



Z>WAVE

Beyond New Business

Why the Future of Agency Growth Starts with Retention

The era of easy growth fueled by consistently rising premiums is fading. Rates are cooling, the insurance talent pool is shrinking, and producers are spending more time on administrative work than on selling. Combined, these market conditions are putting pressure on agencies to adopt new strategies for growth.

Most independent agencies are still leaning on two growth models: acquisition and passive retention. Many focus on acquisition because it's a strategy they're used to, and closing new business pays out a higher commission than renewing existing contracts. Meanwhile, proactive retention is more of an afterthought. A policy keeps being renewed for years until a surprise 20% increase in premiums prompts the client to shop around for a better deal.

This gap is where agencies are losing the most ground. Acquiring new clients without having the bandwidth to help them all puts you at risk of losing them when renewal comes around. As you spend more time on admin tasks than relationship building, the biggest growth opportunity won't be on your prospect list. Instead, it's in your existing book of business.

The Passive Renewal Problem

Most personal auto-renewals start with good intentions. Ninety days out, you create a plan to review coverage and flag any rate increases that could affect your client. Then, competing priorities pile up. A research brief for a new prospect, emails from existing clients, and new submissions due to carriers all reach your desk. Before you know it, renewal is due. And instead of having a proactive coverage conversation, you're focused on just processing the renewal.

This leads to three predictable outcomes:

- **Coverage gaps go unnoticed** until a claim exposes them. By then, the client is already frustrated and losing trust in the agent.
- **Premium increases go unmanaged**, so the client only finds out about it when the bill arrives in the mail, rather than from their agent.
- **Cross-sell opportunities go unacted**, leaving an auto client who also needs home coverage or a home client without umbrella coverage to sit in the system unflagged.

This is often more a failure of capacity than skill. Most agents already know which clients deserve a call before renewal. They understand the value of explaining coverage changes, reviewing rate increases, and identifying opportunities to improve protection. Where it gets tricky is scaling that insight across the book of business. As books grow, producers are forced to prioritize only the accounts that seem most urgent, leaving many customers to move through the renewal process without meaningful engagement.

Clients don't see these behind-the-scenes factors. All they see is a rate hike with no explanation, which leads them to find a new agent or broker. Last year alone, **57% of insurance customers** actively shopped for a new policy, the highest rate ever recorded in the 19-year history of the J.D. Power U.S. Insurance Shopping Study.

If customers aren't getting a personalized experience, they'll likely seek it out elsewhere. Producers who deliver the personalization clients want and act as consultants are more likely to retain their clients. J.D. Power research found that while competitive pricing may motivate customers to switch, a good service and claims experience go a long way in retaining them.



"Customers say good rates motivate them to switch, but positive service and claims experiences are what convince them to stay. Among those with the highest satisfaction scores, the overwhelming majority continue using their current insurer."

— **J.D. Power 2025 U.S Auto Insurance Study** & J.D. Power 2025 U.S. Insurance Shopping Study

What Agencies Are Leaving on the Table

A passive renewal strategy leaves four kinds of revenue unclaimed:



RETENTION REVENUE

When agents don't have the capacity to be proactive about renewals, they miss out on opportunities to strengthen relationships and address concerns before they become reasons to leave. A policyholder who would have stayed after a simple conversation about a premium increase may instead begin shopping around. Not only is that renewal revenue at risk, but replacing it requires spending additional time and money on acquisition.

COVERAGE REVENUE

A renewal review often reveals coverage gaps or evolving risks that warrant additional protection. But when renewals become administrative exercises rather than consultative conversations, those opportunities never arise. Endorsements, policy enhancements, and coverage upgrades that could benefit the client and generate additional revenue go unaddressed.

CROSS-SELL REVENUE

The signals are often already sitting in your agency management system. A client's "rent-to-own" status on an auto policy may indicate a need for renters or homeowners coverage. A growing family may benefit from umbrella coverage. Existing clients are warm leads who already trust the agency, making them significantly easier to sell to than net-new prospects. Yet, when renewal workflows are reactive, these opportunities go unnoticed.

REFERRAL REVENUE

Happy clients tell a friend. A proactive renewal conversation that explains coverage and addresses premium changes demonstrates value and reinforces trust. That trust translates into referrals. A passive renewal process risks losing the current policy and forfeiting the future business that satisfied clients could have generated.



"Nearly half of high-value auto insurance customers, defined as those with higher annual premiums, long tenure, and multiple policies, are unlikely to renew with their existing insurer. These are the clients agencies can least afford to lose passively."

— J.D. Power 2025 U.S. Auto Insurance Study

Together, these missed opportunities (which are sitting in a book the agency already owns) represent a meaningful share of an agency's available growth.

Why You Can't Hire Your Way Out of This

For many agencies, the instinct is to solve slowing growth by hiring more people. After all, more people should mean increased capacity to handle higher renewal volume. But the math doesn't quite work out.

To start, the workforce is dwindling. According to the US Chamber of Commerce and Bureau of Labor Statistics (via [Producerflow 2026 Insurance Agency & Producer Statistics Report](#)), about 400,000 positions will go unfilled in the U.S. insurance sector as professionals retire over the next decade. Additionally, the [Bureau of Labor Statistics](#) also found that there are 1.37 million insurance professionals 55 and older while only 214,000 are between 20 and 24 years old, putting the ratio of retirement-age workers to new entrants at about 6:1.

While the talent pool is shrinking, the independent agency market is growing. Currently, independent agencies hold [61.5% of all P&C premiums](#) written in the U.S. There isn't enough talent to fill in the gap, leaving a growing market to be managed by a shrinking workforce.

Even if more people join the industry, Zywave data shows it can take 12 to 36 months to ramp up new talent. And often, organizations won't know until well into the process whether a new hire will succeed in their role.

Rather than hire more staff, a solution to this problem is to make existing staff more effective across a larger portion of the book. Automation and insurance-specific intelligence are becoming even more crucial to helping talent do more with less and retain more customers than manual workflows or generic generative AI, such as Claude or ChatGPT, can.



According to AON, **43% of insurance tasks** are expected to be automated by 2030. Agencies that are building AI-augmented workflows are not getting ahead of the capacity problem and building a durable operational advantage.



What Proactive Renewal Management Looks Like

Proactive renewal management means doing the right work on the right accounts before the renewal window closes.

PROACTIVE VS REACTIVE RENEWAL MANAGEMENT

Reactive Renewal Management	Proactive Renewal Management
Reviews accounts only when renewal deadlines become urgent or issues arise	Identify which accounts in the 90-day renewal window require attention before deadlines approach
Respond to client complaints about premium increases after the client receives their renewal offers	Anticipate significant rate increases among clients and prepare alternative coverage options before the clients raise concerns
Discover coverage gaps only after a claim, audit, or client issue exposes them	Detect coverage gaps during the review process and address them before they result in claims exposure
Gather information during or after client conversations, creating delays and inefficiencies	Enter client conversations with renewal data, risk insights, and recommendations already assembled
Rely on manual processes, spreadsheets, emails, and individual memory to manage renewals	Use systems, workflows, and technology to surface priorities and drive action consistently

Many people with insurance don't know the difference between adequate and inadequate coverage, or what a particular limit really means (until a claim tests it). The best agents see educating clients as part of the job. The challenge is doing it consistently across hundreds of accounts rather than just the ones that call in with a question. A system that identifies gaps and frames reality in plain language empowers proactive renewal management and fuels retention as a viable growth strategy.

HOW TECHNOLOGY ENABLES PROACTIVE RENEWAL MANAGEMENT

The challenge with proactive renewal management isn't that agents don't know what to do. Most already understand the value of reviewing coverage, identifying gaps, discussing premium changes, and exploring cross-sell opportunities before renewal. The challenge is having enough time to do it consistently across hundreds or thousands of accounts.

As books of business grow and staffing challenges intensify, even strong producers are forced into reactive workflows. Renewals become driven by deadlines rather than customer needs. The result is a cycle where agents spend more time processing transactions than strengthening relationships.

This is where insurance-specific AI and automation can change the game.

Solutions like Zywave Apex™, the industry's first AI Platform purpose-built for Insurance Distribution, including its Advisor Agent capability, help agencies prioritize their attention across the entire book of business. Rather than treating every upcoming renewal the same, the AI agent can identify which accounts are likely to renew above market rates, which customers may be at greater risk of shopping elsewhere, and which policies contain potential coverage gaps that warrant discussion.

Instead of asking producers to manually review every account, Zywave surfaces the highest-priority opportunities first. This allows agencies to focus their limited time where it can have the greatest impact on retention. Rather than replacing producers, automation handles the repetitive work that often prevents them from acting as trusted advisors.



Together, these tools help make every producer more effective. Top-performing agents naturally identify renewal risks and explain coverage implications to clients. Advisor Agent helps scale those best practices across the entire organization, ensuring more clients receive the same level of attention regardless of which producer manages the account.

The goal is to create enough capacity for producers to do what clients value most: provide guidance, address concerns before they become frustrations, and build stronger relationships. Agencies that are proactively building renewal capacity are building a durable competitive advantage. Research from McKinsey shows that early AI adopters experience a [6.1x total shareholder return](#) vs laggards over five years. Zywave's Advisor Agent enables personalized renewal management at scale.

The Long-term Value of Retaining Clients

Retention is one of the growth levers that compounds over time. For example, at 2,000 clients, the 2-year retention improvement is worth roughly \$200K in direct commission, plus meaningful acquisition cost avoidance and cross-sell upside. This means agencies retain:

- **Premium revenue** that you would have lost if they churned to another agent
- **Cross-sell revenue** from clients whose coverage needs rounding
- **Referral activity** from satisfied clients
- **The lifetime value** attached to each of those clients

A client who stays because of a proactive renewal conversation is also more likely to refer a friend and renew next year. Plus, there's a major upside to handling renewals consultatively:

- **Endorsements get added** because you understand life changes that require additional policies or coverage
- **Coverage is updated** because you let them know where the gaps exist and what coverage changes they should consider
- **Second (or third) policies are written**, because you explain how additional policies can strengthen protection

THE RETENTION VALUE FLYWHEEL



Client satisfaction also increases, because policyholders essentially want the same thing: confirmation that someone looked at their coverage and shopped it, even if nothing changes. If something does change, clients appreciate personalized recommendations that address concerns before they become frustrations and explain rate changes in context. This reinforces your role as a trusted advisor.

Growth Starts With the Clients You Already Have

Successful agencies are relying on more than new business acquisition. They have systems in place to identify which renewals need attention and the order in which to address them before the 90-day window closes. These systems scale producer judgment across the book and ensure that the right customers are prioritized, fast.

AI-powered intelligence allows agencies to scale beyond what a team can do manually. Rather than waiting for a producer to work through a list of upcoming expirations, Zywave's Advisor Agent scans the full book ahead of the renewal window, scores each account by the size of the opportunity risk, and surfaces accounts most likely to need a rate conversation, coverage review, or a cross-sell offer.

AI starts handling the time-consuming parts of renewal management: pulling policy data, generating comparison quotes, flagging coverage gaps against stage minimums or prior policy terms, and assembling the context a producer needs before they ever pick up the phone.

But what it doesn't replace is the relationship. The AI Agent's job is to ensure producers spend less time gathering information and more time helping clients make informed decisions. The most successful agencies use AI to make high-quality interactions possible across their book of business.

In an industry facing a shrinking workforce and growing customer expectations, retention is becoming too important to leave to chance. Agencies that can consistently deliver the kind of proactive, consultative renewal experience typically reserved for their best producers will be better positioned to retain revenue, deepen relationships, and grow from the book they already have.

Don't leave retention to chance. See what Advisor Agent, Powered by Zywave Apex™ can surface in your book of business. [Talk to a rep today to learn more.](#)

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