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10 Underwriting Trends to Watch in 2026

Underwriting in 2026 will be defined by a shift toward softer pricing, evolving regulations, and a rapidly maturing technology landscape - particularly the growing role of AI. As carriers modernize legacy systems, underwriters will be expected to deliver not just speed, but greater consistency, transparency, and control in their decisions. At the same time, external forces like geopolitical uncertainty, climate risk, and regulatory change will continue to reshape priorities and the future underwriting workforce.

1 Softening Rates

The U.S. and U.K. markets are softening across key lines, putting pressure on pricing. Underwriters must balance competitiveness with profitability.

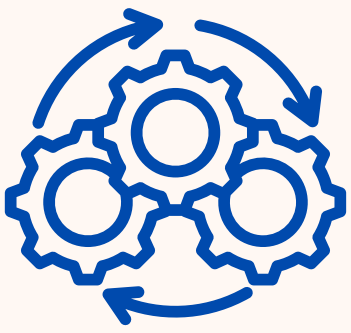
2 Changing Operating Models

Carriers are expanding distribution and adopting new operating models to scale more efficiently. Growth in MGAs is accelerating, with insurers partnering with or launching their own to reach new market segments.

3 Global Fragmentation

Growing social, political, and economic divides are expected to intensify in 2026, shaping global markets and trade. While fragmentation may slow innovation, it's also driving increased demand for products like political risk and supply chain insurance.

4 Core Systems Upgrade



Rising expectations for real-time responses, clean data, and accountability are pushing carriers to modernize core systems. Legacy tech and manual workarounds must be upgraded or replaced to keep pace.

5 Broker-Carrier Connectivity

In a softer market, success depends on quickly turning broker submissions into structured data for fast, accurate quotes. AI is key to enabling straight-through processing and faster underwriting decisions.

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6 Evolving Talent Pipeline

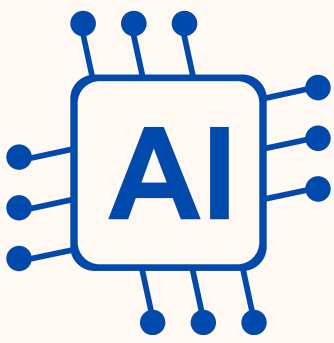
As experienced professionals retire, a new generation is entering underwriting - reshaping how talent is recruited and developed. AI is both automating entry-level tasks and serving as a training tool, while the industry must also address gaps in gender diversity and career advancement.

7 Next-Era Reinsurance

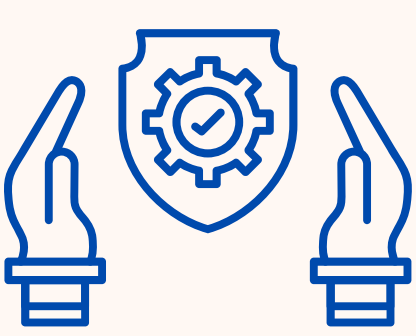
Reinsurance is shifting from price-driven competition to data-driven decisioning. In 2026, market pressures and maturing technology will make faster, more accurate, data-led risk selection the norm.

8 AI Transformation

AI is moving from experimentation to end-to-end impact, with AI agents reshaping the full underwriting lifecycle - from intake to risk decisions to operations. Experts estimate AI could cut underwriting time by up to 75% and potentially double output per underwriter.



9 Growing Parametric Solutions



Parametric insurance is helping close protection gaps caused by climate, geopolitical, and economic risks. Already valuable in underinsured regions, these solutions are expanding into more complex lines globally.

10 Regulatory Pressures

U.S. and U.K. regulatory changes are adding compliance challenges, requiring insurers to embed transparency and governance into underwriting. Those who do will navigate regulators, agents, and clients more smoothly.

Supporting Insurers in 2026 and Beyond

WaterStreet's Nautix system helps insurers navigate the evolving landscape by streamlining workflows and modernizing core systems. From faster quoting to data-driven risk decisions and compliance management, Nautix equips carriers to stay competitive, agile, and profitable in 2026 and beyond.

Source: propertycasualty360.com