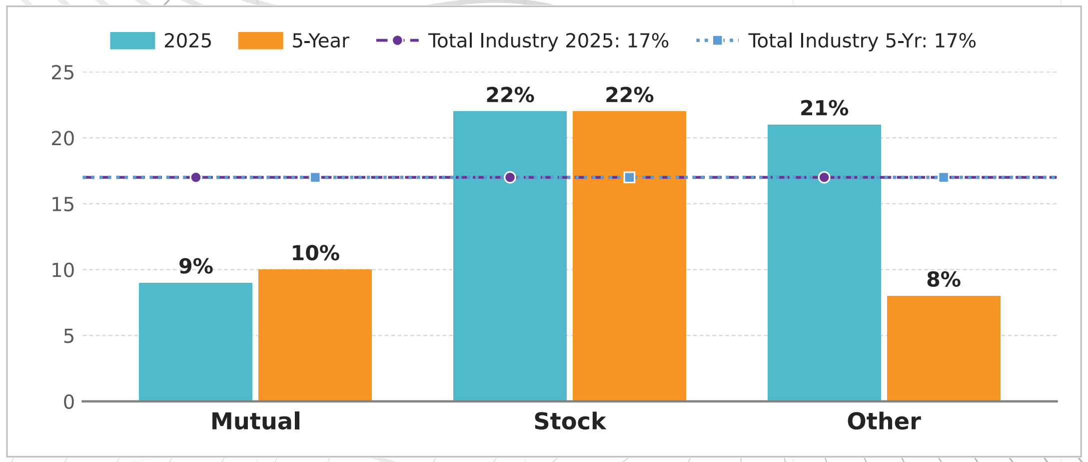
NET YIELD ON INVESTED ASSETS (%)

Net yield on invested assets for the industry in 2025 was 3.4%, which was slightly higher compared to the five-year average of 3.1%. This reflects the impact of increased interest rates in the past two to three years relative to prior history.



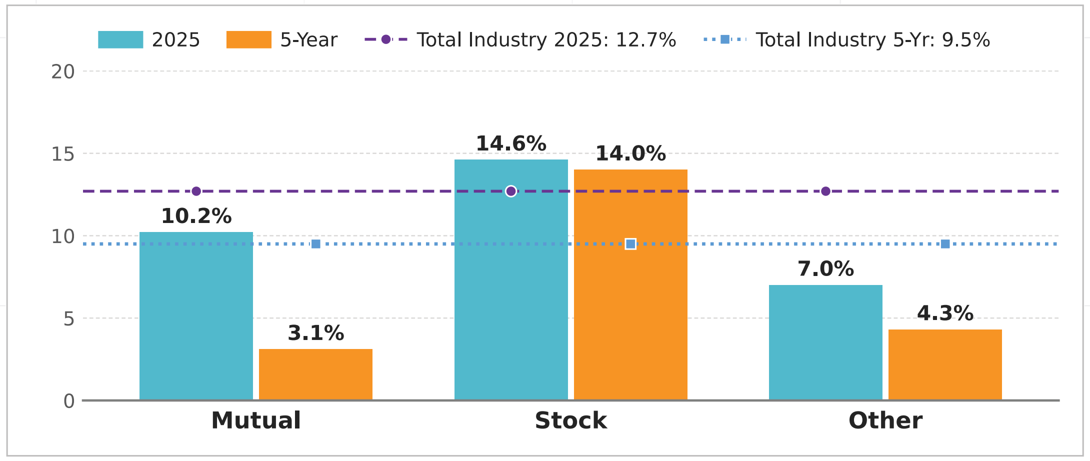
CEDED-TO-DIRECT WRITTEN PREMIUM RATIO (%)

Ceded-to-direct written premium shows how much reinsurance is purchased relative to a company's direct writings. Mutual insurers ceded about 9% of their direct writings while stock companies ceded about 22% for 2025. This is consistent year over year and is reflected in the five-year results.



RETURN ON AVERAGE EQUITY (C&S) (%)

Profitability across the entire property/casualty insurance industry decreased by 3 points to 12.7% year over year in 2025. This compares favorably to the five-year average of 9.5%. Return on average equity – capital and surplus – was lower in the mutual segment, primarily because mutuals pay out more in claims and claim-related expenses and tend to invest more conservatively.

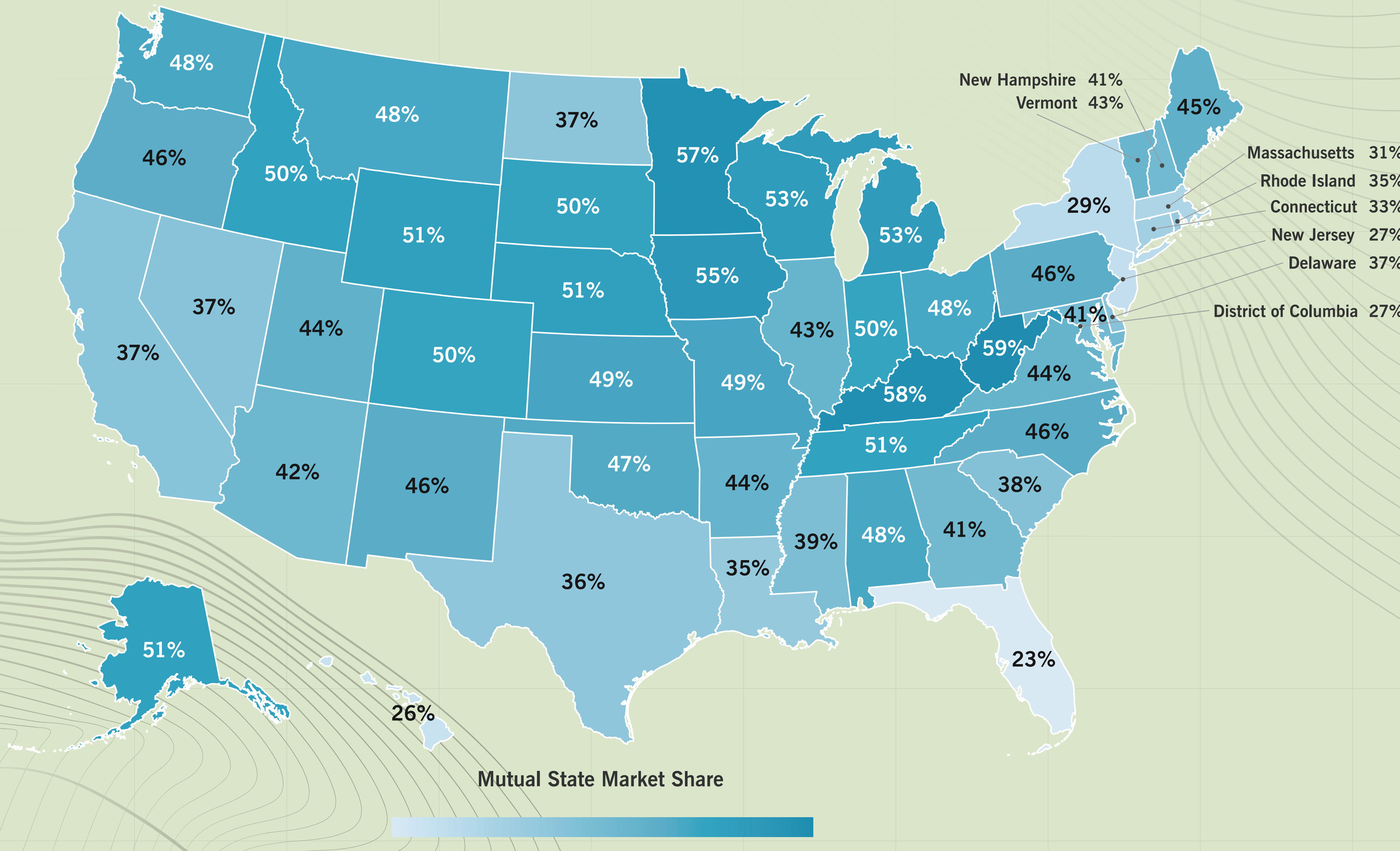


MUTUAL STATE MARKET SHARE

In 2025, mutuals owned 40% of the property/casualty market in the United States, where the stock and other segments had 59% and 1%, respectively.

Although the mutual segment has a smaller share of the market compared to the stock segment, the mutual segment has a consistent market share presence throughout the United States. Mutuals have the majority of the market share in 10 states and at least 40% market share in another 24 states. The states with more mutual company presence are in the Midwest region of the country. In the four states, plus District of Columbia, where the mutual segment's market share is less than 30%, premiums are typically written by larger national stock insurers such as Allstate, Travelers, Zurich, The Hartford, and Progressive.

Mutual 2025 State Market Share



Source: NAMIC Mutual Factor Report Data, YE 2025 (Direct Premiums Written)

2025 RAW DATA

AGGREGATE UNDERWRITING RATIOS	Mutual		Stock	
	2025	5yr	2025	5yr
Net Written Premiums	401,542,453	345,439,884	570,915,373	494,642,685
Direct Written Premium	434,216,291	375,715,369	665,089,381	555,680,032
Dir Comm & Brokerage	45,046,161	38,996,160	82,054,207	69,572,394
Ceded Reinsurance	40,637,408	37,302,506	144,847,652	119,687,456
Gross Written Premiums	444,358,705	384,417,646	754,206,261	635,274,608
Policyholders' Surplus	511,249,779	431,476,982	718,182,742	631,843,952
Net Total Assets	1,158,306,636	1,003,744,770	2,022,169,015	1,778,027,958
NWP to DWP Ratio	0.92	0.92	0.86	0.89
CWP to DWP Ratio	0.09	0.10	0.22	0.22
CWP to GWP Ratio	0.09	0.10	0.19	0.19
Net Commission (%)	9.1	9.2	11.8	12.2
Dir Comm & Brokerage (%)	10.4	10.4	12.3	12.5
Dir General Exp (%)	5.8	5.6	5.6	5.6
Surplus Growth	16.2	6.3	8.7	7.6
NWP to PHS Ratio	0.79	0.80	0.79	0.78
DWP to PHS Ratio	0.85	0.87	0.93	0.88
Pre-Tax Return on Revenue (%)	12.1	3.1	18.7	14.8
Return on Avg. Equity	10.2	3.1	14.6	14.0
Return on Avg. Assets	4.4	1.3	5.1	5.0
Net Yield on Assets	3.1	2.8	3.6	3.3

*5 year data represents data from 2021 through 2025

AGGREGATE UNDERWRITING RATIOS	Other		Total	
	2025	5yr	2025	5yr
Net Written Premiums	5,618,764	3,997,901	978,076,590	844,080,470
Direct Written Premium	12,623,956	11,652,181	1,111,929,628	943,047,581
Dir Comm & Brokerage	1,707,516	704,311	128,807,884	109,272,865
Ceded Reinsurance	2,606,909	701,521	188,091,970	157,691,482
Gross Written Premiums	13,314,427	11,834,564	1,211,573,115	1,031,291,211
Policyholders' Surplus	15,543,254	13,380,417	1,244,975,776	1,076,701,351
Net Total Assets	40,566,768	36,613,345	3,221,042,419	2,818,386,073
NWP to DWP Ratio	0.45	0.34	0.88	0.90
CWP to DWP Ratio	0.21	0.06	0.17	0.17
CWP to GWP Ratio	0.20	0.06	0.16	0.15
Net Commission (%)	17.9	13.9	10.7	11.0
Dir Comm & Brokerage (%)	13.5	6.0	11.6	11.6
Dir General Exp (%)	5.1	3.6	5.7	5.6
Surplus Growth	6.0	5.4	11.6	7.0
NWP to PHS Ratio	0.36	0.30	0.79	0.78
DWP to PHS Ratio	0.81	0.87	0.89	0.88
Pre-Tax Return on Revenue (%)	21.6	12.9	16.0	10.0
Return on Avg. Equity	7.0	4.2	12.7	9.5
Return on Avg. Assets	2.6	1.5	4.8	3.6
Net Yield on Assets	3.3	2.8	3.4	3.1

TOP TEN STATS & FACTS

TOP TEN STATS

TOP TEN MUTUAL WRITERS

Rank 2025	Rank 2024	Group/Company	Direct Written Premium ($000)	Overall Rank 2025	Overall Rank 2024	Market Share
1	1	State Farm (SNL P&C Group)	$ 115,149,861	1	1	10.3
2	2	Liberty Mutual (SNL P&C Group)	$ 42,346,468	6	5	3.8
3	3	USAA (SNL P&C Group)	$ 38,543,461	7	7	3.5
4	4	Farmers Insurance (SNL P&C Group)	$ 29,586,855	9	9	2.7
5	6	American Family Insurance (SNL P&C Group)	$ 17,949,597	11	11	1.6
6	5	Nationwide (SNL P&C Group)	$ 16,701,689	12	10	1.5
7	7	Auto-Owners Insurance (SNL P&C Group)	$ 16,651,300	13	14	1.5
8	8	Erie Insurance (SNL P&C Group)	$ 12,957,320	17	17	1.2
9	9	Auto Club Exchange (SNL P&C Group)	$ 8,973,675	23	24	0.8
10	10	CSAA Insurance Exchange Group (SNL P&C Group)	$ 8,002,623	26	26	0.7

TOP TEN MUTUAL WRITERS OF COMMERCIAL AUTO

Rank 2025	Rank 2024	Group/Company	Direct Written Premium ($000)	Overall Rank 2025	Overall Rank 2024	Market Share
1	1	Liberty Mutual (SNL P&C Group)	$ 2,802,861	5	4	3.6
2	3	State Farm (SNL P&C Group)	$ 2,298,875	6	7	3.0
3	2	Auto-Owners Insurance (SNL P&C Group)	$ 2,152,197	7	6	2.8
4	4	Erie Insurance (SNL P&C Group)	$ 1,151,197	17	17	1.5
5	7	Acuity, A Mutual Insurance Co.	$ 1,054,088	18	21	1.4
6	5	Sentry (SNL P&C Group)	$ 983,915	21	18	1.3
7	8	Federated Insurance (SNL P&C Group)	$ 947,759	23	22	1.2
8	6	CSAA Insurance Exchange Group (SNL P&C Group)	$ 869,939	24	19	1.1
9	9	Nationwide (SNL P&C Group)	$ 846,197	25	23	1.1
10	11	Farmers Insurance (SNL P&C Group)	$ 728,676	26	28	0.9

TOP TEN MUTUAL WRITERS OF WORKERS' COMPENSATION

Rank 2025	Rank 2024	Group/Company	Direct Written Premium ($000)	Overall Rank 2025	Overall Rank 2024	Market Share
1	1	Liberty Mutual (SNL P&C Group)	$ 1,710,614	6	6	3.1
2	2	Texas Mutual Insurance Co.	$ 941,881	17	17	1.7
3	3	Pinnacol Assurance	$ 529,118	25	24	0.9
4	7	Nationwide (SNL P&C Group)	$ 504,354	27	34	0.9
5	4	Sentry (SNL P&C Group)	$ 473,192	30	27	0.8
6	5	Erie Insurance (SNL P&C Group)	$ 444,672	32	30	0.8
7	6	MEMIC (SNL P&C Group)	$ 437,903	33	33	0.8
8	8	Federated Insurance (SNL P&C Group)	$ 390,768	35	35	0.7
9	10	Acuity, A Mutual Insurance Co.	$ 287,032	41	45	0.5
10	11	SFM Mutual Insurance Co. (SNL P&C Group)	$ 269,123	43	47	0.5

TOP TEN MUTUAL WRITERS OF HOMEOWNERS

Rank 2025	Rank 2024	Group/Company	Direct Written Premium ($000)	Overall Rank 2025	Overall Rank 2024	Market Share
1	1	State Farm (SNL P&C Group)	$ 35,270,360	1	1	18.7
2	2	USAA (SNL P&C Group)	$ 13,255,017	3	3	7.0
3	3	Liberty Mutual (SNL P&C Group)	$ 10,396,255	4	4	5.5
4	4	Farmers Insurance (SNL P&C Group)	$ 10,309,718	5	5	5.5
5	5	American Family Insurance (SNL P&C Group)	$ 9,716,315	6	6	5.1
6	7	Auto-Owners Insurance (SNL P&C Group)	$ 4,015,348	9	10	2.1
7	8	Erie Insurance (SNL P&C Group)	$ 3,710,291	10	11	2.0
8	6	Nationwide (SNL P&C Group)	$ 3,494,633	11	9	1.9
9	9	Auto Club Exchange (SNL P&C Group)	$ 1,797,224	16	16	1.0
10	10	CSAA Insurance Exchange Group (SNL P&C Group)	$ 1,719,232	17	18	0.9

TOP TEN STATS & FACTS

TOP TEN MUTUAL WRITERS OF PERSONAL AUTO

Rank 2025	Rank 2024	Group/Company	Direct Written Premium ($000)	Overall Rank 2025	Overall Rank 2024	Market Share
1	1	State Farm (SNL P&C Group)	$ 69,164,033	1	1	18.6
2	2	USAA (SNL P&C Group)	$ 22,957,425	5	5	6.2
3	3	Farmers Insurance (SNL P&C Group)	$ 13,244,878	6	6	3.6
4	4	Liberty Mutual (SNL P&C Group)	$ 10,411,320	7	7	2.8
5	5	Auto Club Exchange (SNL P&C Group)	$ 7,054,942	9	9	1.9
6	6	American Family Insurance (SNL P&C Group)	$ 5,692,832	10	10	1.5
7	8	Erie Insurance (SNL P&C Group)	$ 5,267,968	11	12	1.4
8	10	CSAA Insurance Exchange Group (SNL P&C Group)	$ 5,073,620	12	14	1.4
9	7	Auto-Owners Insurance (SNL P&C Group)	$ 5,033,875	13	11	1.4
10	9	Nationwide (SNL P&C Group)	$ 4,067,338	14	13	1.1

TOP TEN MUTUAL WRITERS COMMERCIAL PROPERTY AND LIABILITY

Rank 2025	Rank 2024	Group/Company	Direct Written Premium ($000)	Overall Rank 2025	Overall Rank 2024	Market Share
1	1	Liberty Mutual (SNL P&C Group)	$ 16,934,779	3	3	4.2
2	2	FM Global (SNL P&C Group)	$ 7,159,529	14	13	1.8
3	4	State Farm (SNL P&C Group)	$ 7,032,211	15	18	1.7
4	3	Nationwide (SNL P&C Group)	$ 6,806,022	17	15	1.7
5	5	Auto-Owners Insurance (SNL P&C Group)	$ 5,197,410	22	23	1.3
6	6	Farmers Insurance (SNL P&C Group)	$ 5,124,631	23	25	1.3
7	9	Erie Insurance (SNL P&C Group)	$ 2,383,192	34	39	0.6
8	10	USAA (SNL P&C Group)	$ 2,331,018	36	40	0.6
9	8	The Doctors Co. (SNL P&C Group)	$ 2,269,711	38	37	0.6
10	7	American Family Insurance (SNL P&C Group)	$ 2,196,650	39	34	0.5

TOP TEN MUTUAL WRITERS OF ACCIDENT AND HEALTH

Rank 2025	Rank 2024	Group/Company	Direct Written Premium ($000)	Overall Rank 2025	Overall Rank 2024	Market Share
1	1	State Farm (SNL P&C Group)	$ 1,145,312	4	1	11.1
2	3	Coverys (SNL P&C Group)	$ 110,608	17	22	1.1
3	2	Liberty Mutual (SNL P&C Group)	$ 73,077	21	17	0.7
4	4	Nationwide (SNL P&C Group)	$ 26,807	35	33	0.3
5	5	Physicians Insurance (SNL P&C Group)	$ 22,583	36	36	0.2
6	6	American Family Insurance (SNL P&C Group)	$ 15,358	37	38	0.1
7	8	Rural Mutual (SNL P&C Group)	$ 993	50	50	0.0
8	9	North Carolina Farm Bureau Insurance (SNL P&C Group)	$ 162	61	60	0.0
9	10	LA Farm Bureau Mutual Ins Co.	$ 67	65	64	0.0
10	18	Oklahoma Farm Bureau Insurance (SNL P&C Group)	$ 64	66	75	0.0

THE DIFFERENCE BETWEEN

MUTUAL & STOCK COMPANY COMBINED RATIOS

The mutual segment's average combined ratio from 2021 to 2025 was 103.3% compared to 95.0% for stock companies. This was true in 2025 as well, although the delta was significantly reduced – to 3 points – with mutual insurers running a combined ratio of 94.9% compared to 91.6% for stock insurers.

POLICYHOLDER DIVIDENDS

Mutual insurers pay the overwhelming majority of policyholder dividends, which is recognition of policyholders' ownership stake in a company. Stock companies pay dividends, but generally to shareholder owners, and they are not included in the combined ratio. The dividend ratio for mutual insurers in 2025 was 1.3% compared to 0.1% for stock insurers. For mutuals, this number was up from the five-year average of 1.0%, as insurers regained profitability.

PRICING STRATEGY

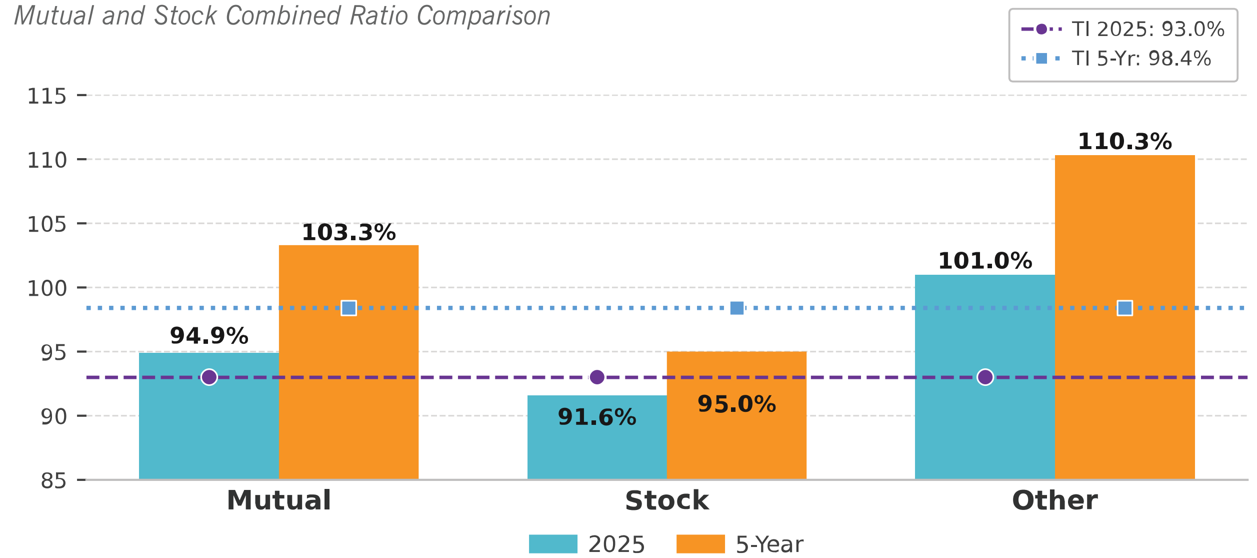
Mutual company policyholders may also benefit from pricing strategy differences. Some mutuals temper the pace of rate increases rather than – or in addition to – paying dividends to policyholders. This translates into greater price stability and lower relative premiums. At the same time, a slower rate-increase pace for mutuals will generally lead to higher loss ratios and, ultimately, higher combined ratios than those of stock companies. Stock insurers tend to operate this way because of the responsibility to maximize shareholders' returns. Mutual insurers must operate profitably over the long run; however, their primary objective is surplus growth that will allow them to pay future claims. Consequently, mutual insurers do not generally face the same degree of immediacy to increase rates. This benefits policyholders as mutual insurers will pay out a higher share of each premium dollar collected from customers.

This does not mean the average cost per claim – i.e., claim severity – is higher for mutuals. It simply means that, on average, mutual insurers absorb proportionately more losses than stock companies.

COMBINED RATIO (%)

Mutuals' combined ratio for year-end 2025 was 94.9% and on a five-year basis was 103.3%. Stocks' combined ratio was lower at 91.6% for 2025 and 95.0% on a five-year average. The total industry reported a combined ratio of 93.0%, which was a low for the most recent five-year period.

Mutual and Stock Combined Ratio Comparison



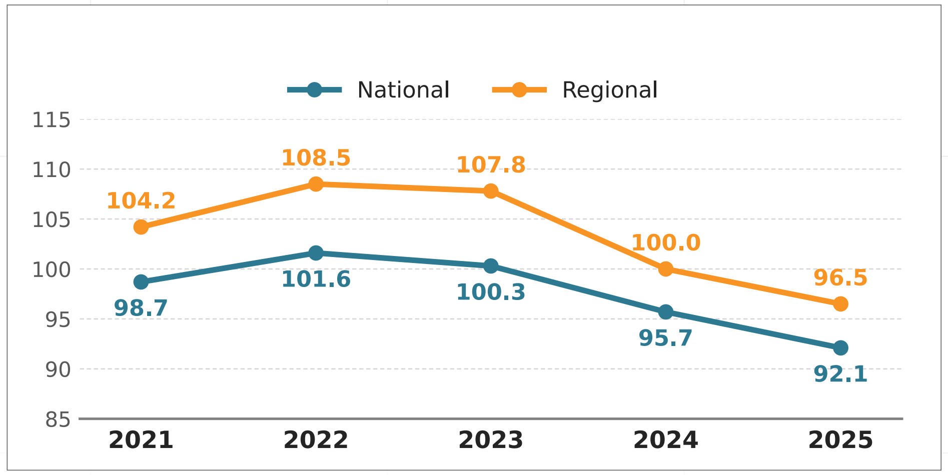
ADDITIONAL SEGMENTATION

Challenging personal lines performance and outsized weather events in the Midwest have negatively impacted insurance companies' bottom line over the last few years. Segmentation of results by region as well as by personal/ commercial focus allows us to examine the data on a more granular level and get a better sense of what is driving industry results.

NATIONAL vs. REGIONAL

Over the last five years, national companies have outperformed regional companies consistently on a combined ratio basis. This difference has begun to shrink, with a combined ratio difference of only 4.4 points in 2025.

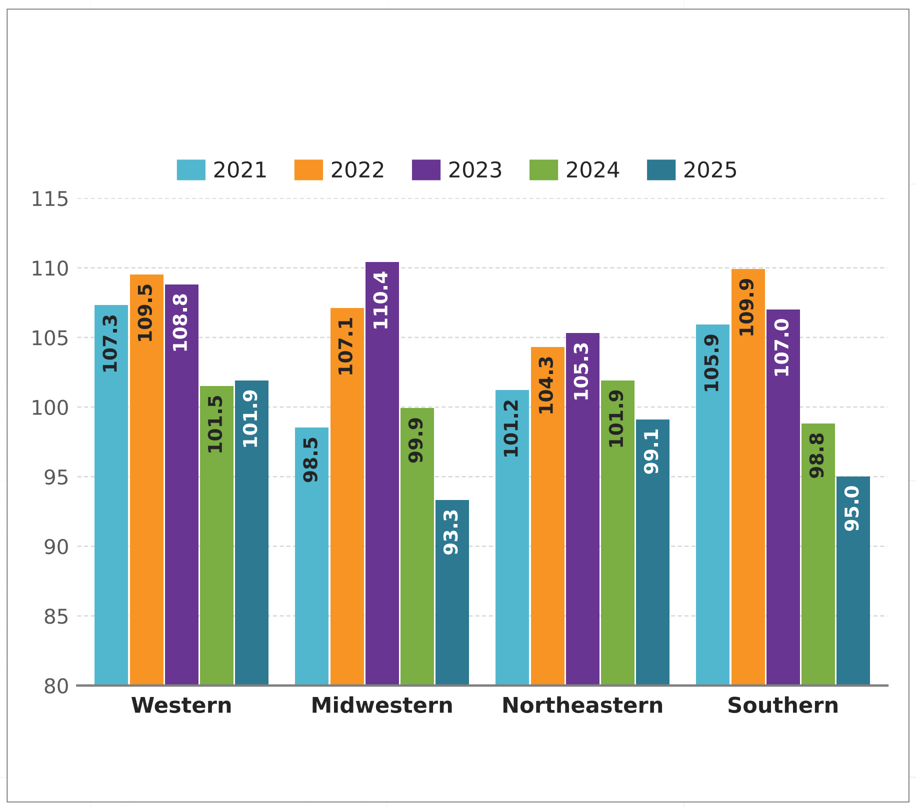
National vs. Regional Combined Ratios



SPLIT BY REGION

Companies in every region except the West experienced improvement in underwriting results in 2025, likely due to the Palisades and Eaton wildfires leading to the small uptick. Midwestern companies experienced the biggest improvement of 6.6 combined ratio points. All regions have a better combined ratio than they did in 2021.

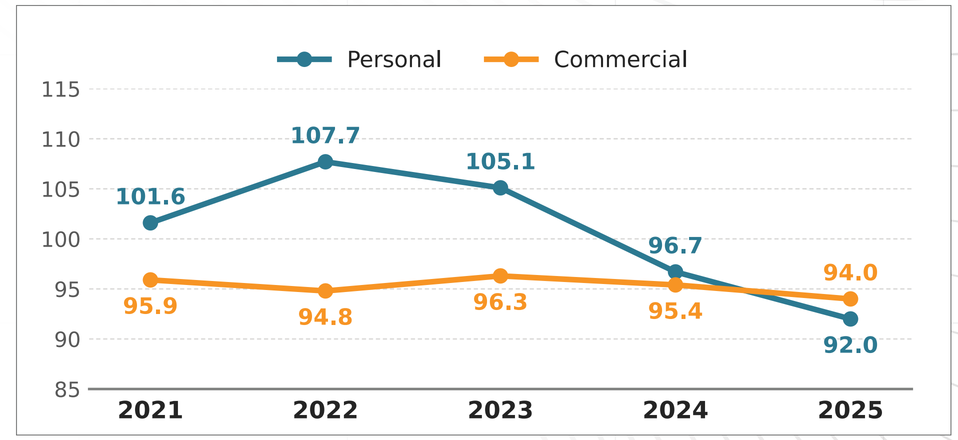
Combined Ratios by Region



PERSONAL vs. COMMERCIAL

Between 2021 and 2024 commercial lines outperformed personal lines on a combined ratio basis; 2022 was the worst year for personal lines companies, with a combined ratio 13 points above their commercial lines. This trend has reversed in recent years, with 2025 being the first of the past five years that personal lines companies have a better combined ratio than commercial lines companies. This is likely because of the significant rate increases personal lines companies have taken in recent years.

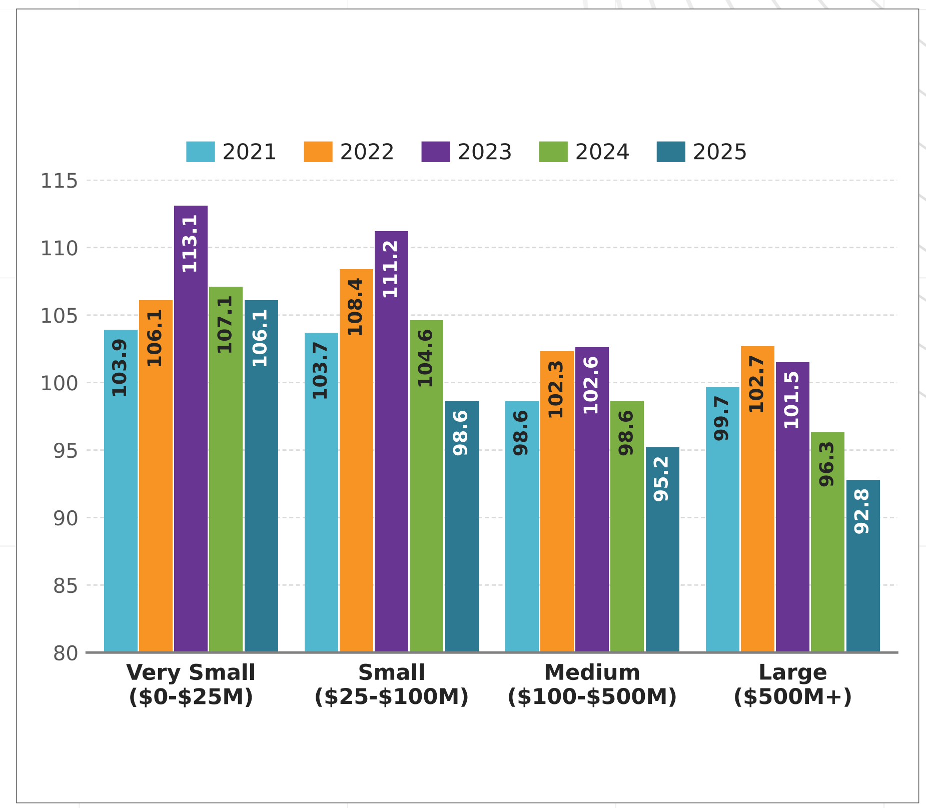
Personal vs. Commercial Combined Ratios



SEGMENTATION BY PHS SIZE

Small and very small property/casualty companies tend to have elevated combined ratios compared to larger companies. They are also more prone to volatility, as they lack the policyholder surplus cushion to absorb outsized losses. The difference between the smallest companies' combined ratios and the largest companies' combined ratios has grown each of the past five years, growing from a 4.2% difference in 2021, to a 13.3% difference in 2025. All size categories experienced the lowest combined ratios in the five-year period in 2025, except for the very small category, which had its lowest combined ratios in 2021.

Combined Ratios by PHS Size

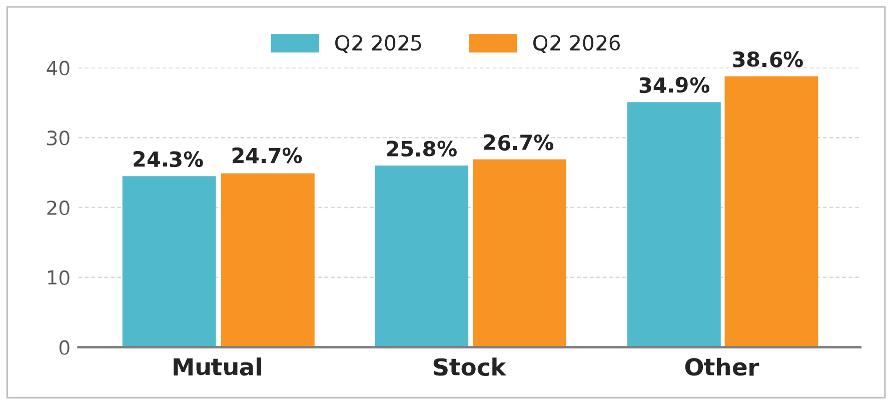


YEAR-TO-DATE PERFORMANCE

THROUGH JUNE 2026

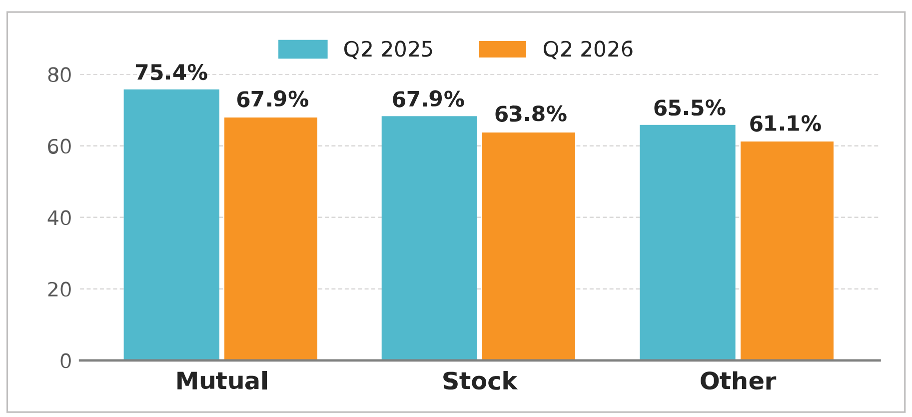
EXPENSE RATIO (%)

The entire industry experienced an expense ratio increase between Q2 2025 and Q2 2026, with mutual companies having the lowest total expense ratio and smallest increase of 40 basis points. Stock companies had a larger increase of about 1 point while the other segment saw the largest expense ratio deterioration with a nearly 4-point increase in Q2 2026.



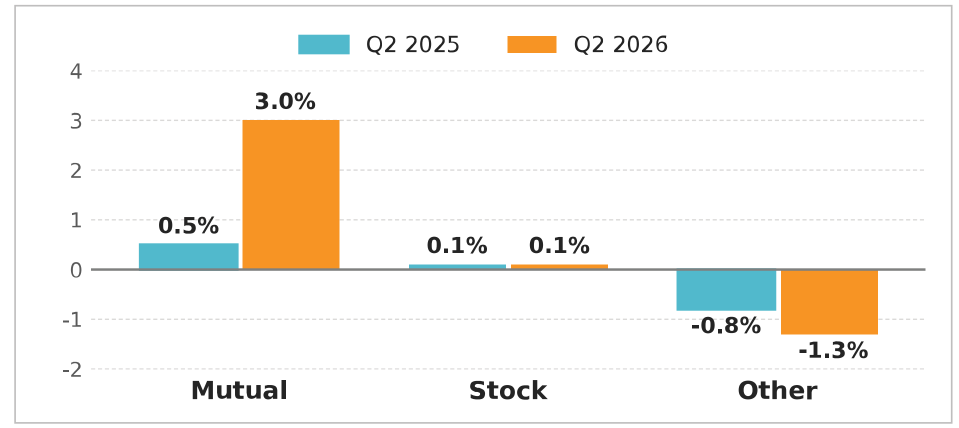
LOSS & LAE RATIO (%)

Loss and LAE ratio in Q2 2026 improved from Q2 2025 for the entire industry. Mutuals saw the largest improvement of more than 7 points while stock and other companies saw an improvement of a little more than 4 points.



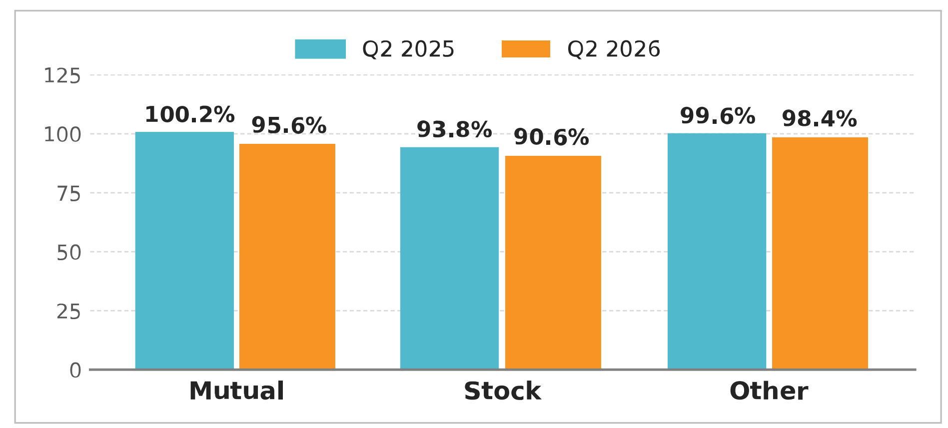
POLICYHOLDER DIVIDEND RATIO (%)

The policyholder dividend ratio for the mutual segment rebounded in Q2 2026, up 2.5 points from a Q2 2025 low. This ratio remains higher than the other two segments' ratios, as mutual companies continue to use dividends to return value to their policyholders at a greater rate than their counterparts.



COMBINED RATIO (%)

The entire industry experienced a combined ratio improvement between Q2 2025 and Q2 2026, with mutuals showing the largest improvement of nearly 5 points. The loss ratio reduction drove this increase with a slight offset from the rising expense ratios across all segments.



This section reviews preliminary results from June 2026 statutory financials. While data was still being reported and consolidated at publication time, approximately 91% of companies are represented in the analysis below.

BENCHMARK STUDY FOR AM BEST RATINGS

AM Best continues to be a recognized source of information and commentary on global insurance issues and trends. This rating agency demonstrates expertise, high standards, and sole focus on the insurance industry. As a result, AM Best has emerged as the preeminent rating agency for U.S. insurance companies. Best's Credit Rating Methodology provides a comprehensive explanation of AM Best Rating Services' rating process.

Best's Credit Ratings includes Best's Financial Strength Ratings, Issuer Credit Ratings, and Issue Credit Ratings. AM Best uses an array of quantitative and qualitative measures to analyze rated organizations.

The credit rating process is a continuous dialogue with the rated company's management, which is facilitated by a rating analyst. The rating analyst monitors the rating unit's financial and non-financial results in addition to any significant developments for each rated entity or issue in their portfolio.

Our benchmark study is based on 587 U.S. property/casualty companies that have been rated by AM Best under the BCRM framework. The findings consist of groups and unaffiliated single companies. Of the 587 companies, 55% are stock companies, 45% are mutuals. Stock companies that are part of mutual group ratings were counted as a single mutual company. Reciprocal exchanges, risk retention groups, cooperatives, and Lloyds were counted as mutual companies. The study is a result of Aon's ability to track how mutual companies are rated under the AM Best criteria. Ratings are as of July 17, 2026.

The BCRM Benchmark Study provides deep insight and conclusions regarding how mutuals are rated under the AM Best criteria.

KEY FINDINGS

86% of mutuals are rated "A-" or higher

88% have "Positive" or "Stable" outlook

54% the median VaR 99.6 BCAR score for mutual companies 6 points higher than stock companies at 48%

WHY THIS MATTERS FOR MUTUALS

Mutual insurers have strengthened their balance sheets and surplus positions over the last three years, placing the sector in one of its strongest positions in quite some time.

89% of mutuals have "Strongest" or "Very Strong" balance sheet strength compared to 82% of stock companies.

85% of mutuals have an operating performance distribution with 85% "Adequate" or better assessments, 5 points below stock companies at 90%.

48% of mutuals have a "Neutral" or better business profile versus 39% for stock companies.

97% of mutuals have "Appropriate" or better ERM assessment compared to 96% of stock companies.

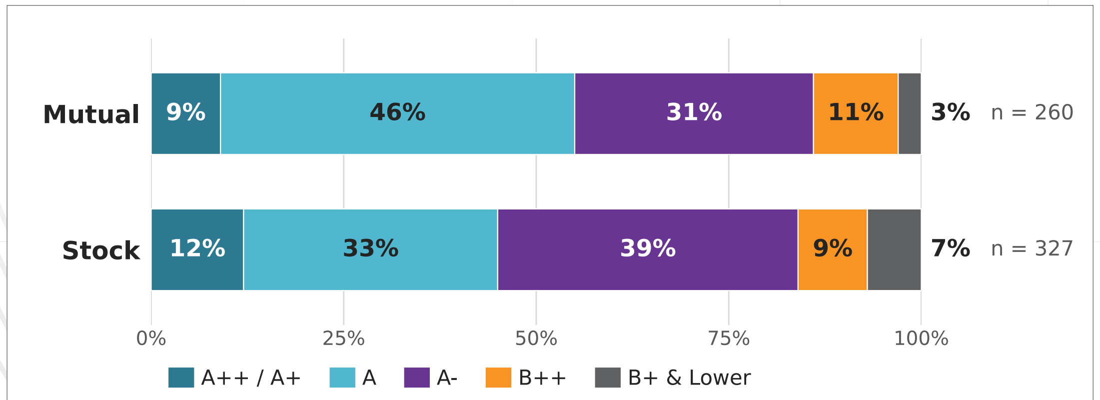
3% of mutuals receive a rating lift from parent affiliation while 23% of stock companies depend on this lift.

RATING DISTRIBUTION

U.S. PROPERTY/ CASUALTY COMPANIES

Of the 587 U.S. property/casualty companies, the majority are rated “A” or “A-.” Slightly fewer mutuals are rated “A++/A+,” with 9% receiving the highest rating compared to 12% of stock companies. However, more mutuals received an “A” rating than stock companies. 46% of mutuals received an “A” for 2025 compared to 33% of stock companies. It is important to note that 7% of stock companies received a “B+” and lower. This compares to only 3% of mutuals that received a “B+” and lower.

U.S. Property/Casualty Companies Rating Distribution

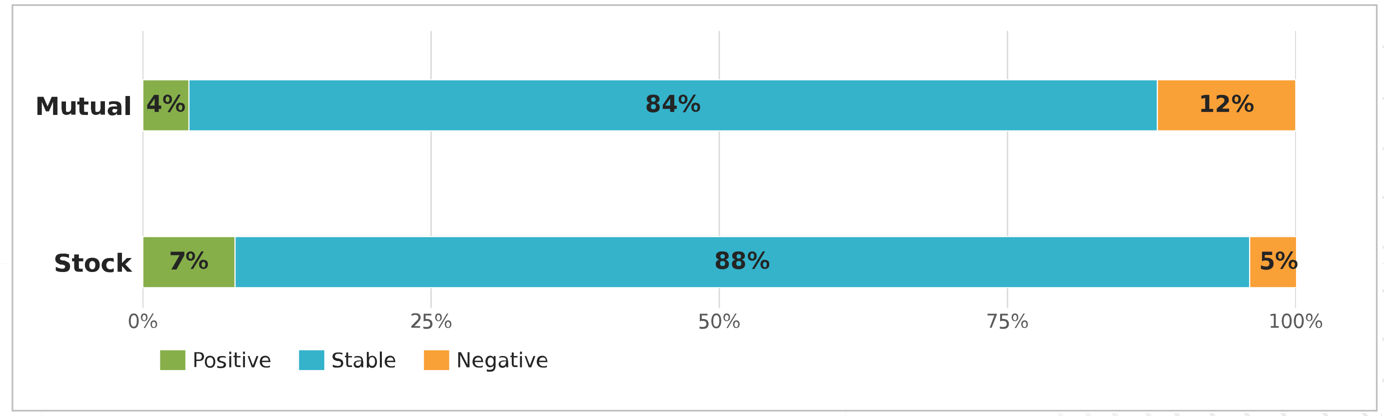


Source: Aon BCRM Benchmark Study of 587 U.S. property/casualty companies rated by AM Best. Ratings as of July 17, 2026.

CURRENT RATING OUTLOOK

The majority of companies have a “Stable” rating outlook for the following year, with mutual and stock companies having a “Stable” outlook of 84% and 88%, respectively. 4% of mutual companies have a “Positive” outlook compared to 7% of stock companies. 12% of mutual companies have a “Negative” outlook compared to 5% of stock companies. Having a “Positive” or “Negative” outlook does not guarantee rating action.

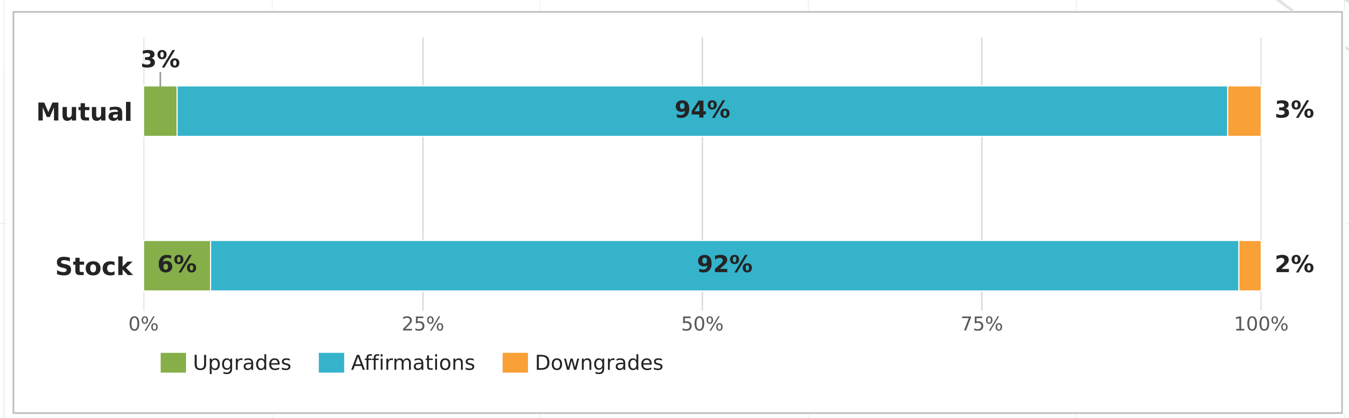
Current Rating Outlook



RATING ACTION

AM Best conducted a rating review on 282 companies in the first half of 2026. 94% of mutual companies had their ratings affirmed while 6% received a rating change. This compares to 92% of stock companies that had their ratings affirmed with 8% receiving a rating change. Mutual companies have experienced the same number of downgrades as upgrades so far in 2026.

Rating Action



BCRM BUILDING BLOCK ASSESSMENTS

AM Best follows a building block rating approach that assesses individual components and applies positive, negative, or neutral adjustments (notching) to the ICR/FSR. Balance Sheet Strength sets a base ICR based on the company's BCAR score and other key financial metrics. AM Best will then assess operating performance, business profile, and enterprise risk management. After these building blocks, AM Best may apply a comprehensive adjustment if something unique is not captured in the first four categories. Lastly, AM Best may apply a rating enhancement depending on the parent company before determining the ICR. A company's FSR is a direct function of its ICR.

Referencing the U.S. property/casualty Mutual Distribution Building Block Assessment, 53% of mutuals have a "Very Strong" Balance Sheet Strength. This results in an initial ICR of "'a/a-." The majority of mutuals receive an "Adequate" operating performance. 52% of mutuals receive a "Limited" business profile. 97% of mutuals have "Appropriate" ERM, given their risk profile. Not one mutual has received a comprehensive adjustment. Despite some mutuals having parental affiliation, 96% of mutuals do not receive a rating enhancement. This notching approach would result in a final ICR for mutuals of "a-" with an FSR of "A-."

WHY THIS MATTERS FOR MUTUALS

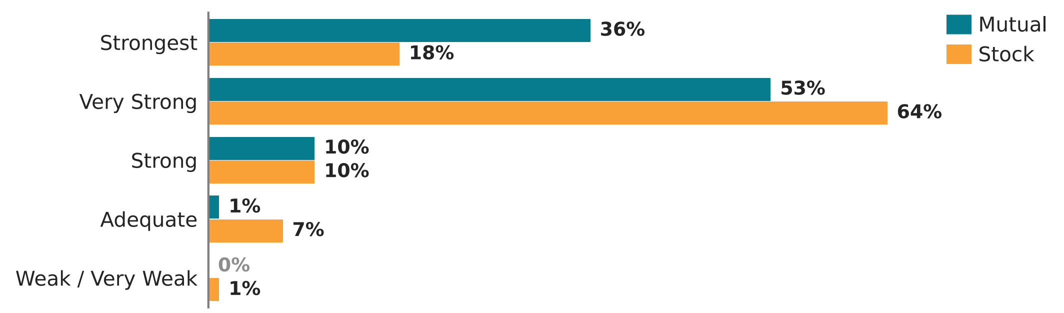
Most mutual insurers possess the core strengths AM Best values most: strong capitalization, sound risk management, and stable operating performance. These characteristics provide a solid foundation for financial strength ratings and long-term resilience.

Balance Sheet Strength (Starting at ICR)	Operating Performance (+2 / -3)	Business Profile (+2 / -2)	Enterprise Risk Management (+1 / -4)	Comprehensive Adjustment	Rating Lift (+4 / -4)
Strongest – 36% (a+/a)	**Very Strong - 0%** (+2)	**Very Favorable -1%** (+2)	-	-	-
Very Strong- 53% (a / a-)	**Strong – 27%** (+1)	**Favorable – 8%** (+1)	**Very Strong – 0%** (+1)	**Positive – 0%** (+1)	**Positive – 4%** (Up to +4)
Strong – 10% (a- /bbb+)	**Adequate – 58%** (0)	**Neutral – 39%** (0)	**Appropriate - 97%** (0)	**None - 100%** (0)	**None - 96%** (0)
Adequate – 1% (bbb+/bbb/bbb-)	**Marginal – 15%** (-1)	**Limited – 52%** (-1)	**Marginal - 3%** (-1)	**Negative – 0%** (-1)	**Negative** (Up to -4)
Weak - 0% (bb+ / bb / bb-)	**Weak – 0%** (-2)	**Very Limited – 0%** (-2)	**Weak** (-2)	-	-
Very Weak – 0% (b+ and below)	**Very Weak – 0%** (-3)		**Very Weak** (-3 to -4)	-	-

BALANCE SHEET STRENGTH

Balance Sheet Strength is the first building block in the BCRM. Companies receive a "Strongest," "Very Strong," "Strong," "Adequate," "Weak," or "Very Weak" assessment depending on their BCAR score and other key financial metrics – leverage, reserve development, reinsurance, etc. The balance sheet assessment provides a range of starting ICR for the analyst to select. 89% of mutual companies receive a "Strongest" or "Very Strong" assessment, which simultaneously results in 89% of mutuals starting with an "a+," "a," or "a-" ICR. Additionally, no mutuals are considered to have "Weak" or "Very Weak" Balance Sheet Strength.

Balance Sheet Strength



PUBLISHED BCAR SCORES

BCAR is the primary quantitative tool used to evaluate a company's capitalization. AM Best calculates BCAR at five confidence intervals: VaR 95, 99, 99.5, 99.6, and 99.8. Each C.I. uses capital factors that reflect 20-, 100-, 200-, 250-, and 500-year events, respectively. AM Best will run a baseline calculation as well as a stressed calculation, but only the baseline scores at VaR 95, 99, 99.5, 99.6 C.I. are published. The scores provide a starting point for the Balance Sheet Strength assessment.

BCAR AT VAR 99.6 PERCENTILES

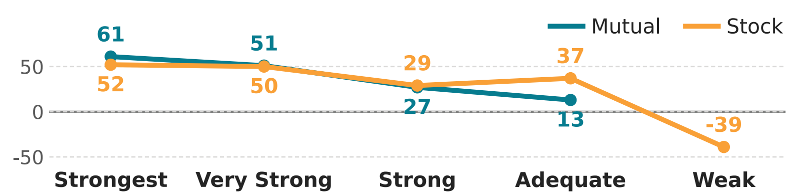
The most relevant C.I. for companies rated "A-" or higher is the VaR 99.6. A company must maintain a BCAR ratio above 10% or 25% to receive a "Very Strong" or "Strongest" Balance Sheet Strength assessment, respectively. While meeting the BCAR requirement does not guarantee those assessments, most companies manage to be well above the 10% and 25% thresholds. Mutuals at all percentiles maintain a higher capitalization compared to stock companies. The numbers below reflect all possible Balance Sheet Strength assessments.

MEDIAN BCAR AT VAR 99.6 STRENGTH

The median BCAR score for both mutuals and stock companies at each Balance Sheet Strength assessment follow a trend that illustrates the two being correlated. Companies with higher BCAR scores tend to receive more favorable assessments. The median BCAR score for stock companies is less than mutuals, as stock companies benefit from having more financial flexibility. It is important to note that BCAR is just one component of the Balance Sheet Strength. This leads to a wide range of assessments, even with most BCAR scores well above the 10% and 25% thresholds at the VaR 99.6.

	BCAR at VaR 99.6			
	Count	25th Percentile	Median	75th Percentile
Mutual	260	41	54	66
Stock	327	34	48	66

Median BCAR at VaR 99.6



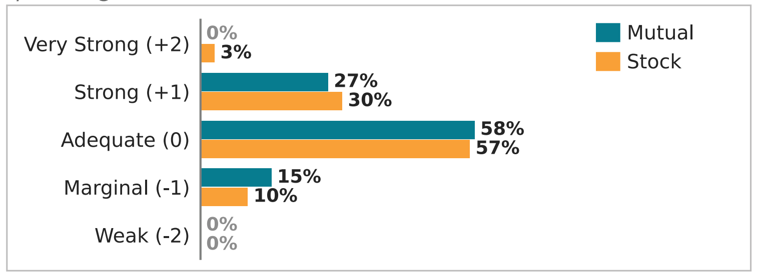
OPERATING PERFORMANCE

Following the Balance Sheet Strength assessment, a company's starting ICR receives positive, negative or neutral adjustments reflective of its operating performance. This assessment examines combined ratio, operating ratio, net income, surplus growth, and other performance metrics to determine "Very Strong" (+2), "Strong" (+1), "Adequate" (0), "Marginal" (-1), "Weak" (-2), or "Very Weak" (-3) notching.

OPERATING PERFORMANCE

Overall, mutual and stock companies receive similar assessment distributions for the operating performance building block. 85% of mutual companies do not receive "Negative" notching.

Operating Performance



COMBINED RATIO AND COMBINED RATIO VOLATILITY FIVE-YEAR PERCENTILES

Although the five-year combined ratio for mutuals is higher than their stock counterparts, mutual companies experience less volatility when examined through most percentiles. The results below reflect all possible operating performance assessments.

		Count	25th Percentile	Median	75th Percentile
5-Year Combined Ratio	Mutual	260	107	102	97
	Stock	327	102	94	82
5-Year Combined Ratio Volatility	Mutual	260	11	7	5
	Stock	327	16	8	4

OTHER BUILDING BLOCKS

After concluding the operating performance review, a rating analyst assesses the rating unit's business profile. The business profile assessment factors in market position, pricing sophistication, management quality, data quality, regulatory and market risk, product risk, distribution channels, degree of competition, product/geographic concentration, and innovation.

BUSINESS PROFILE

48% of mutual companies have "Neutral" or better business profile compared to only 39% of stock companies.

ENTERPRISE RISK MANAGEMENT

ERM is becoming a more prominent factor in the AM Best Rating Methodology. AM Best evaluates ERM on three fronts: risk management framework, risk management capabilities considering risk profile, and overall ERM strength. The ERM analysis can result in an increase, decrease, or no change in the respective rating. 97% of mutual companies have an "Appropriate" or better ERM assessment compared to 96% of stock companies. It is important to note that no U.S. property/casualty company has received a "Weak" or "Very Weak" assessment.

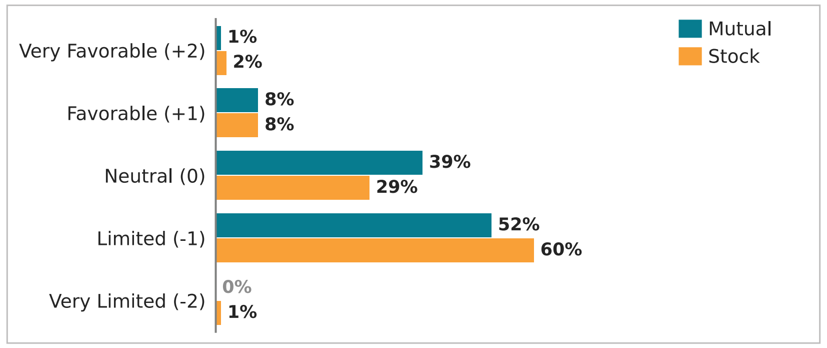
RATING ENHANCEMENT

Non-lead rating units that are well integrated in the organization may receive a notching lift based on implicit/explicit support of the broader organization. Conversely, a non-lead rating unit may be penalized for its association with weaker holding company and receive a drag. In addition to the rating lift/drag building block, there is also a building block for a comprehensive adjustment. Not one company globally in all insurance sectors has received a comprehensive adjustment.

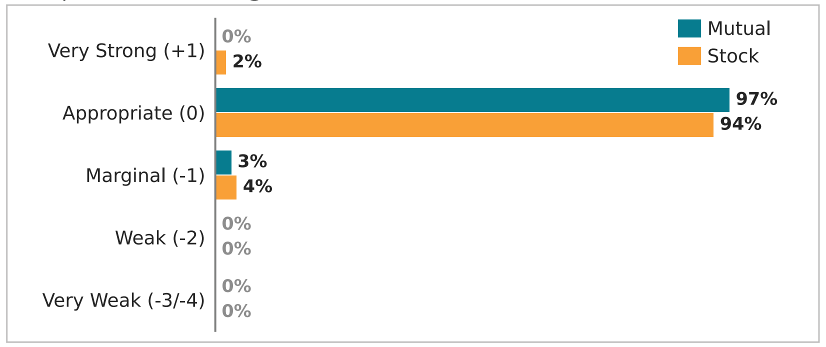
RATING DRAG/LIFT

Only 3% of mutual companies receive a rating lift from parent affiliation while 23% of stock companies depend on this lift. The rating adjustment can be anywhere from +4 notches to -4 notches.

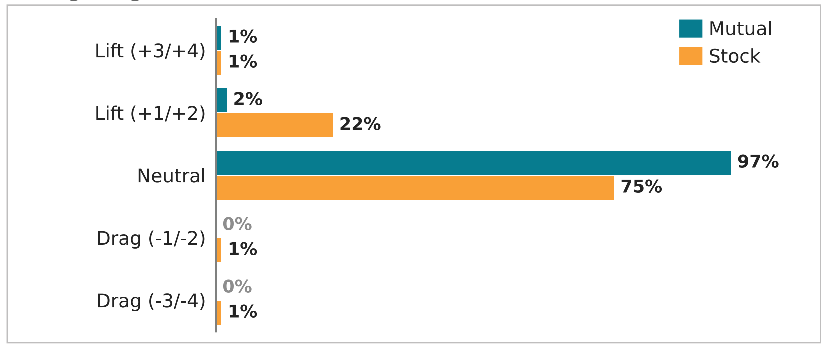
Business Profile



Enterprise Risk Management



Rating Drag/Lift



HOT TOPICS

RATING AGENCY HOT TOPICS

The industry's future contains challenges and opportunities. Underwriting cycle management, technology adoption, ERM and stress testing, catastrophe losses, and macroeconomic conditions could impact individual ratings and influence how rating agencies view the insurance industry overall.

UNDERWRITING CYCLE MANAGEMENT

Many companies have experienced strong profitability since 2024, which has strengthened their capital positions. Rating agencies will be interested in what companies do next and how they manage through this underwriting cycle. Growth is the key topic across the property/casualty insurance industry, with companies considering organic growth through new territories or product lines as well as inorganic growth through merger, acquisitions, or affiliation. Rating agencies will want to ensure that companies are approaching these opportunities with the same discipline and management that led to profitability seen in recent years.

TECHNOLOGY ADOPTION

Artificial intelligence has the potential to reshape the insurance industry. Many companies have already begun to implement AI tools to help improve efficiency and ultimately lower costs. There is a learning curve for these tools, and it will take time for companies to fully integrate them into their processes. Rating agencies want to understand what tools companies might be investing in and where they sit in the implementation timeline. Companies will need to communicate how their investments will benefit their business and impact their people going forward.

ERM AND STRESS TESTING

While not a new topic to the insurance industry, enterprise risk management and stress testing are more important than ever. Rating agencies want to hear how management is thinking about emerging risks such as casualty catastrophes, cyber risk, etc. Illustrating that capital positions are resilient through stress testing shows that management has a thoughtful response to these increasingly complex risks.

CATASTROPHE LOSSES

Although total U.S. catastrophe losses during the first half 2026 are among the lowest in the last five-year period, several SCS events have surpassed $1 billion in insured losses. January also saw Winter Storm Fern, one of the costliest in U.S. history, impacting the country from the Southwest to the Northeast, at $3.7 billion in insured losses. Catastrophe risk management questions from rating agencies continue to focus on these increased trends, especially as it relates to secondary perils.

MACROECONOMIC CONDITIONS

Inflationary pressure due to unstable trade policy and geopolitical conflicts continue to strain broad economic trends such as consumer sentiment and insurance demand. The ensuing effects on insurance loss cost trends and capital markets remain topics of concern. Rating agencies are keen to understand how companies are dealing with this uncertainty and volatility.

INDEPENDENT INSURANCE AGENT SURVEY

NAMIC conducted a public opinion survey in June 2026 with independent research firms Readex Research and Dynata to assess the opinions of independent insurance agents when it comes to working with mutual and stock property/casualty insurance companies. The association fielded a similar study in 2021 with John Gilfeather and Associates, which serves as a benchmark.

This summary highlights key findings from the 2026 survey and comparisons to the 2021 survey. The 2026 research results are based on 210 online survey responses from a nationally representative sample of U.S. respondents who are independent insurance agents who sell property/casualty insurance, as at least part of their book of business.

The survey has a margin of error of +/- 6.8 percentage points, though margins of error for percentages based on subsets of the total sample will be higher. Percentages may not sum to 100 due to rounding, neutral choices, or nonresponse. It should also be noted that some changes to methodology occurred between studies.

RESPONDENTS' DEMOGRAPHIC DATA INCLUDES THE FOLLOWING:

ANNUAL REVENUE

- Less than $150,000 – 4%
- $150,000 to $499,000 – 22%
- $500,000 or more – 74%

AREA(S) OF SERVICE

- Suburban/Rural – 34%
- Urban – 66%

TYPE OF INSURANCE SOLD

- Commercial insurance, including liability – 89%
- Personal insurance (home and/or auto) – 72%

AGE AND TENURE

- The median respondents age is 48
- The median tenure is 13 years as an independent agent

INDUSTRY FAVORABILITY

Nine in 10 agents view mutual insurers and stock insurers favorably. Respondents did rank mutuals a bit higher, at 95% compared to 91% for stock insurers.

The slight edge mutuals hold does support continued efforts for companies to emphasize mutuality. Perhaps more importantly, though, is that agents view both types of companies exceptionally favorably, even though there seems to be a negative consumer sentiment toward insurance.

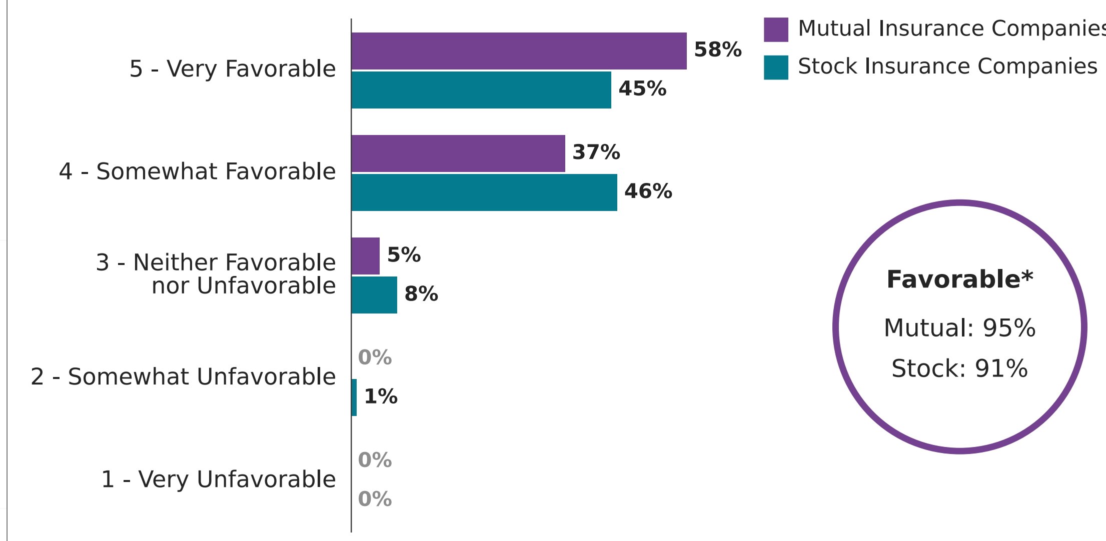
ATTRIBUTE RATINGS

Agents were asked to rank the importance of a dozen attributes when selecting an insurance company to recommend to their clients and to rank whether mutuals or stocks are better or the same at delivering on these attributes.

Responses showed few major differences between mutuals and stock insurers; however, mutuals held an advantage on many of the attributes associated with mutuality – financial strength, keeping prices stable, not putting profits ahead of customers. Respondents gave mutuals the widest advantage in the mitigating risks before problems arise category – 42% for mutuals versus 18% for stocks.

Mutuals and stocks scored largely comparably regarding technology and communications capabilities. The level of importance the agent respondents place on these attributes does point to thought process that insurers that are easy to do business with are going to get more business.

Overall Impressions of Insurance Companies



*Favorable = rating 4 or 5 on a 5-point scale where 5 = very favorable and 1 = very unfavorable
**Unfavorable = rating 1 or 2 on a 5-point scale where 5 = very favorable and 1 = very unfavorable

Q. What are your overall impressions of mutual insurance companies?
Q. What are your overall impressions of stock insurance companies?
Base: all 210 respondents

Insurance Company Type That Does Better At Delivering Each Criteria

Insurance Company Type	Mutual	Same	Stock
Helps us mitigate potential risks before problems arise	42%	35%	18%
Works to keep prices stable	40%	33%	22%
Has the best incentive offerings	40%	34%	22%
Is very strong financially	39%	37%	20%
Does not put profits ahead of customers	38%	40%	18%
Always settles claims fairly	37%	42%	18%
Is socially responsible	36%	41%	17%
Helps us identify new risks our customers might be facing	36%	43%	16%
Is very innovative	33%	42%	21%
Provides excellent materials to help our communications with customers	32%	45%	20%
Has excellent communications with agents	31%	44%	20%
Offers strong digital tools and capabilities	31%	46%	19%

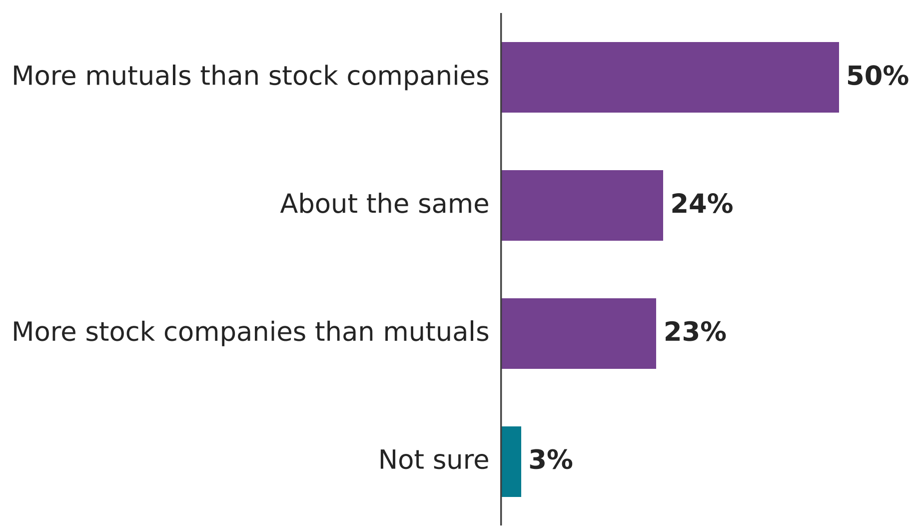
= 20% - 29%   = 30% - 39%   = 40%+

Q. In general, which type of insurance company - mutual or stock - does better delivering on each of these criteria?
Base: all 210 respondents

AMOUNT OF BUSINESS

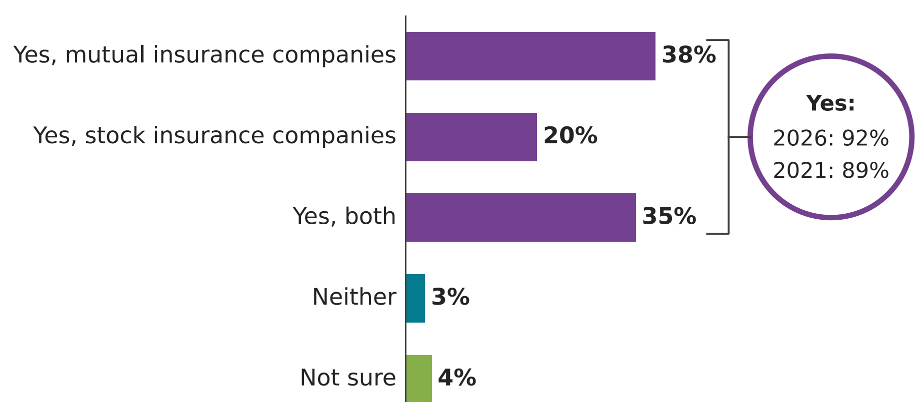
We asked survey respondents about the proportion of their book of business written by mutuals companies versus that written by stock companies. Half of the survey's respondents said they have more business with mutuals than stocks. 23% said they have more business with stocks than mutuals.

Proportion of Book of Business Written by Mutual/Stock Insurance Companies



Q. What is your best estimate of the proportion of your book of business that is written by mutual insurance companies and the proportion written by stock insurance companies?
Base: all 210 respondents

Proportion of Agents That See Accelerated Trend Toward Consolidation Among Carriers



Q. Do you see an accelerated trend toward consolidation among mutual insurance companies and/or stock insurance companies?
Base: all 210 respondents

CONSOLIDATION TRENDS

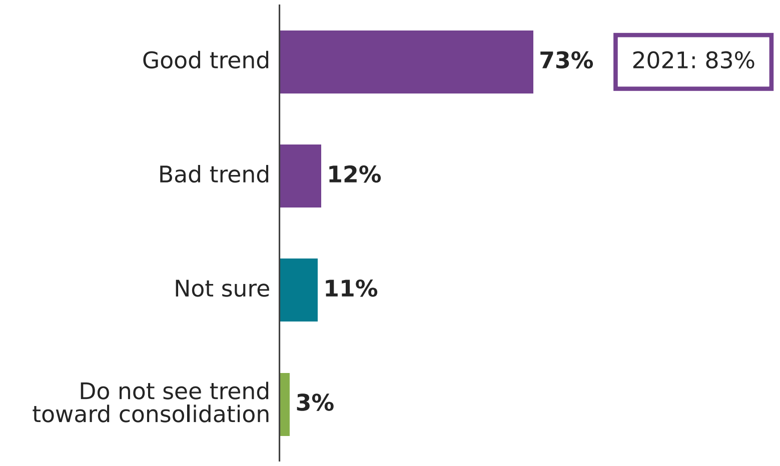
Nearly all of the responding agents have seen an accelerated trend toward consolidation among insurance companies regardless of their mutual or stock segment status. 92% of the 2026 survey respondents said they have seen this trend.

Comparatively, 89% of the 2021 survey respondents reported seeing this trend. 73% of the respondents said they believe this consolidation trend is a good one. In 2021, 83% of respondents said it was a good trend.

The survey also asked about an accelerated trend toward independent agency consolidation. 83% of respondents said yes, compared to 92% in 2021.

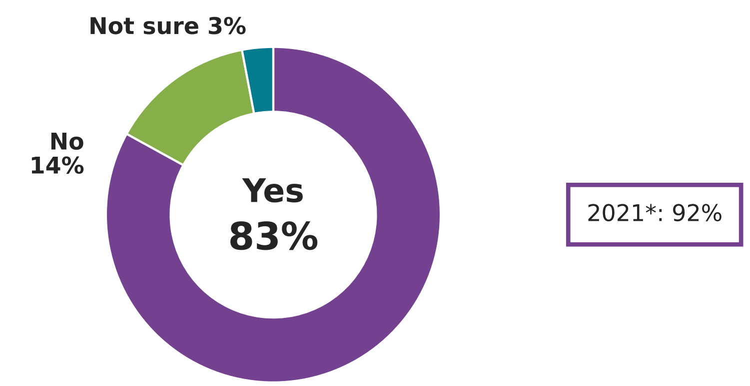
The numbers seem to show that consolidation has become an expected reality of today's insurance marketplace rather than an emerging issue.

Opinion on Insurance Company Consolidation



Q. Do you feel that insurance company consolidation is a good trend or a bad trend?
Base: all 210 respondents

Proportion That See Accelerated Trend Toward Consolidation Among Independent Agencies



*2021 = answer options were slightly different: "yes, and it is a good trend" and "yes, and it is a bad trend"

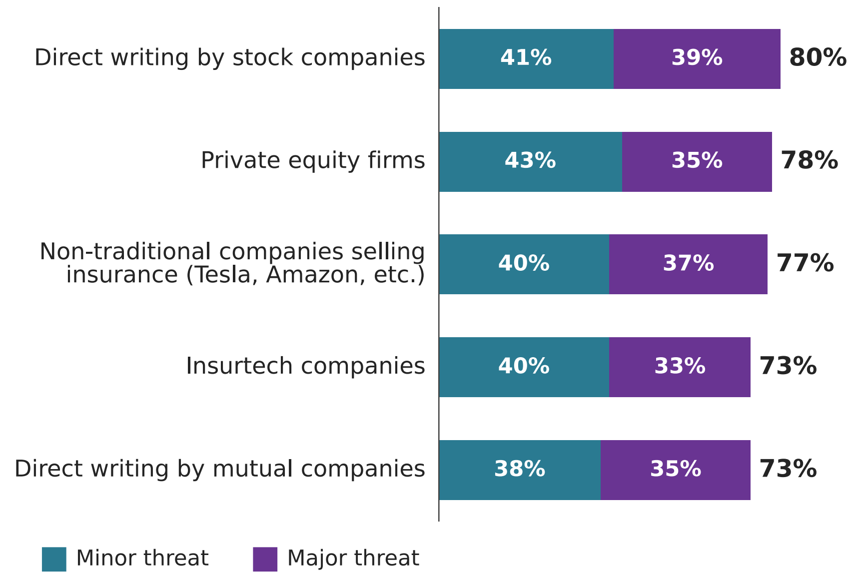
Q. Do you see an accelerated trend toward consolidation among independent agencies?
Base: all 210 respondents

THREATS SUMMARY

As the industry continues to evolve and new ways to serve policyholders are found, we were curious how threatening agents see potential competitors. Nearly all indicated that at least one option was a threat to their business.

The results show that agents are concerned about customers – and insurers – bypassing the agency channel altogether. Interestingly, previous personal lines and commercial lines buyers surveys largely showed consumers still being interested in using agents.

Threat Level to Business: At Least Minor Threat



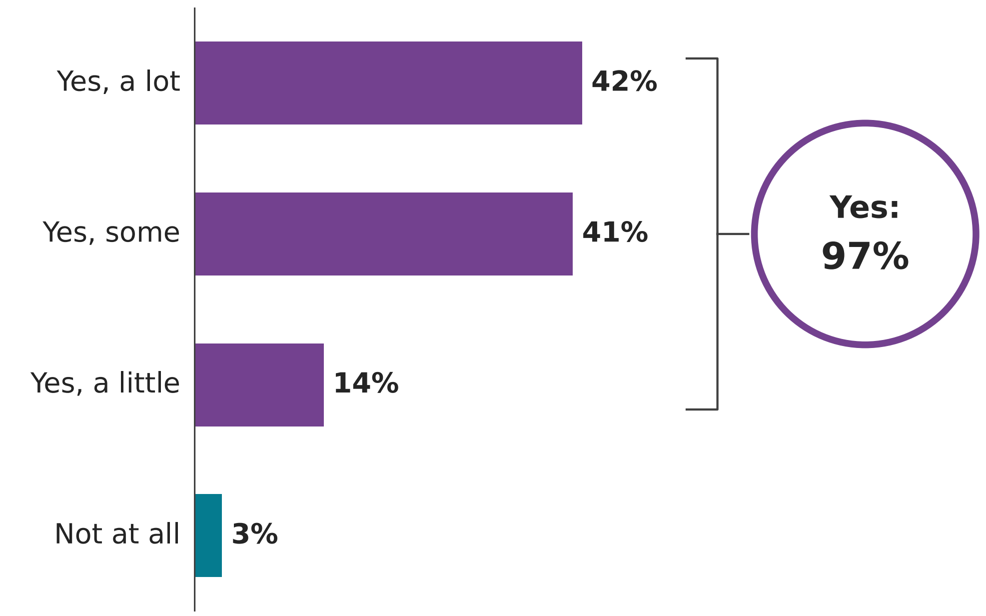
Q. As the industry continues to evolve and people and companies find new ways to service policyholders, how much of a threat to your business are each of the following?
Base: all 210 respondents

COMPANY TRENDS IMPACTING AGENCIES

Insurance carriers have pulled out of markets for myriad reasons the last few years. When asked whether agents have felt the impacts of this trend, 97% of respondents said their agencies have been impacted.

Because agents across all regions indicated being impacted by carrier withdrawal, the issue is no longer isolated to a few states or regions that have experienced catastrophic losses.

Proportion Impacted by Insurers Pulling Out of Certain Markets



Q. Has your agency been impacted by insurers pulling out of certain markets?
Base: all 210 respondents

MARKET ANALYSIS METHODOLOGY AND TECHNICAL NOTES

GENERAL

Insurance companies were assigned to one of three segments based on an internal review conducted by NAMIC and Aon, classifying each insurer as a policyholder-owned “mutual,” a shareholder-owned “stock,” or “other”[1].

Using financial data for groups and unaffiliated singles as provided by S&P Global’s Market Intelligence and NAMIC, two types of aggregate metrics were calculated for each segment and the three segments as a group: sums for dollar-denominated fields such as premiums and cumulative metrics for ratios such as the net commission expense ratio.

For example, in calculating the cumulative dividend ratio for the mutual segment, the sum of all mutual earned premium was divided by the sum of all mutual’s dividends to policyholders, where no special weighting was given based on size of a company. This approach allows for a more holistic view of each respective segment.

FURTHER COMMENTS ON NAMIC AND AON’S INTERNAL REVIEW OF COMPANY CLASSIFICATION

Previously, the Benchmark Study for AM Best Rating’s section included an “others” segment; however, due to a limited number of insurers classifying as other in AM Best’s database, NAMIC and Aon carefully reviewed each company and reclassified these companies as either mutual or stock based on the company’s history and operations.

OTHER NOTES

Aggregate combined ratios are the sums of aggregate expense ratios, aggregate loss and LAE ratios, and aggregate dividend ratios rather than weighted averages. Similarly, aggregate operating ratios are the sums of aggregate combined ratios and aggregate investment ratios.

Quarterly data is as of September 3, 2026, and data may later change or be incomplete due to late filers, consolidation issues, amended financials, etc.

Five-year data is representative of all companies operating in 2025. This data will not include any companies that were removed from S&P Global’s Market Intelligence database. For example, United Property & Casualty Ins Co. will not be included in any of the five-year data even though they operated up until 2023.

Geographic regions are defined by the U.S. Census Bureau.

1 LLCs, U.S. branch of alien insurers, insurance pool of trusts, and syndicates.

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