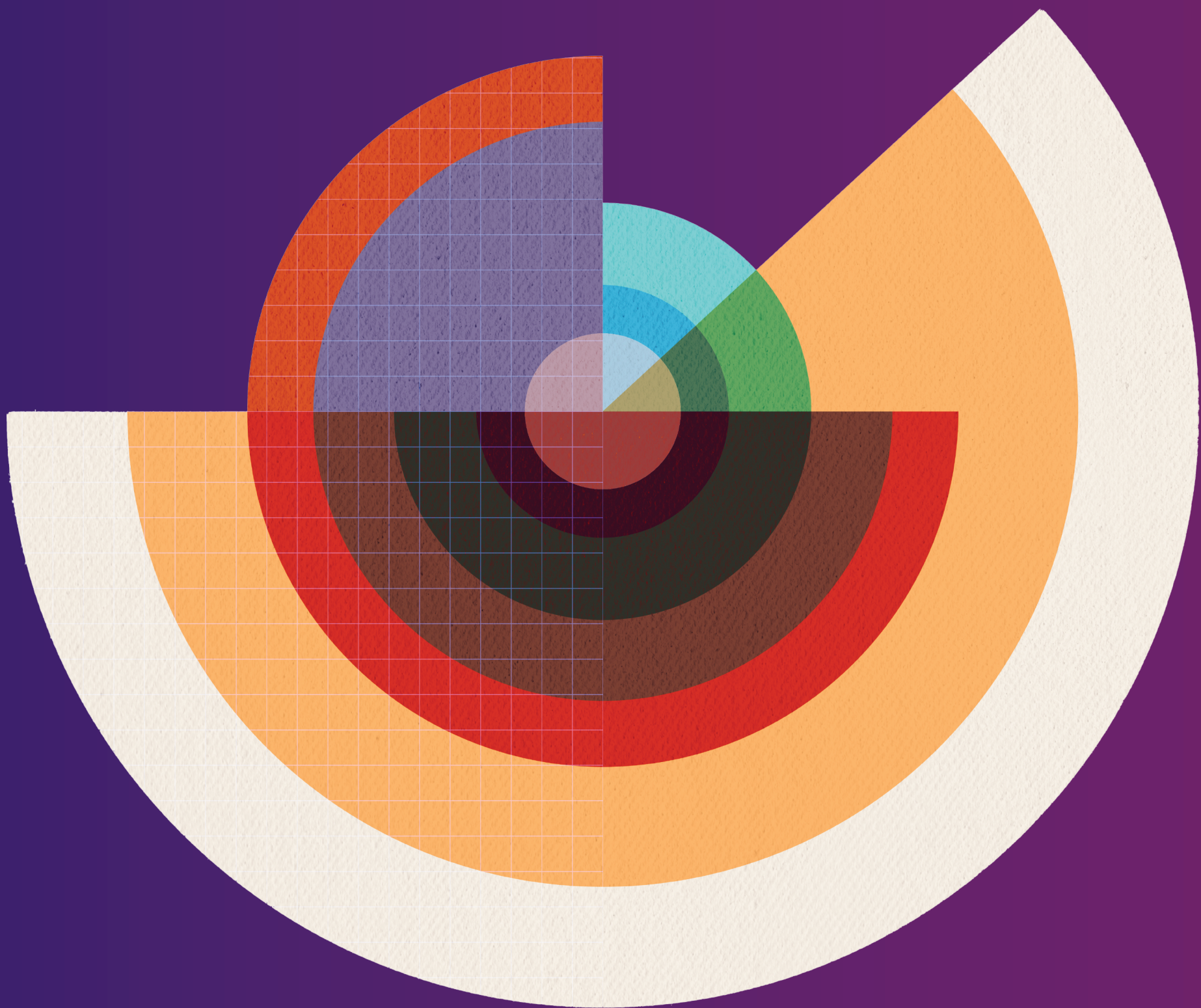




Benchmarking Data for Brokerage Operations

Results for The Council's Second-Annual Operations Benchmarking Survey

The Council conducted its second-annual Operations Benchmarking Survey in summer 2025, covering topics including growth and profitability, operational efficiency, budgeting, and staffing. Survey participants were Council members, a group that comprises 150 of the top commercial insurance brokers globally. In the United States, Council members place 90% of all property and casualty (P&C) premiums and 70% of all employee benefits (EB) business.

Forty-six unique firms participated in the survey. Respondents included over one-third of The Council's domestic membership. In only its second year, this survey remains solely directional regarding brokerage operations benchmarks. This means that because of the small sample size, results can signal the direction of the broader marketplace but cannot claim to represent it.

A note about the data time frame: Data reported comes from both fiscal year (FY) 2024 and calendar year 2025 as of Q2. Unless noted as FY 2024, survey results represent 2025 data.

DEMOGRAPHICS

- ▶ Survey participants included CEOs/presidents, CFOs, and COOs, who together accounted for roughly 60% of respondents. Other respondents included chief accounting officers, controllers, and administrative executives.
- ▶ Annual revenue of participating firms ranged from less than \$25 million to

\$1 billion-plus. Eighty-seven percent of respondents reported annual revenue over \$25 million, and 46% reported annual revenue between \$100 million and \$999 million.

- ▶ Staff sizes ranged from 99 or fewer employees to 5,000 or more. Twenty-eight percent had between 1,000 and 4,999 employees, and 37% had between 100 and 499 employees.

KEY FINDINGS

- ▶ Organic growth trended slightly lower for FY 2024 than for FY 2023. The percentage of respondents reporting organic growth in the 5%–10% range rose 20 percentage points from FY 2023 to FY 2024, while the percentage reporting organic growth in the 11%–14% range dropped 7 percentage points in that period. Over two-thirds of respondents predicted growth in the 5%–10% range for FY 2025.
- ▶ Mergers and acquisitions contributed to overall growth for FY 2024, with 26% of respondents estimating at least an 11% increase in revenue due to M&A, with more than half of those indicating at least a 15% increase in revenue due to those transactions.
- ▶ Selling expense ratio rose by more than 8 percentage points from FY 2023 to FY 2024, which generally indicates an increase in

operational expenses and/or a decrease in sales revenue.

- ▶ This year, respondents were asked to report selling expense ratio using two different metrics for the denominator: total sales revenue and net commissions + fees (NCF). Results showed a more than 13 percentage point increase in respondents reporting a selling expense ratio of 75% or above when reporting selling expense ratio using NCF.
- ▶ Technology was a budgeting focus in this year's survey, with respondents reporting how they allocate their technology spend across the organization. Three main allocation approaches emerged: by team headcount, by team revenue, or by direct usage.
- ▶ Eighty-eight percent of respondents reported using artificial intelligence in their organization. The two most popular applications were for processing documents and creating content.

- ▶ Producer hiring increased from last year, with the overall average number of hires over three years increasing by more than 10 from 2024 to 2025.
- ▶ Producer tenure among respondents decreased, with the number of respondents reporting that over 50% of hires had less than three years of experience increasing by 11 percentage points.
- ▶ Turnover rates showed some changes from FY 2023 to FY 2024. While service staff showed the highest average turnover rate for the second consecutive year (31.5%), there were big drops in average turnover rates both for internal operations staff (including IT, HR, marketing, and legal), and for administrative staff. Sales staff turnover rates also dropped.



Growth and Profitability

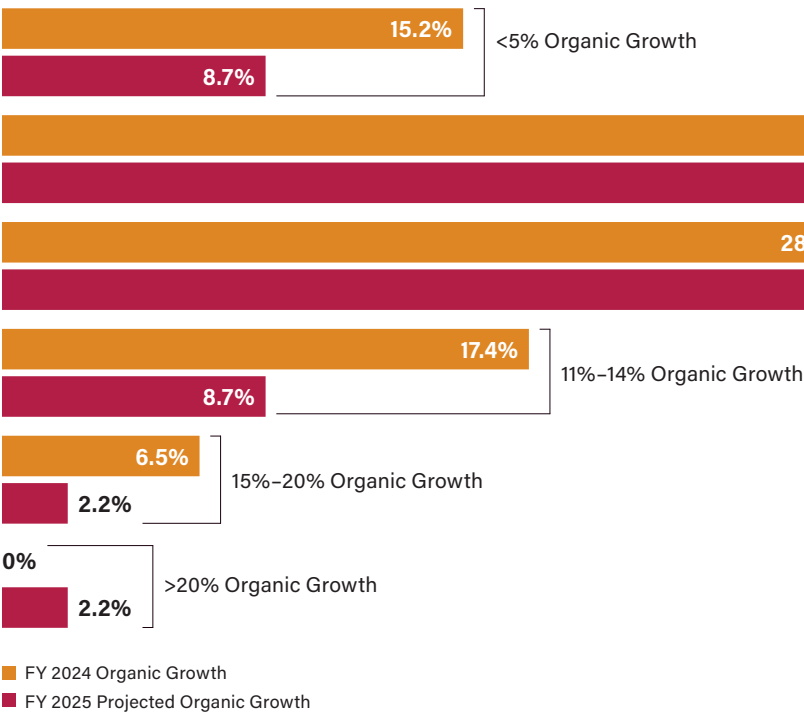
Respondents' reported organic growth numbers trended lower for fiscal year (FY) 2024 than for FY 2023. The percentage of respondents reporting organic growth in the 5%–10% range rose from 40% in FY 2023 to 61% in FY 2024, while the percentage of respondents reporting organic growth in the 11%–14% range dropped from 24% to 17%. More than three-quarters of respondents (78%) predicted their FY 2025 organic growth would be in the 5%–10% range, with respondents evenly split between 5%–7% and 8%–10%.

The average sales velocity (calculated as current new business divided by prior year commissions and agreements) reported was 13.8% as of 2024 year-end close. That is slightly higher than the 12% average reported in last year's survey, which recorded sales velocity through Q1 2024. These numbers align with other industry data.

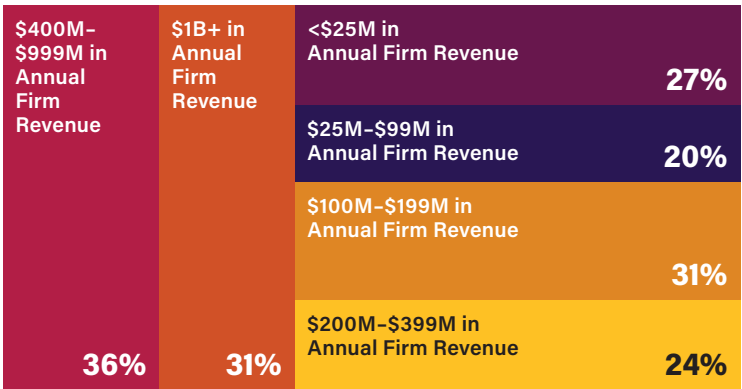
MarshBerry reported an average sales velocity of 14.9% as of June 30, 2024, calculated using its proprietary financial management system.

Reagan Consulting also measures sales velocity in its quarterly Growth and Profitability Survey (GPS). The GPS shows sales velocity (calculated as current year new business divided by prior year commissions and fees) of 12.3% and 12.2% for Q2 2024 and Q2 2025, respectively, for respondents with median annual revenues of approximately \$17.4 million. In line with those results, firms responding to The Council survey in the <\$25 million revenue band reported an average sales velocity of 11.2%.

Organic Growth FY 2024 Actual vs. FY 2025 Projected

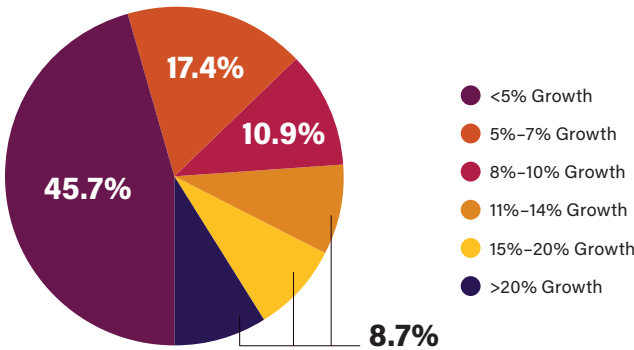


Average EBITDA Margin in FY 2024 by Firm Size



26% AVERAGE ACROSS ALL FIRM SIZES

Growth from M&A in FY 2024



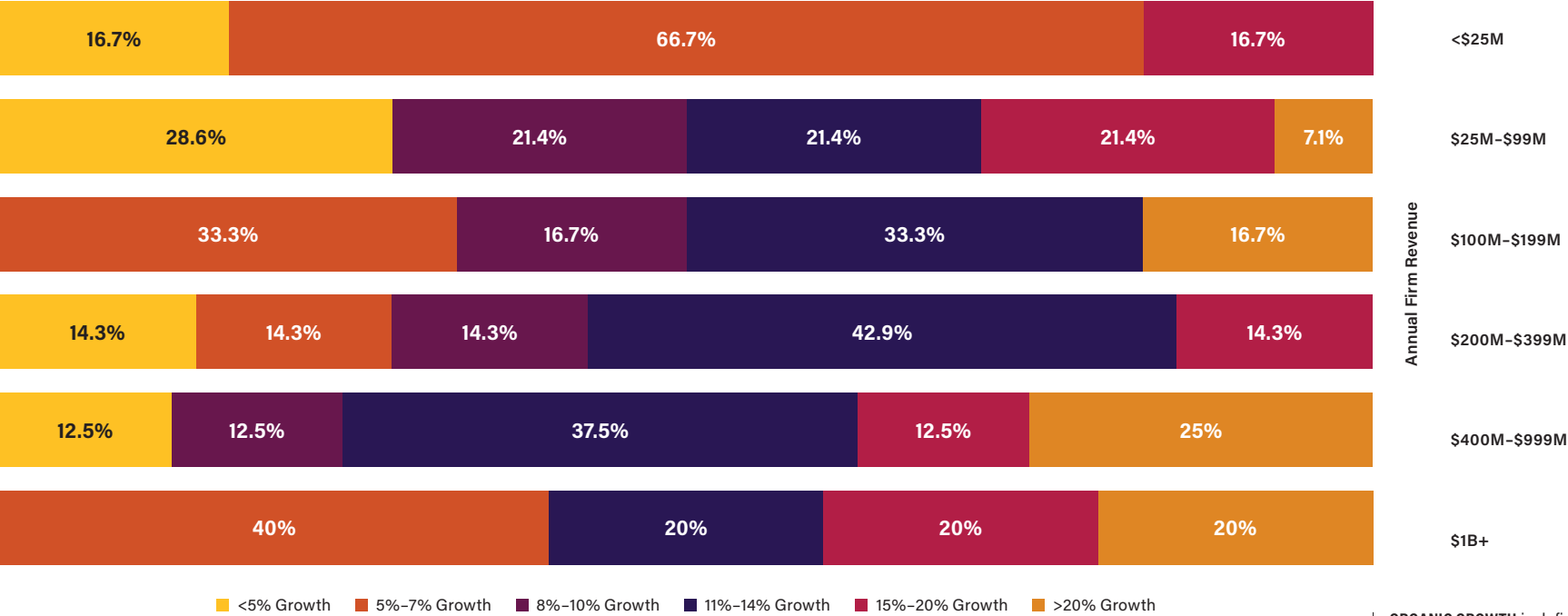
ORGANIC GROWTH is defined as increases in revenue (including income derived from carrier commissions, customer fees, supplemental commissions, and contingent commissions), market share, or client base derived from internal efforts rather than external acquisitions, mergers, and/or producer team/book of business lift outs.

54% estimated at least a 5% increase in revenue, market share, or client base derived from mergers, acquisitions, and/or producer team/book of business lifts out from another firm in FY 2024.

61% reported organic growth in the 5%–10% range in FY 2024.

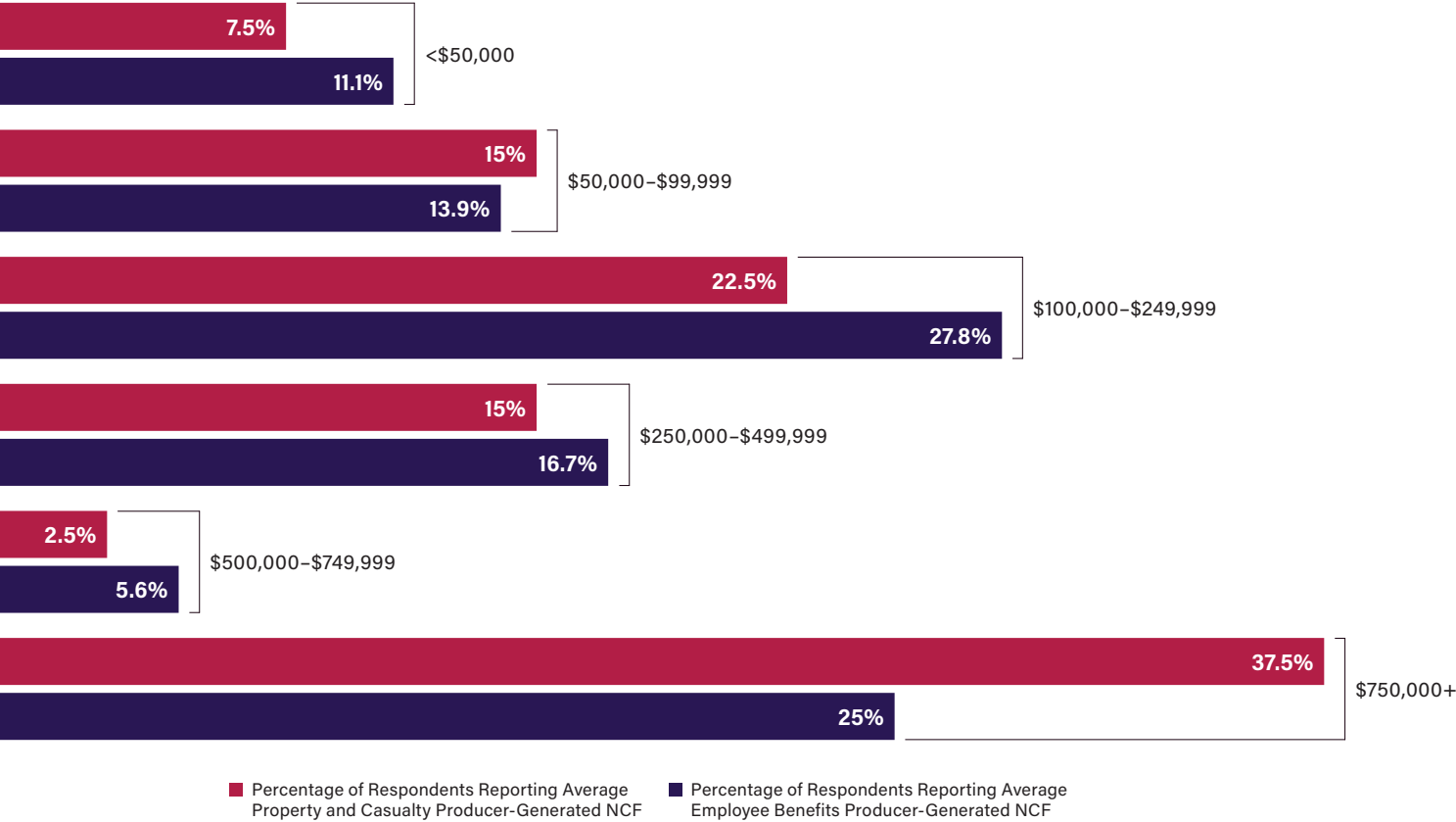
78% reported projected organic growth would be in the 5%–10% range in FY 2025.

Overall Growth in FY 2024 (Organic + M&A) by Firm Size



ORGANIC GROWTH is defined as increases in revenue (including income derived from carrier commissions, customer fees, supplemental commissions, and contingent commissions), market share, or client base derived from internal efforts rather than external acquisitions, mergers, and/or producer team/book of business lift outs.

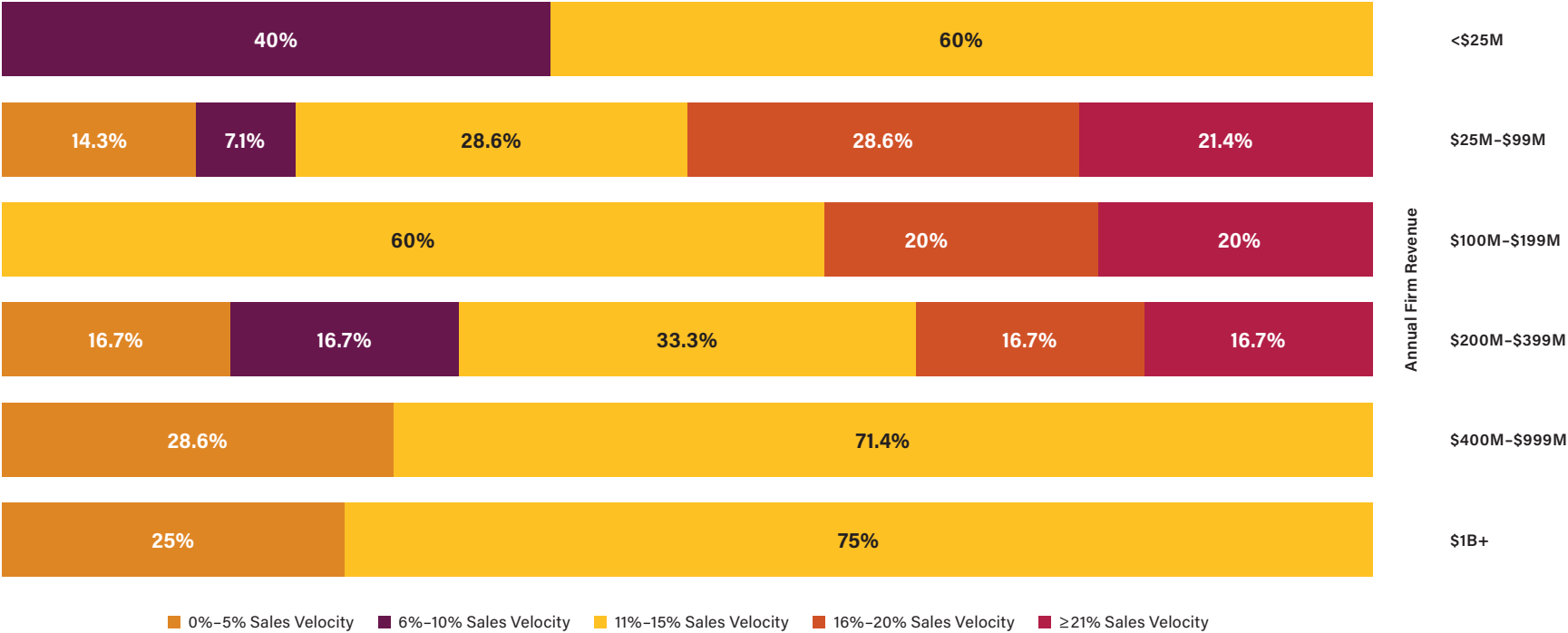
Estimated 2025 Average Producer-Generated Net Commissions + Fees (NCF)





Growth and Profitability CONTINUED

Sales Velocity Year-End 2024 by Firm Size

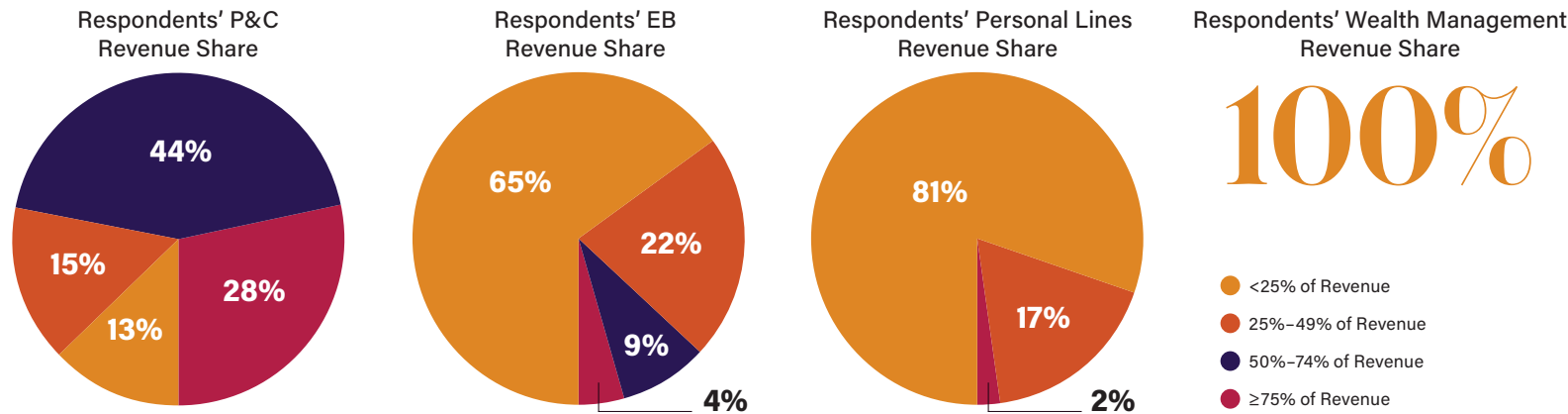


Revenue Distribution

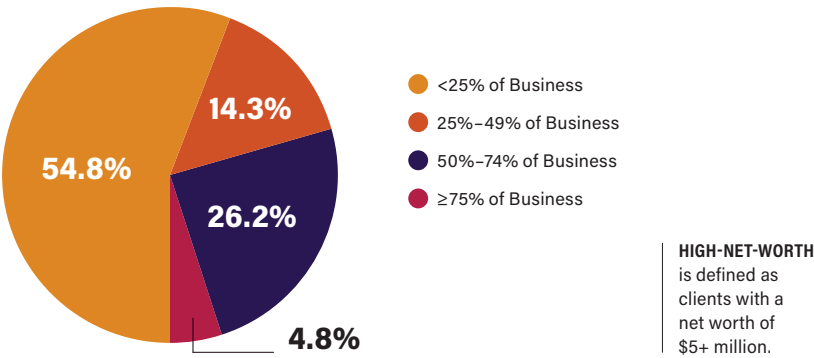
Survey results for estimated revenue distribution in 2025 were similar to 2024 results, with slight increases in the P&C and personal lines proportions of revenue. The average P&C revenue as a percentage of total firm revenue in 2025 was 60.1%, up from 55.6% in 2024. The personal lines average was 13.2% in 2025, up from 11.2% in 2024. Employee benefits revenue remained at roughly the same level over the two years, at an average of 24.9% of total firm revenue in 2025 compared to 24.4% in 2024.

TOTAL SALES REVENUE includes income derived from carrier commissions, customer fees, supplemental commissions, and contingent commissions.

Business Segment Share of Revenue



High-Net-Worth Share
of Personal Lines Business



Operational Efficiency

Survey results indicated some potential changes in operational efficiency, with selling expense ratio being one changing metric.

The average selling expense ratio, defined as total operating expense divided by total sales revenue, rose from 43.5% for FY 2023 to 51.9% in FY 2024, possibly indicating either an increase in operating expenses or a decrease in total sales revenue for most brokers in FY 2024.

New for 2025: respondents also reported selling expense ratio defined as total operating expense divided by total net commissions + fees (NCF). When comparing responses based on those two different revenue metrics, the largest increase was in the percentage of respondents reporting a selling expense ratio of 75% or above.

Additionally, the average ratio of total compensation to total sales revenue decreased slightly, from 59.1% in FY 2023 to 58.2% in FY 2024. Respondents also reported their ratio of total compensation to NCF for the first time in 2025, which averaged 65% in FY 2024.

Compensation Management in FY 2024

AVERAGE RATIO OF
TOTAL COMPENSATION TO
TOTAL SALES REVENUE

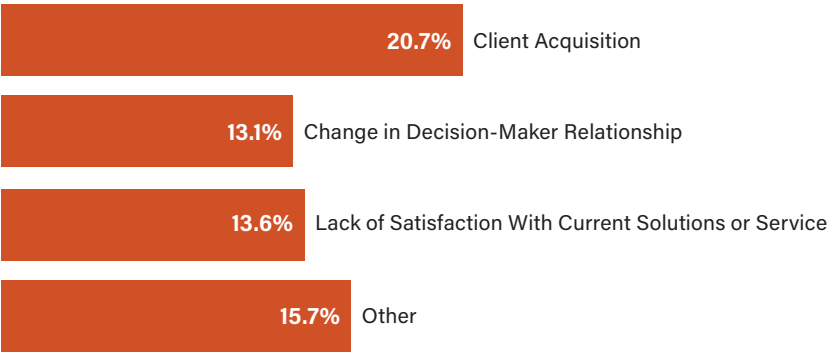
58.2%

AVERAGE RATIO OF
TOTAL COMPENSATION TO
TOTAL NCF

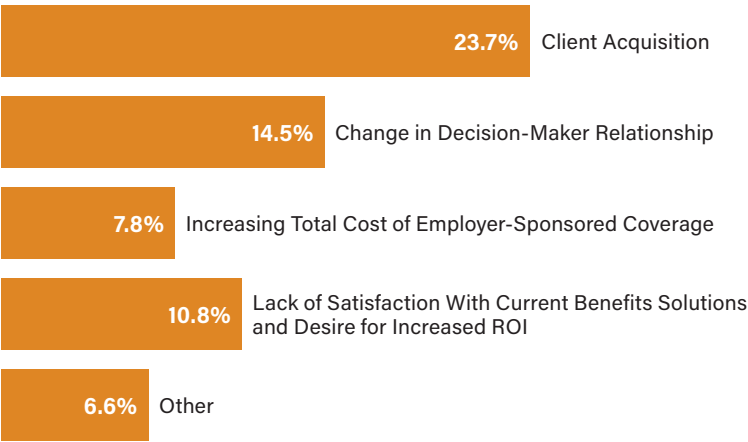
65%

Factors Contributing to Lost Business

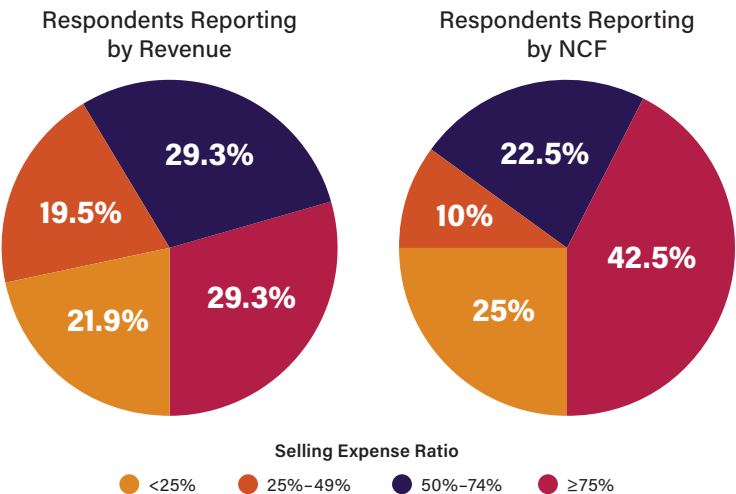
Property and Casualty



Employee Benefits



Selling Expense Ratio FY 2024





Budgeting

Reported renewal commission percentages averaged slightly higher than last year, with 28.8% in 2025 for P&C compared to 27.3% in 2024, and 29.8% for EB compared to 27.1%.

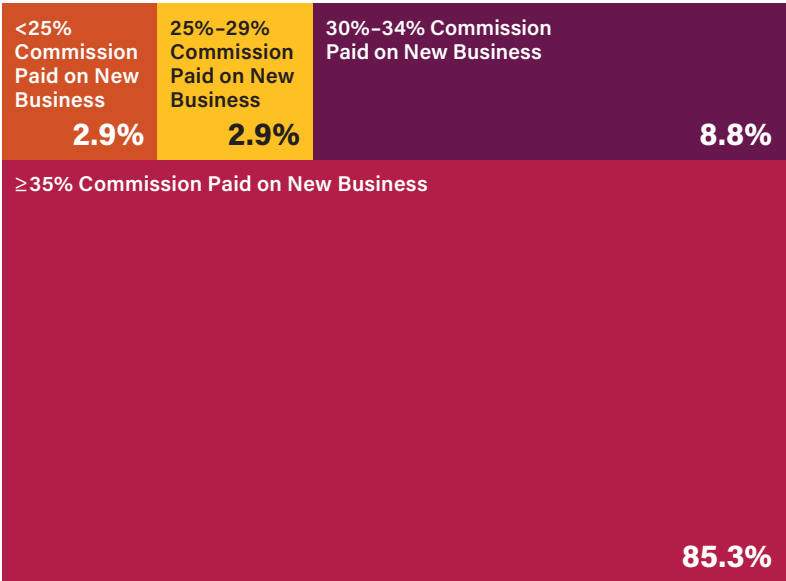
For budget allocations across departments, the two departments with the highest allocations remained the same as 2024: IT and business development as Nos. 1 and 2, respectively. Marketing was No. 3 in the 2024 survey, but was replaced by finance in 2025. (Note that there was no finance option in the 2024 survey.)

Technology budgets are allocated across business line teams in various ways. However, three main allocation approaches emerged in survey responses: by team headcount, by team revenue, or by direct usage.

Processing documents and content creation were the first and second most popular applications for AI among respondents. Brokerages also used AI for client research and data organization.

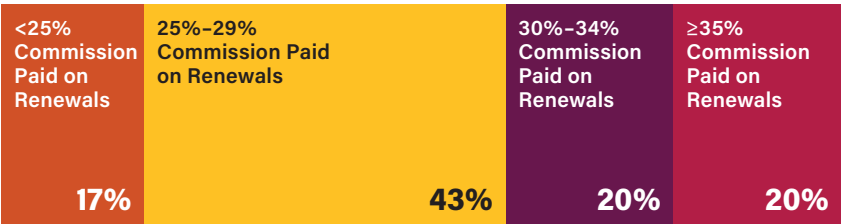
Percentage Commission Paid on New Business

Property and Casualty

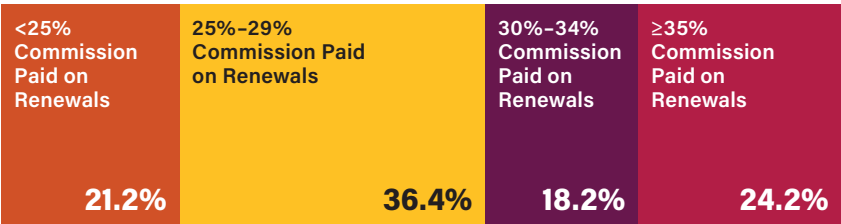


Percentage Commission Paid on Renewals

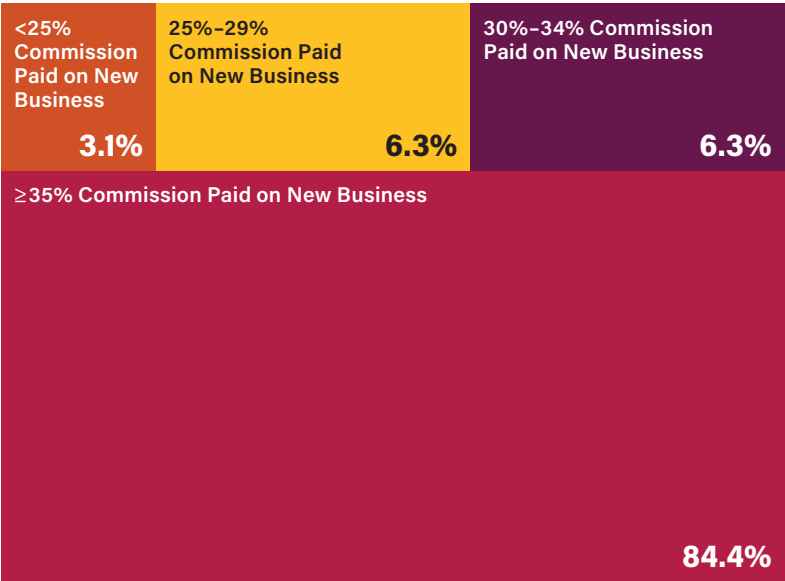
Property and Casualty



Employee Benefits



Employee Benefits



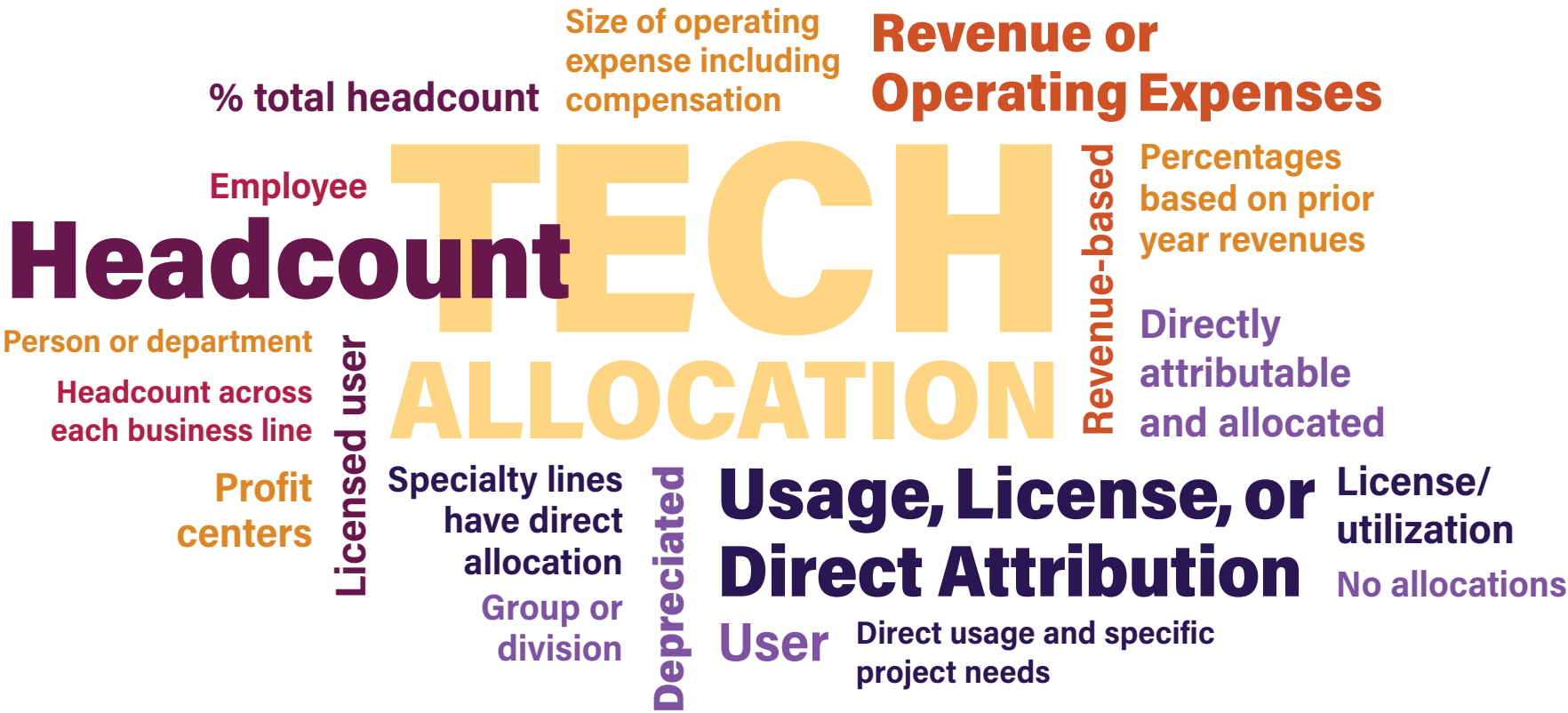
Average Budget Allocations as Percentage of Total Sales Revenue



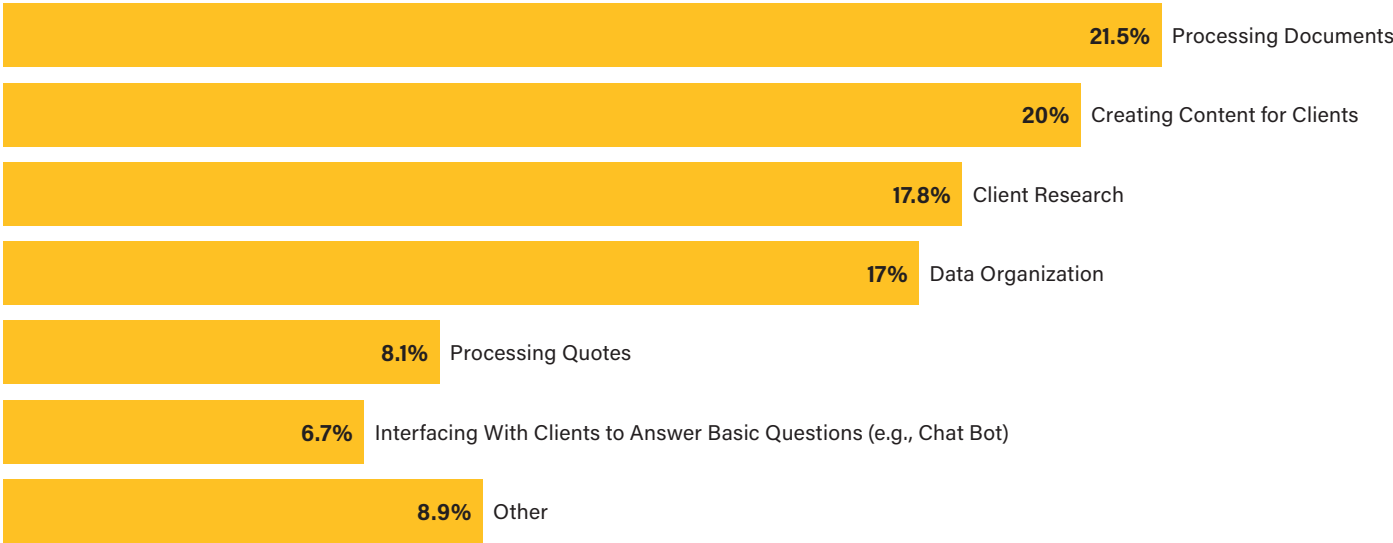
TOTAL SALES REVENUE includes income derived from carrier commissions, customer fees, supplemental commissions, and contingent commissions.



How Is Technology Allocated in Your Organization?



AI Use in Brokerages





Talent

The overall average number of producer hires over three years rose, with 28* hires on average in 2025 across P&C, employee benefits, and personal lines, compared to 16 reported in 2024. The median also increased from 7.5 in 2024 to 10 in 2025.

The average number of hires with less experience also grew. In 2025, 47% of respondents said that over 50% of hires had less than three years of experience, up from 36% in 2024.

Producer demographics remained similar in 2024. Firms said an average of 46.4% of their employees were between ages 40 to 59, a negligible change from 2024's average of 46.5%. The second most common producer age in a firm was between 25 to 39 years. Respondents reported that an average of 33% of their employees fell in that range, compared to an average 30.5% in 2024, suggesting a slightly younger workforce. This should be a number to watch as firm demographics continue to change in the coming years with increasing numbers of producers retiring.

Service staff had the highest average turnover rate for the second year in a row, growing from an average rate of 23.7% in 2023 to 31.5% in 2024. Notably, there were big drops in average turnover rates both for internal operations staff (including IT, HR, marketing, and legal), whose turnover rate fell from 10.9% in 2023 to 5.6% in 2024, and for administrative staff, whose turnover rate decreased from 10.5% in 2023 to 5.2% in 2024. Sales staff turnover rates also dropped, from 13.6% in 2023 to 10.1% in 2024.

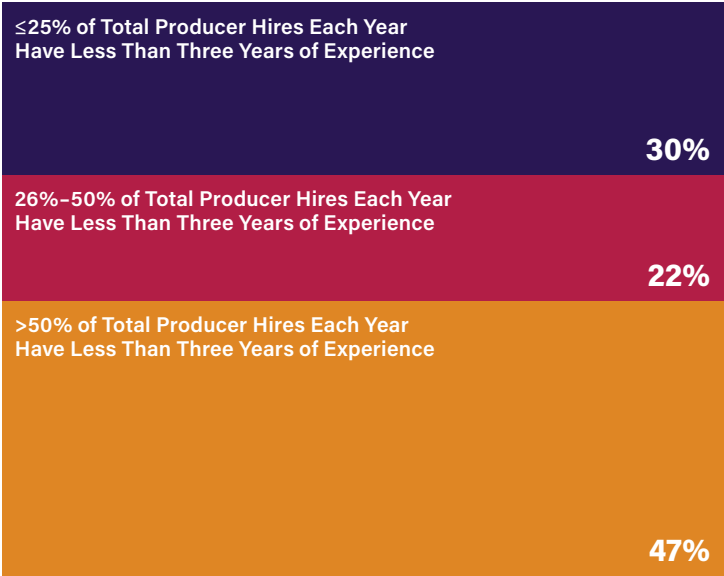
For broader context, according to the 2025 US Mercer Turnover Survey, sales professionals nationally saw an average turnover rate of 7.3%, non-sales professionals 9.1%, white collar professionals 9.9%, and paraprofessional blue collar 12.5% .

Remote work trends were similar to 2024, with some small differences. The percentage of respondents reporting that 11%–50% of their staff was fully remote dropped from 50% in 2024 to 44% in 2025. A quarter of respondents also said that 5% or less of their staff was fully remote, up slightly from 22% in 2024.

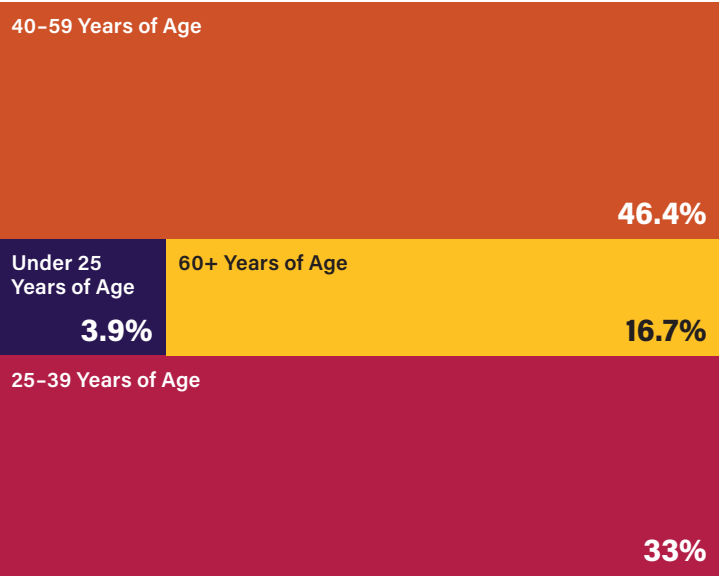
Average Yearly Producer Hires Over Past 3 Years by Business Segment



Producer Tenure



Producer Demographics (Estimated 2025)

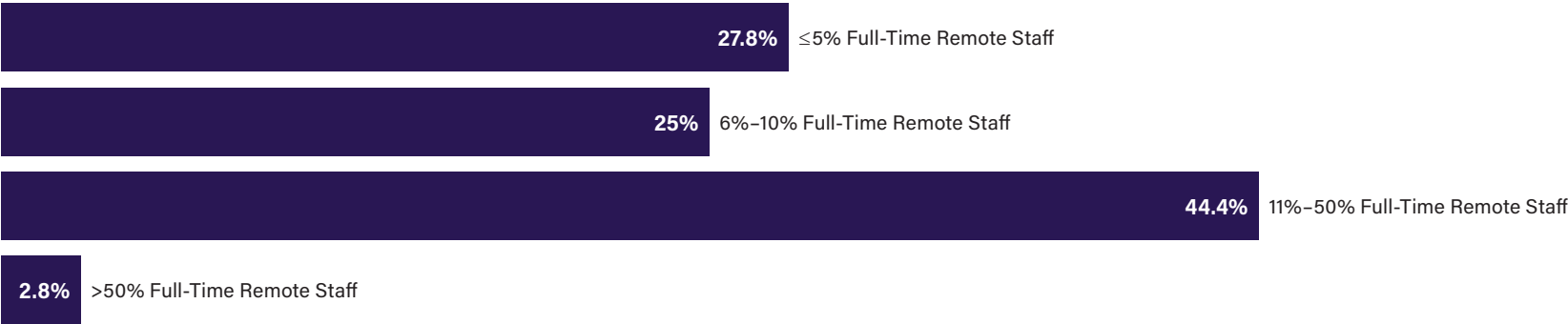


*THE NUMBER 28 is calculated with the sum of overall total producer hires and total respondents. Producer hires by business segment are calculated with total producer hires and total responses for each individual segment.

Average Annual Staff Turnover Rates in FY 2024 (Voluntary + Involuntary)



Current Full-Time Staff Working Fully Remote (Overall Average Percentage of Respondents)



Current Full-Time Staff Working Fully Remote (Percentage by Firm Size)

