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Rethinking Insurance Distribution

Navigating Channel Conflicts on an Increasingly Brokered SME Battlefield

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ABSTRACT

This thesis examines how insurance companies can adapt their sales channel strategies in response to an increasingly brokered SME segment in the Swedish property and casualty insurance market. It builds on the observation that brokers and intermediary-led ecosystems are gaining influence over customer relationships, distribution access, and value creation. While prior research has addressed insurance intermediation and digital platforms, limited attention has been given to how insurers should strategically position themselves in increasingly brokered SME ecosystems, particularly in national contexts such as Sweden.

The study explores how broker consolidation, platform-like distribution models, facilities, Managing General Agents (MGAs), digitalization, and regulatory developments reshape insurers' strategic position. Based on an exploratory qualitative design, empirical data were collected through 22 semi-structured interviews with insurers, brokers, MGAs, and industry experts.

The findings show that brokers increasingly strengthen both relational and structural power through customer interface ownership, ecosystem coordination, and control over distribution channels. As brokers occupy the "first screen" in customer interaction, insurers are at risk of losing relational proximity, customer insight, and strategic control. At the same time, MGAs emerge as specialized intermediary actors combining delegated underwriting authority with niche expertise, further blurring traditional roles in the value chain.

The thesis identifies two main strategic positioning approaches for insurers. First, insurers can act as ecosystem orchestrators by strengthening customer ownership and coordinating value creation across interconnected ecosystems. Second, they can position themselves as strategic specialists focused on underwriting excellence, niche expertise, and product competitiveness within intermediary-led structures. Overall, the study contributes to literature on insurance intermediation, platformization, and sales channel transformation by developing conceptual frameworks for understanding shifting power dynamics in brokered insurance markets, while positioning Sweden as a leading example of intermediary-driven insurance transformation.

SAMMANFATTNING

Denna studie undersöker hur försäkringsbolag kan anpassa sina försäljningskanalstrategier till ett alltmer förmedlarstyrkt SME-segment på den svenska sakförsäkringsmarknaden. Studien bygger på observationen att försäkringsförmedlare och intermediärledda ekosystem får ett allt större inflytande över kundrelationer, distribution och värdeskapande. Tidigare forskning har behandlat försäkringsförmedling och digitala plattformar, men har i begränsad utsträckning undersökt hur försäkringsbolag strategiskt bör positionera sig i allt mer förmedlarinfluerade marknader, särskilt i nationella kontexter såsom Sverige.

Studien undersöker hur förmedlarkonsolidering, plattformsliknande distributionsmodeller, faciliteter, MGAs, digitalisering och regulatoriska utvecklingar omformar försäkringsbolags strategiska positionering. Genom en explorativ kvalitativ forskningsdesign samlades empiriskt material in genom 22 semistrukturerade intervjuer med försäkringsbolag, försäkringsförmedlare, MGAs och branscheexperter.

Resultaten visar att försäkringsförmedlare successivt stärker både relationell och strukturell makt genom kontroll över kundgränssnitt, ekosystemkoordinering, datatillgång och distributionskanaler. När förmedlare i allt större utsträckning kontrollerar den första kundinteraktionen riskerar försäkringsbolag att förlora relationell närhet, tillgång till kundinsikter och strategisk kontroll. Samtidigt växer MGA:er fram som specialiserade intermediära aktörer som kombinerar delegerad underwriting med nischad expertis, vilket ytterligare omdefinierar traditionella roller i värdekedjan.

Studien identifierar två huvudsakliga strategiska positioner för försäkringsbolag. Antingen kan de agera ekosystemsorkestrerare genom att stärka kundägandet och koordinera värdeskapande mellan sammanlänkade funktioner och ekosystem, alternativt kan försäkringsbolagen positionera sig som strategiska specialister med fokus på spetskompetens inom underwriting, nischad expertis och konkurrenskraft inom intermediärledda strukturer. Sammantaget bidrar studien till litteratur om försäkringsförmedling, plattformisering och transformation av säljkanaler genom att utveckla konceptuella ramverk för att förstå förändrade maktdynamiker på förmedlarstyrda försäkringsmarknader, samtidigt som Sverige positioneras som ett ledande exempel på intermediärdriven försäkringstransformation.

KEY WORDS

Insurance intermediation, SME insurance, insurance brokers, sales channel strategy, platformization, ecosystem strategy, broker consolidation, property and casualty insurance, intermediary-driven ecosystems, customer ownership, insurance distribution, distribution channels, MGA, managing general agents, competitive positioning, value chain transformation, ecosystem orchestration, strategic specialists, digitalization, open insurance, FiDA, Swedish insurance market, B2B insurance, structural power, relationship power.

PREFACE

This thesis marks the final milestone of our five years at Lund University, Faculty of Engineering (LTH), pursuing an MSc in Industrial Engineering and Management. Our time here has allowed us to discover and explore new interests, while also providing us with analytical tools, experiences, and friendships that will remain valuable throughout our careers and lives. For this, we are very grateful, and we would especially like to thank the university as a whole, our lecturers, and our classmates for enabling and being part of this journey.

We have spent the spring of 2026 exploring the Swedish SME P&C insurance market. As insurance may not carry the most exciting reputation at first glance, we did not quite know what to expect when beginning this project in December. However, the thesis quickly proved to be far more engaging than anticipated, sitting at intersection of industry complexity, societal importance, channel strategy, and large private-equity-driven market shifts. The industry has therefore been fascinating to explore in depth, and throughout the process we have gained respect for both the market and the people operating within it. Everyone we encountered during this journey was welcoming, generous with their time, and genuinely passionate about the industry, leaving us with the strong impression that insurance could be a highly relevant field for our future careers.

Without our supervisor Izabelle Bäckström, this would not have been possible. We are grateful for her support, valuable guidance, and calming presence during stressful periods.

Lastly, we would like to extend our gratitude to all interview participants. We appreciate your time, patience, valuable perspectives and warm welcomes throughout this study.

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1 INTRODUCTION

1.1 Background

1.1.1 The Need for Guidance in the Insurance Landscape

Insurance is rarely at the top of customers' minds and is inherently not an attention-catching product. It is, however, one of the vital mechanisms in developed economies, playing a crucial role for individuals, businesses, and society as a whole (Svenska Försäkringsförmedlare 2025). Through carrying insurance takers' risk and absorbing negative economic consequences of uncontrollable events in exchange for premiums, insurance companies contribute to the stability, security and economic growth that allows long-term societal development.

At its core, the product of insurance is a promise to compensate the insured in accordance to predefined terms in event of a loss, articulated in contractual language to capture the complexity of reality (Cummins and Doherty 2006). In contrast to conventional consumer goods, insurances are hard to evaluate even after the purchase due to this complex and probabilistic nature (Eckardt 2007, p. 8). As a result, trust in the provider's ability and willingness to fulfill its promise is a critical element in the insurance industry (Stricker et al. 2023). Furthermore, the product complexity is further enhanced by the fact that companies, especially large corporations, sometimes have tailored solutions based on a mix of multiple insurers, making it harder to gain a holistic overview (Svenska Försäkringsförmedlare 2025).

An increasingly changing world characterized by geopolitical instability, digitalization, climate change, and the rise of cyber threats has increased the complexity of understanding risk exposures for both individuals and businesses (Svenska Försäkringsförmedlare 2025). Beyond understanding risk at an aggregate level, informed insurance decisions require the ability to assess how risks apply to specific actors and how insurance types and coverages address these exposures (Eckardt 2002). Furthermore, services provided, the depth of coverage, as well as the reputation and financials of the insurer play a role, implying that the purchasing process is not simply a competition of price (Cummins and Doherty 2006). The decision-making takes place in a market that due to historical deregulation and liberalization has been characterized by less transparency and increasing product differentiation (Maas 2010), while requiring legal knowledge and financial literacy to understand contractual structures and its consequences (Eckardt 2007,

p.5). From the insurance companies point of view, the emergence of new technological and societal change further complicates risk assessment due to the scarce data and lack of modeling experience (Lanfranchi and Grassi 2022). Ultimately, understanding dynamic and complex risk exposures is challenging, and tailoring protection to specific individuals is even harder. This requires experience, legal knowledge, financial proficiency, and situational awareness, making the insurance market difficult to navigate.

A developing trend in insurance is the shift towards customer orientation across all stages of the customer journey (Stoeckli et al. 2018), where companies that manage to innovate and leverage new technology will achieve higher success (Lanfranchi and Grassi 2022). Figure 1 illustrates the need for guidance and support that insurers or intermediaries must provide throughout the customer journey in the Property and Casualty (P&C) insurance sector. A key challenge in this journey for insurers is to establish consistent customer experiences across all distribution channels, ensuring that customers can access the same information at any time through any channel (Eling and Lehmann 2018).

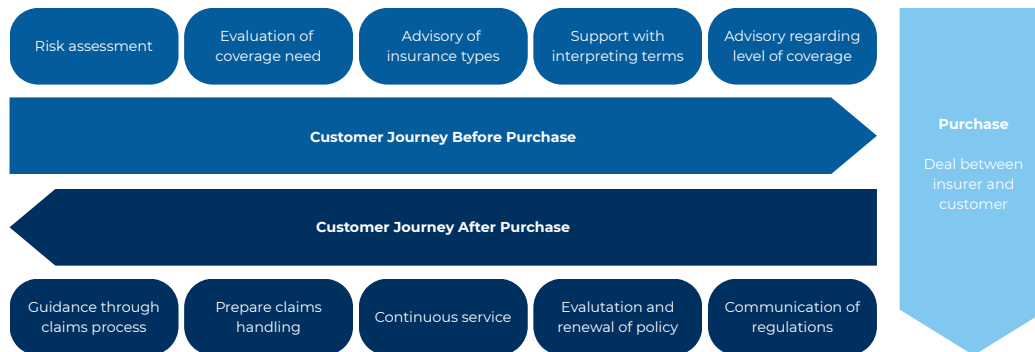


Figure 1. Customer journey in P&C insurance, described in *Branschrappport 2025* by Svenska Försäkringsförmedlare (2025).

Insurance markets are inherently characterized by asymmetric information (Eckardt 2007), as customers have full knowledge of their own context and behavior, while insurers' information will always be somewhat incomplete (Cummins and Doherty 2006). This discrepancy enables moral hazard behavior and lays the foundation for adverse selection. Thus, since insurers depend on accurate information to underwrite and price policies, this informational gap is a central and enduring challenge in the insurance industry. Although trends such as globalization and

digitalization have significantly reduced the price of information, lowered transaction costs, and increased transparency, the fundamental challenge still remains (Maas 2010).

1.1.2 The Technological Development of Sales Channels and Emergence of B2B Platforms

Technological developments have considerably reshaped sales channels in Business-to-business (B2B) markets, altering how firms access customers and structure their market interactions (Anderson et al. 2022). Prior research documents a shift away from linear, firm-controlled sales pipelines towards digitally mediated channel structures in which platforms and intermediaries increasingly coordinate discovery, matching, and interaction between buyers and sellers. Early platform research largely focused on consumer-facing markets accounted to the development of well known platform companies such as Uber, AirBnB, and Facebook who operate in the business-to-consumer (B2C) or consumer-to-consumer (C2C) markets (Verfürth and Helwing-Hentschel 2025). However, subsequent work shows that similar intermediation logics are also increasingly present in B2B settings, where sales channels not only hold a transactional function, but also creates strategic infrastructures shaping access to demand and information flows (Anderson et al. 2022; Verfürth and Helwing-Hentschel 2025).

A defining characteristic of this transformation is the rise of multi-sided digital platforms (MSPs) that mediate interactions between multiple market participants (Anderson et al. 2022; Stricker et al. 2023). For the insurance market, platforms increasingly assume roles traditionally held by sales organizations and intermediaries, including customer matching, information provision, and coordination (Stricker et al. 2023). In contrast to traditional intermediaries, platforms rely on digital interfaces and algorithms to structure interactions, allowing them to scale rapidly while centralizing control over customer access and information (Anderson et al. 2022; Ai et al. 2025). In B2B markets, these digital solutions operate within multi-tier and relationship-intensive environments. This amplifies their strategic implications for incumbent firms, as MSPs often facilitate “get-big-fast” strategies that suggest increased threats from disruptive players (Anderson et al. 2022; Stricker et al. 2023).

Technological scalability is further reinforced by the growing use of artificial intelligence and advanced analytics within sales channels (Ai et al. 2025). Digital tools enable automation of tasks such as lead qualification, product comparison,

pricing support, and customer service, reducing the need for human involvement in early and standardized stages of the sales process (Singh et al. 2019). Empirical research on AI-based sales agents demonstrates that autonomous systems can replace human salespeople in certain phases of the buyer-seller interaction, particularly in digitally mediated inbound sales contexts (Nelson et al. 2026). However, professional buyers still display a preference to work with human salespeople over AI sales agents for relationship-building tasks. These developments allow intermediaries and platform based actors to operate at scale with comparatively low marginal costs, strengthening their competitive position relative to traditional, relationship-intensive sales organizations (Ai et al. 2025).

The technological restructuring of sales channels into platforms has also lowered entry barriers and reshaped competitive dynamics (Hänninen 2020; Culotta and Duparc 2022). Digital platforms reduce reliance on physical infrastructure and proprietary sales networks, enabling new intermediaries and non-traditional entrants to compete more easily. Studies of direct online channels show that digital channels can both cannibalize and complement existing distribution structures, creating tensions related to channel coordination and control for incumbents (Van Crombrugge et al. 2025). In this context, intermediaries that combine platform-based coordination with data analytics and complementary services can emerge as powerful substitutes to traditional sales channels (Ai et al. 2025).

While digitalization enhances efficiency and reach, it can also reconfigure or reduce direct interaction between suppliers and end customers through the centralization of coordination and interaction within platform-based structures (Verfürth and Helwing-Hentschel 2025). As platforms and digital intermediaries mediate discovery, evaluation, and matching, they redefine how direct interaction between sellers and buyers is configured (Hänninen 2020; Verfürth and Helwing-Hentschel 2025). In insurance specifically, recent research highlights how digital platforms increasingly replicate and, in some cases, outperform traditional brokers in core intermediation functions such as matching, advice, and product comparison (Stricker et al. 2023). As these platforms scale, the primary customer interface increasingly resides outside the insurance company, raising strategic questions regarding customer access, data ownership, and the long-term role of insurers within platform-mediated sales ecosystems (Anderson et al. 2022; Stricker et al. 2023).

1.1.3 The Development of Brokers' Role in the Insurance Industry

Insurance markets are characterized by information asymmetries and products that are difficult to evaluate, two conditions that create high transaction and research costs for market participants (Cummins and Doherty 2006; Eckardt 2007). In such environments, intermediaries facilitate information exchange, matching, and coordination between buyers and insurers, thereby reducing market inefficiencies (Cummins and Doherty 2006; Eckardt 2007). Prior research shows that these structural conditions are particularly apparent in commercial insurance, where coverage requirements and risk exposures are firm-specific and rarely standardized (Cummins and Doherty 2006; Maas 2010). As a result, brokered distribution has expanded as a structurally grounded response to market complexity rather than as a short-term change in sales channels, a pattern that is also reflected in the Swedish insurance market (Eckardt 2002; Maas 2010; Svenska Försäkringsförmedlare 2025).

Sweden's insurance industry association showcase data indicating that brokered business represents a substantial share of corporate insurance distribution, 63% of B2B (P&C) insurance in 2025, and plays a central role in how firms procure and manage insurance coverage (Svenska Försäkringsförmedlare 2025). The Swedish brokered insurance market has also recently gone through a significant consolidation, apparent by a decrease of 71,5% in number of broker companies registered in Sweden's insurance industry association between 2010-2024 (Svenska Försäkringsförmedlare 2025). The increasing consolidation of brokerage firms further strengthens the broker channel's influence over market access and interaction patterns, reinforcing intermediary-led structures (Stricker et al. 2023). Recent development show that brokers who historically have competed over the larger, commercial customers now also start to target smaller customers in the SME-segment (Small and medium-sized enterprises), where they gain market shares from direct distribution (Ebert 2025a).

A brokered insurance ecosystem consists of insurers, intermediaries, and customers (Cummins and Doherty 2006). Throughout this thesis, the definition of an insurance intermediary, or broker, will be adopted as set by Cummins and Doherty (2006, p.360): an insurance intermediary (broker) is *"an individual or business firm, with some degree of independence from the insurer, which stands between the buyer and seller of insurance"*. The definition emphasizes the intermediary's position as a coordinating actor between market sides, and provides a foundation for treating the market interaction as an ecosystem at play rather

than a bilateral exchange (Cummins and Doherty 2006; Eckardt 2007). A key distinction in the literature is to differentiate between brokers and agents, where brokers are typically described as representatives of the policyholder, whereas agents act on behalf of insurers, a difference that shapes incentives, information flows, and advisory roles.

Intermediation can be performed by actors with varying degrees of independence from insurers, resulting in heterogeneity in how matching, facilitation, and trust functions are delivered (Stricker et al. 2023). These variations influence how value is created and how control over customer interaction is distributed across the insurance value chain (Maas 2010; Stricker et al. 2023). Industry definitions on the Swedish market further distinguish independent brokers from tied or affiliated agents, who are bound to one or several insurers and only offer products from those insurers (Svenska Försäkringsförmedlare 2025).

Brokers create value by translating client risk exposures into insurable demand, scanning the market, negotiating terms, and supporting customers throughout the insurance cycle, including renewal and claims processes (Cummins and Doherty 2006; Maas 2010). Intermediaries display increasing engagement in advisory and coordination activities rather than acting solely as transactional distributors, particularly in complex commercial insurance contexts (Maas 2010; Eckardt 2007). This relates to the fact that broker intermediaries can be further divided into either information- or transaction intermediaries, where information intermediaries provide recommendations and transaction intermediaries in addition provide other services relevant for the transaction, like bargaining or administrative services (Eckardt 2007). Furthermore, intermediaries contribute to trust formation and market transparency in environments where insurance products are difficult to compare and transactions are infrequent (Stricker et al. 2023; Eckardt 2007). This expected expansion of broker functions strengthens brokers' strategic position while simultaneously reducing insurers' direct visibility of end-customer needs and decision processes (Maas 2010; Stricker et al. 2023).

Depending on customer segment, brokered insurance operates differently, reflecting differences in risk exposure, complexity and service requirement (Cummins and Doherty 2006; Maas 2010). SMEs, defined in Section 1.6, often purchase relatively standardized commercial insurance products, and intermediation then primarily creates value through efficiency, access, and simplification of comparisons (Svenska Försäkringsförmedlare 2025; Stricker et al. 2023). In contrast, large corporate clients typically require customized insurance programs with on-

going advisory support related to their complex and independent risk exposure (Maas 2010; Cummins and Doherty 2006). Prior research indicated that intermediation for SMEs is more prone to structural change due to a higher degree of product standardization and larger customer volumes, whereas corporate brokerage remains more advisory-intense (Stricker et al. 2023).

Increasing broker penetration alters insurers' strategic position by reducing direct interaction with end customers and increasing dependence on intermediaries for market access (Stricker et al. 2023; Maas 2010). Because brokers coordinate information flows and matching processes, they can influence how risk exposure is presented to the insurers as well as control the flow of underwriting information (Cummins and Doherty 2006; Maas 2010). This redistribution of informational advantage has implications for bargaining power, pricing dynamics, and insurers' ability to differentiate through customer relationships (Stricker et al. 2023; Eckardt 2007). Broader trends in B2B channel digitalization further reinforce these dynamics by centralizing coordination and interaction within intermediary-led and platform-based structures (Anderson et al. 2022; Stricker et al. 2023).

While insurance intermediaries often are discussed in terms of the value they create for customers, evidence from the Swedish industry showcase that brokers also create substantial value for insurance companies (Svenska Försäkringsförmedlare 2025). According to the industry report by Svenska Försäkringsförmedlare (2025), brokers contribute to insurers through 3 main categories; distribution, market insights and development, as well as efficiency improvements through administrative tasks and partnerships. By aggregating information across a broad client base they enable insurers to identify emerging risks and demand patterns that would be difficult to observe through bilateral customer relationships alone. The report highlights cyber insurance as a prominent example, where brokers play a central role in translating rapidly evolving cyber risks into structured demand, thereby supporting insurers' underwriting, product development, and pricing processes in a market characterized by high uncertainty and limited historical data. The most highlighted contribution is however distribution, and brokers ability to function as an efficient distribution channel for insurers by providing access to a diverse customer base and market specific distribution expertise. Through long-term distribution relationships and partnerships, brokers can further support insurers in the development and scaling of new insurance offerings, reinforcing brokers' role as value-creating partners rather than purely transactional intermediaries.

1.2 Problematization

Despite extensive available research on insurance intermediation and on multi-sided platforms as separate phenomena, their intersection remains relatively underexplored. As noted by Stricker et al. (2023), *"while there is a rich body of literature on both insurance intermediation (...) and even more on MSPs (...), there is surprisingly little research available that combines both fields."* This observation points to a critical gap in the literature, particularly given recent trends for intermediary-led and platform-enabled distribution models in commercial insurance markets.

1.2.1 The Consolidation Driven Power Shift in the Insurance Value Chain

The Swedish brokered insurance market has undergone substantial consolidation, with a decrease of 71,5% in the number of broker companies registered with Sweden's insurance industry association between 2010-2024 (Svenska Försäkringsförmedlare 2025). This consolidation has been described as major actors "vacuuming" the market over the last couple of years (Ebert 2025a). It appears to be a successful strategy, as the revenue of the six dominant brokers increased by 21,2% in 2024 (Ebert 2025c), which can be compared to a cumulative growth rate of 5,29% in the Swedish P&C B2B insurance market between 2019 and 2023, during which total premiums increased from 34 to 43 billion (Svenska Försäkringsförmedlare 2025). The main drivers for this intense consolidation are identified as increasing regulatory demand and stricter documentation requirements, while growing importance of digitalization and the need for both deep and broad capabilities in the competitive landscape also play a role (Ebert 2025b).

In parallel to the consolidation and growth of the large brokerage actors, these firms are expanding and targeting new customer segments. The SME segment, in which direct distribution has historically dominated, is namely gaining growing attention from large brokers across the Nordics, especially on the Swedish market (Ebert 2025a). Whereas brokers have traditionally focused on large corporations with complex, customized insurance solutions, this expansion represents a strategic broadening beyond their core clientele. This development indicates a structural shift from the traditional supplier and distributor roles of insurers and brokers, and threatens to turn them into direct competitors in this segment.

If the brokered sales would continue to displace direct distribution channels, insurers might be faced with a new situation with both opportunities and threats.

While it could enable insurers to more narrowly focus on core functions such as risk bearing, pricing, and product development, an increased presence of brokers could pose threats such as loss of customer data, erosion of customer relationships and reduced distribution control. This could weaken insurers market sensing capabilities, limiting their ability to model risk accurately, adapt pricing, and respond to customer preferences. Simultaneously, the growing scale of brokers, driven by both acquisitions and organic growth, amplifies their individual importance. Combined with an increasing share of sales mediated through intermediaries, this could further enhance the informational advantage over insurers (Svenska Försäkringsförmedlare 2025), rooted in their ability to filter, aggregate and control information flows (Stricker et al. 2023).

The increased gatekeeping power that follows might reshape the market dynamics in the insurance market. A structural separation could emerge between value creation and distribution control, where insurers might increasingly shift towards a core supplier role, losing influence over customer services and distribution. This possible new market landscape creates a paradox; insurers depend on brokers for customer access, administrative efficiency, and market insights (Svenska Försäkringsförmedlare 2025), yet this dependence strengthens brokers' power and deepens insurers' dependency on their informational advantage. Thus, insurers find themselves in a vulnerable position, facing uncertainty regarding where value is created in the value chain, who controls customer relationships and market access, as well as who owns and governs data flows. Ultimately, insurers must address these questions proactively, and reinvent their strategic roles beyond providing risk capital in order to secure a sustainable position in the emerging market landscape.

1.2.2 The Expected Platform Disruption of a Historically Relationship-Heavy Industry

Insurance intermediation has historically been characterized by relationship-intensive and trust-based interactions, where brokers create value through advisory services, risk interpretation, and long-term customer relationships (Maas 2010). Insurance brokers have traditionally functioned as information specialists who reduce information asymmetries between insurers and customers by applying human judgment and expertise in complex risk contexts (Cummins and Doherty 2006). Recent research, however, indicates that digital platforms increasingly replicate several, if not all, of these traditional intermediation functions, including matching, comparison, and information aggregation (Stricker et al. 2023).

Platform-based sales and distribution structures have been shown to embed coordination and interaction into digital infrastructures rather than relying on one-to-one, relationship-based exchanges (Hänninen 2020). In parallel, research on digital sales transformation suggests that digitization and AI increasingly substitute tasks previously assumed to require human sales professionals, including needs assessment and solution configuration (Singh et al. 2019).

Despite these developments, existing literature provides limited guidance on how insurers should strategically position themselves in relation to platform-based intermediation (Stricker et al. 2023). Prior research highlights threats related to loss of control over customer interfaces and data when platforms intermediate demand, but does not offer guidance in managing these dependencies or designing hybrid channel strategies (Stricker et al. 2023; Anderson et al. 2022). As a result, insurers face uncertainty regarding which intermediation functions must remain relationship-based and which can be delegated to digital or platform actors (Stricker et al. 2023).

1.2.3 The SME Segment as a Strategic Battlefield

In addition to the increasing broker penetration explained in Section 1.2.1, the SME segment in the Swedish market is facing changes from another front. Digital platforms, which have traditionally been successful in standardized, high volume products, have many of the tools needed to establish themselves in the B2C insurance industry, and may now pose a new threat to the SME B2B market (Stricker et al. 2023; Pousttchi and Gleiß 2022). Platform technology as utilized by digital actors, such as insurtechs, who possess the ability to quickly build capabilities that create direct value for their customers, for example through service platforms (Warg et al. 2019). Thus, insurers who have historically dominated this market through direct distribution now face competition from several sides.

Although previous literature has examined the differences between B2B and B2C markets, the dynamics of the SME segment provides a middle ground between these. Yet, this subsegment of business insurance remains largely unexplored, particularly in the Swedish insurance industry context. This paper aims to expand current literature by analyzing the SME segment as a new strategic battlefield, where emerging competitors threaten to displace insurers' historically dominant position, by overtaking distribution channels and customer relationships. Understanding these structural changes of the market might become of major importance, as Stricker et al. (2023) states "*Judging by the sweeping success that*

MSPs have demonstrated in many industries over the last decade, marginalizing previous operators in those industries, it may now be a question of survival for some established insurance players."

1.2.4 Geographic Blind Spot in Existing Research

Research on digitalization and platform adoption in insurance has largely taken an aggregated or global perspective, with limited attention to national institutional contexts (Eling and Lehmann 2018; Stoeckli et al. 2018). Existing academic and empirical studies primarily focus on general value-chain transformations and technological capabilities rather than how regulation, market structure, and historical distribution arrangements shape intermediation across countries (Eling and Lehmann 2018). This limits the ability to assess how regional trends and regulations, such as broker consolidation, unfold in distinct insurance markets.

Economic research on insurance intermediation demonstrates that market outcomes vary between national contexts depending on regulatory frameworks, market concentration, and the relative power of intermediaries (Eckardt 2002). Differences in institutional and market structures affect how insurance intermediation functions, suggesting that findings from one market may not be directly transferable to another (Cummins and Doherty 2006). Industry evidence indicates that Sweden represents a particularly advanced case of broker-dominated commercial insurance, characterized by high broker penetration and increasing consolidation among large brokerage firms (Svenska Försäkringsförmedlare 2025; Ebert 2025a). While these developments align with broader trends discussed in the literature, Sweden has not been the focus of empirical analysis in recent research on insurance intermediation and digital platforms (Stricker et al. 2023). This creates a geographic and institutional blind spot in existing research, particularly given Sweden's potential role as a leading indicator for markets on a similar trajectory.

1.3 Objectives

1.3.1 Purpose

The purpose of this thesis is to contribute to the existing literature on insurance intermediation and sales channel strategy in the digital age, with a particular focus on the increasing role of brokers and intermediary-led distribution in the Swedish commercial insurance market, see Figure 2. Specifically, the thesis

examines how the consolidation of brokers and platform-mediated distribution in the SME segment of property and casualty insurance affects insurers' sales channel strategies, and refers to the call for research by (Stricker et al. 2023) and (Pousttchi and Gleiß 2022).

By exploring the intersection between technological developments, broker consolidation, and market-specific conditions, the thesis aims to develop a deeper understanding of how insurers can adapt their commercial strategies. Focusing on the Swedish insurance market allows the study to generate context-specific insights into how sales and service models may be designed to balance efficiency, customer orientation, and strategic control, thereby contributing both to academic research on insurance intermediation and to managerial discussions within the insurance industry.

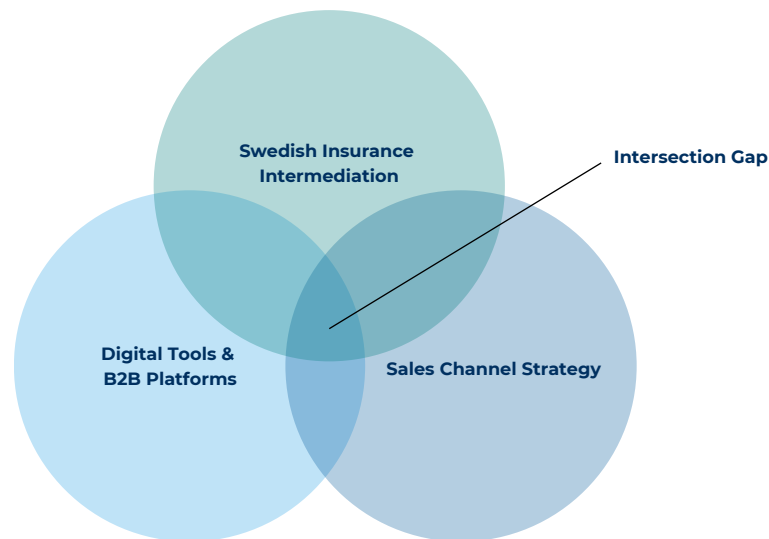


Figure 2. Visualization of the three topics creating the academic intersectional gap the thesis will cover.

1.3.2 Research Questions

In light of the structural change of market dynamics in the Swedish commercial insurance market, this thesis seeks to address the following primary research question:

How can insurance companies adapt their sales channel strategies in response to an increasingly brokered SME-segment on the Swedish insurance market?

To answer this, three sub-questions are explored:

1. *What are the key trends and drivers shaping the brokered insurance market in Sweden?*
2. *How does the found developments affect insurers' control over customer relationships, distribution efficiency, and competitive positioning?*
3. *How should insurers strategically position themselves in the changing insurance industry, and what organizational strategies, capabilities, and resources are required?*

1.3.3 Research Contribution

From an academic perspective, the thesis will address the gaps identified in the literature by Stricker et al. (2023) of how insurance companies should respond and adapt their sales channel strategy in response to insurance intermediation in the age of the digital platform economy. Pousttchi and Gleiß (2022) highlight that despite the economic relevance of MSPs, there is currently little research on insurance-related MSP and their strategic impact on the insurance industry. While Stricker et al. (2023) conceptually demonstrate that multi-sided platforms can theoretically fulfill the functional roles of insurance intermediaries, this thesis extends their work by empirically examining how increasing platform and broker-mediated distribution reshapes insurers' position in the Swedish market, as well as how commercial strategies, sales and service models should adapt in response. By limiting the scope to the Swedish SME property and casualty insurance market, the thesis applies a context-specific empirical analysis to a recognized academic gap.

From a managerial perspective, the thesis offers insurers insights into how a growing dependence on brokers affects commercial strategy, organizational capabilities, and channel design. By analyzing the strategic implications of broker consolidation and coordination in the SME segment, the study provides an understanding of the trade-offs insurers face between efficiency, customer orientation, and strategic control. These insights can support insurers in navigating a changing intermediary distribution landscape, and in making informed decisions regarding

the design of sales and service models.

Lastly, this thesis supports future research on insurance intermediation by demonstrating the value of studying platform development and broker dynamics within clearly defined regional settings. The findings provide a foundation for comparative studies across markets and segments, and for further exploration of how insurers' strategic roles evolve as intermediary and platform-based structures continue to reshape insurance distribution.

1.4 Limitations

The aim of this thesis is limited to investigating the research gap in how insurance companies operating on the Swedish market may adapt their sales channel strategies in response to the development of the brokered insurance market. The analysis is limited to property and casualty insurance and the SME segment within B2B insurance.

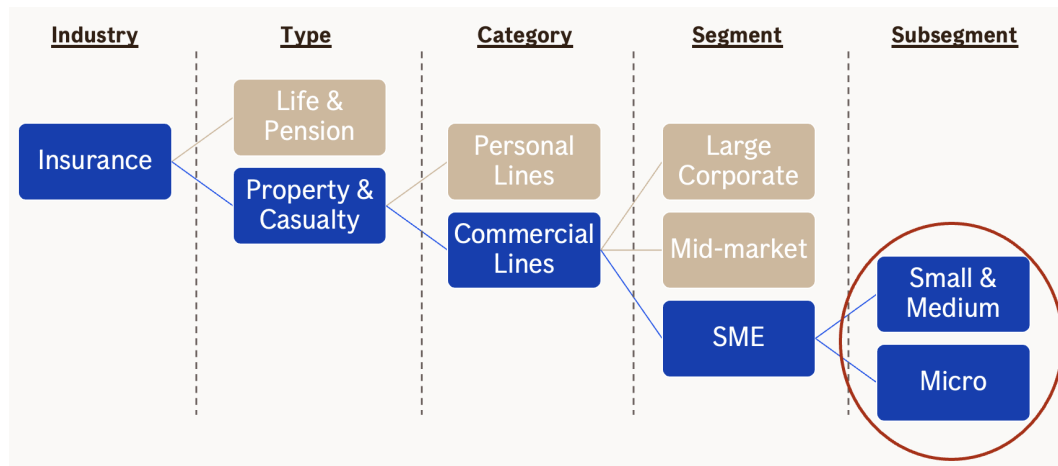


Figure 3. Visualization of the chosen segment and scope of the report. Blue boxes indicate in-scope, while grey indicate outside the scope.

Furthermore, the study is confined to the Swedish insurance market, which represents an institutionally specific context characterized by high broker penetration and ongoing consolidation. As such, the findings should be interpreted in light of the Swedish regulations and market structure and may not be directly transferable to insurance markets with different institutional conditions. The thesis also takes a

market analysis narrative through the lens of an insurance company, and therefore focuses on implications for insurers over brokers and other intermediaries.

1.5 Target Audience

The thesis' primary audience is considered academic researchers within insurance, intermediation, and B2B sales, as well as insurance companies looking to navigate the changing distribution landscape of the Swedish P&C SME insurance market. The findings may also be of interest to other market stakeholders aiming to understand evolving broker- and platform-driven dynamics in this segment.

1.6 Definitions

Due to varying terminology across academia and industry practice, the following concepts are defined as used throughout this thesis.

Table 1. Definitions and conceptual clarifications used throughout the thesis.

Term	Definition
Property & Casualty Insurance (P&C)	Insurance products covering property damage, accidents, and liability exposures. E.g. cyber, Directors and Officers liability, professional indemnity, real estate, M&A (Svenska Försäkringsförmedlare 2025).
SME segment	Broad term for micro, small, and medium-sized companies. Maximum 50 employees and 100 MSEK in annual revenue (Svenska Försäkringsförmedlare 2025).
Micro segment	Companies with maximum 10 employees and 20 MSEK in annual revenue (Svenska Försäkringsförmedlare 2025).
Underwriting	The process of evaluating, pricing, and accepting insurance risk.
Broker	An intermediary operating between insurers and customers in the insurance distribution process, leveraging aggregated demand and comparison of offers.
Insurer	A risk-carrying entity underwriting and providing insurance coverage.
Incumbents	Established insurers with significant historical market presence. In Sweden this often implies Länsförsäkringar, Trygg-Hansa, If and Folksam.
Challengers	Emerging insurers challenging incumbents through new business models, technology, or distribution approaches.
MGA	A managing general agent operating with delegated underwriting authority from insurers.
Facility	A structured insurance arrangement where brokers negotiate standardized coverage terms with insurers for groups of clients.
Underwriting	The process of assessing and pricing risk.

1.7 Thesis Outline

Chapter 1: Introduction

The first chapter introduces the background and problematization of the thesis, outlining recent developments within the Swedish brokered insurance market. The chapter further presents the purpose, research questions, delimitations, target audience, and overall structure of the thesis.

Chapter 2: Theoretical Frameworks

The second chapter reviews existing literature and relevant theoretical frameworks related to market structure, dependency theories, sales channel strategy, competitive positioning, and business strategy. The chapter establishes the theoretical foundation used to analyze the empirical findings and address the identified research gap.

Chapter 3: Methodology

The third chapter presents the methodological approach of the thesis, including the research design, data collection process, sampling strategy, and analytical procedures. Furthermore, the chapter discusses methodological choices, research quality, and ethical considerations related to the study.

Chapter 4: Empirical Findings

The fourth chapter presents the empirical findings from the conducted interviews and secondary data collection. The findings are structured into key themes related to market developments within the Swedish brokered insurance market and their impact on insurers.

Chapter 5: Analysis

The fifth chapter analyzes the empirical findings in relation to the theoretical frameworks presented in Chapter 2. The chapter examines how increasing broker and platform influence reshapes insurer positioning, value chain dynamics, competitive relationships, and strategic capabilities within the SME insurance market.

Chapter 6: Discussion

The sixth chapter discusses the broader implications of the findings and analysis in relation to existing literature and the identified research gap. The chapter

further problematizes emerging developments within the insurance ecosystem and discusses how the findings may be transferable to other markets and contexts.

Chapter 7: Conclusion

The seventh and final chapter summarizes the thesis and presents the answers to the research questions. The chapter further outlines the academic and practical contributions of the study, discusses managerial implications, and concludes with suggestions for future research.

2 THEORETICAL FRAMEWORKS

The following chapter aims to describe the frameworks and theories used in the thesis. By providing a theoretical baseline the chapter creates a foundation for subsequent analysis and discussion.

2.1 Identifying Market Trends and Power Dynamics

To effectively fulfill the purpose of this thesis; how the consolidation of brokers and platform-mediated distribution in the Swedish SME segment of property and casualty insurance affects insurers' sales channel strategies, one first needs to understand the Swedish insurance landscape. To understand emerging trends and changing power dynamics, the market environment can be assessed through a series of four layers (Whittington et al. 2021), as displayed in figure 4. To fit the scope of this thesis, primarily the two outer layers are assessed.

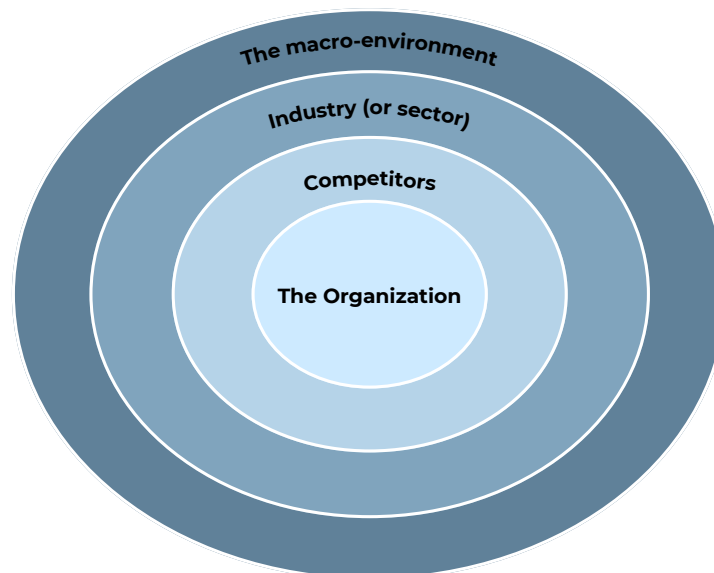


Figure 4. *The layers for assessing the business environment, adapted from Whittington et al. (2021).*

2.1.1 PESTEL-Analysis

To start assessing the insurance landscape, we must understand the macroeconomic and regulatory factors, as they are crucial to describe key market conditions. For this reason, the PESTEL framework will be used to analyze macro trends from six dimensions; political, economic, social, technological, environmental, and legal factors that can impact the Swedish intermediated insurance industry. The PESTEL-model emphasizes that the business environment not only includes the economics factors of markets, but also non-economic market factors such as interactions with politicians, regulators, non-government organizations, and media (Whittington et al. 2021). The use of macro-environmental analysis models such as PESTEL is well established in strategic studies of the insurance sector, and has previously been meaningfully applied to identify external forces shaping competitive dynamics and industry transformation on the Greek insurance market (Yiannakopoulos et al. 2017).

2.1.1.1 Political Factors

Despite the name, the political factors in PESTEL highlights not only the role of the political state, but also exposure to civil society organizations (Whittington et al. 2021). In many countries and markets, the role of the state is often an important factor since the state can function as a direct economic actor, like a customer, supplier, owner or regulator of businesses, and have high influence over an industry. Civil society organizations covers a wide range of organization liable to shed light on political issues, such as political lobbyists, campaign groups, and social or traditional media. The relevance of the political elements in the PESTEL analysis of course varies dependent of the political presence and influence, as well as industry exposure to civil society organizations.

2.1.1.2 Economic Factors

Macro-economic factors such as currency exchange rates, interest rates and economic growth rates, may also influence the macro-environment (Whittington et al. 2021). It is important for an organization to understand how its markets are affected by the prosperity of the market economy as a whole. Analyzing the economic cycle is therefore central to analyzing macro-economic trends. For the insurance industry this can, for example, be seen in the connection between key macroeconomic variables and gross written premiums (GWP) (Christophersen and Jakubik 2014).

2.1.1.3 Social Factors

Social factors in a PESTEL analysis capture the broader societal structures, relationships, and norms that shape how industries function and interact. Beyond demographic trends and shifting customer preferences, the configuration of social networks within an organizational field can significantly influence competitive advantage. Network density, the extent to which actors are interconnected, typically enhances information distribution, coordination, and collective mobilization (Whittington et al. 2021). In intermediated industries such as insurance, understanding these social structures is crucial, as the position an organization holds within key networks can shape its influence, access to knowledge, and long-term strategic advantage.

2.1.1.4 Technological Factors

The macro environment may also be influenced by technological capabilities and developments, such as AI or platform developments. It may be useful to construct technology roadmaps for crucial sectors, as they help predict product and service demand together with technology alternatives to offer a timeline for technological development (Whittington et al. 2021).

2.1.1.5 Environmental Factors

Environmental factors in PESTEL refer to ecological and sustainability-related conditions that may affect industries and organizational strategies. These include climate change, resource scarcity, environmental regulation, and increasing societal expectations regarding sustainability (Whittington et al. 2021). Environmental risks can create both constraints and opportunities, as firms may face higher compliance costs while simultaneously developing new products, services, or business models aligned with green transitions. In the insurance industry, sustainability risks are also increasingly recognized by the European insurance sector (Parente 2023). Recent studies applying PESTEL-based analyses in sustainability-related sectors further demonstrate how environmental and regulatory pressures jointly shape strategic opportunities and barriers at the industry level (Dioba et al. 2025).

2.1.1.6 Legal Factors

Legal factors refer to the laws and regulations that govern how industries and organizations operate. These include labor law, environmental and consumer protection regulation, taxation and reporting requirements, as well as rules governing ownership, competition, and corporate governance (Whittington et al. 2021). Changes in regulation can create new business opportunities, for example through deregulation, but can also increase compliance costs or restrict certain activities.

2.1.2 Porters Five Forces

To evaluate market or industry dynamics and competitive landscapes, this thesis applies Porter (1998) structural analysis framework. Porter (1998) argues that the state of competition in an industry is determined by five fundamental forces, see Figure 5, whose collective strength defines the industry's long-term profit potential. Rather than viewing competition solely as rivalry among existing firms, the framework broadens the analysis to include all actors that influence value creation. Porter's Five Forces is widely applied in empirical industry analyses to systematically evaluate competitive pressures and market structure, including in studies of the Greek insurance sector and its evolving competitive dynamics (Yiannakopoulos et al. 2017).

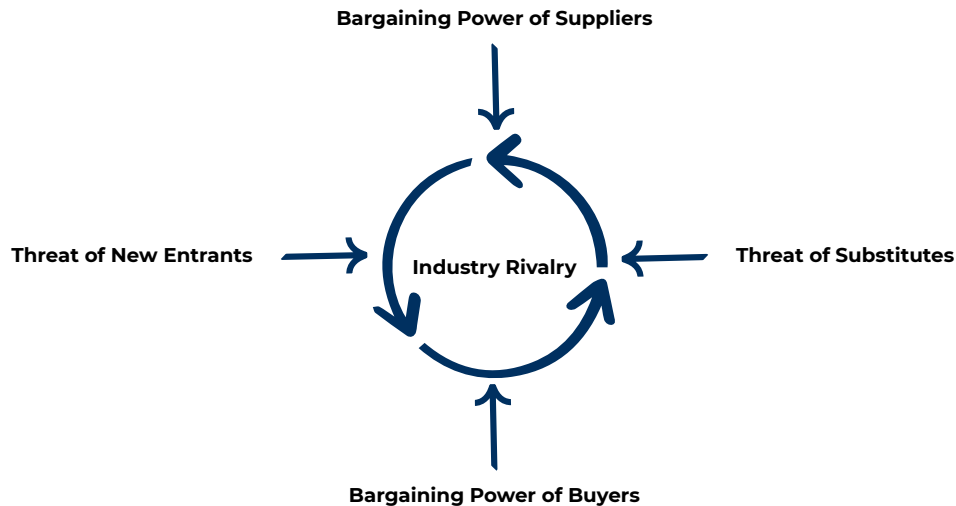


Figure 5. *The Five Forces influencing an industry's competitive landscape, adapted from Porter (1998).*

2.1.2.1 Rivalry Among Existing Competitors

Rivalry refers to the intensity with which firms compete through pricing, advertising, product innovation, and capacity expansion (Porter 1998). High rivalry typically leads to price pressure and reduced margins, particularly in industries with slow growth, excess capacity, or limited differentiation.

2.1.2.2 Threat of New Entrants

The threat of entry depends on the height of entry barriers such as economies of scale, capital requirements, legal compliance, access to distribution channels, and brand loyalty (Porter 1998). When barriers are low, new entrants can decrease profitability by increasing capacity and intensifying competition.

2.1.2.3 Bargaining Power of Buyers

Buyers exert power when they can negotiate lower prices, demand higher quality, or switch between suppliers at low cost (Porter 1998). Strong buyer power shifts value away from firms and compresses industry margins.

2.1.2.4 Bargaining Power of Suppliers

Suppliers hold power when they can raise input prices, reduce quality, or limit supply without losing business (Porter 1998). Concentrated suppliers or differentiated inputs typically increase this force, affecting firms' cost structures and profitability.

2.1.2.5 Threat of Substitutes

Substitutes place a ceiling on industry prices by offering alternative solutions that fulfill similar needs (Porter 1998). The stronger the availability and attractiveness of substitutes, the more constrained industry profitability becomes.

Together, these five forces determine how value is distributed among industry participants and shape the overall competitive landscape (Porter 1998). A systematic assessment of each force provides a structured basis for understanding market dynamics and identifying strategic positioning opportunities. In insurance markets specifically, Five Forces has been used as a conceptual framework to examine competitive pressures among insurers, intermediaries, and alternative distribution actors in the life insurance market, highlighting how external competition, buyer power, and substitute channels shape strategic positioning (Jakes and Burrus 2022).

2.1.3 Industry Life Cycle Analysis

Industry evolution is, according to Porter (1998), best understood as changes in industry structure rather than through isolated trends in growth or technology. Building on the five forces framework, industry developments become strategically significant when they alter entry barriers, bargaining power, rivalry, or the threat of substitutes. Since structural conditions at an industry's initiation rarely remain stable, changes in concentration, mobility barriers, and exit barriers can fundamentally reshape long-term profitability. Understanding both the maturity of your industry, as well as these shifts is critical, since firms that anticipate structural change can position themselves advantageously before adjustments become costly.

As a heuristic for anticipating such change, Porter (1998) discusses the product life cycle, which proposes that industries typically move through phases of introduction, growth, maturity, and decline, as seen in figure 6. Industry growth

often follows an S-shaped curve driven by innovation and diffusion. A slow initial adoption due to buyer inertia, followed by rapid expansion once acceptance is achieved, leveling off as market penetration is reached, and eventual gradual decline as substitutes or demand shifts emerge Porter (1998). These shifts in growth are commonly associated with changes in competition, scale, production processes, and profitability, with the industry life cycle framework explaining how industries evolve over time in terms of entry, innovation patterns, market structure, and competitive dynamics (Klepper 1997).

The life cycle should however not be treated as deterministic (Porter 1998). Stage duration varies widely, industries may skip phases, and the model lacks a clear causal explanation for why structural changes should follow a uniform sequence (Porter 1998). Rather than relying on stage labels alone, analysis should focus on the underlying evolutionary processes, such as technological change, shifting buyer segments, and firms' investment decisions, that reshape the five forces and determine long-term industry profitability. As a result, the industry life cycle provides a tool for assessing the evolution of markets, giving insights regarding the role of brokers and intermediaries.

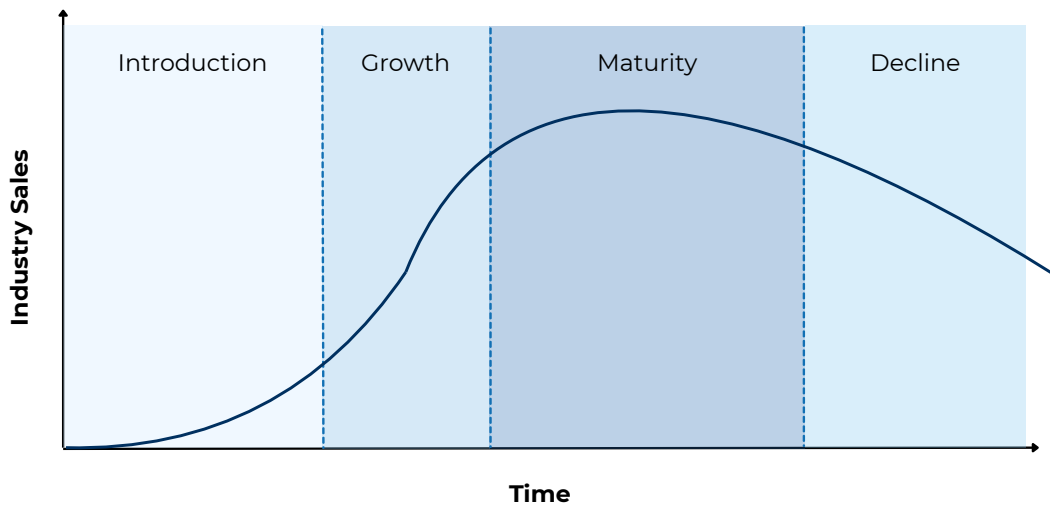


Figure 6. Stages of the industry life cycle, adapted from Porter (1998).

2.2 Determining Relationship and Structural Power

2.2.1 Customer Journey Mapping

As mentioned in Section 1.1.1, a trend in insurance is the shift toward customer orientation throughout all states of the customer journey (Stoeckli et al. 2018). Consequently, the framework Customer Journey Mapping (CJM) is presented. The framework is used to visualize and understand sequences of interactions between customers and brands across the purchase process, and aims to drive improvements by revealing pain points that influence customer decision-making (Lemon and Verhoef 2016; Miller 2025). Lemon and Verhoef (2016) defines three main steps in a customer's journey; prepurchase, purchase, and postpurchase, often further expanded such as in Hayes and Downie (2024) to; awareness, consideration, decision, services, and loyalty. Throughout these stages, illustrated in Figure 7, customers encounter multiple touchpoints, defined as interactions between the customer and actors involved in delivering the product or service (Hayes and Downie 2024). Touchpoints may include digital interfaces, personal interactions, customer service, or external influences such as reviews and social media (Hayes and Downie 2024). Lemon and Verhoef (2016) claims that touchpoints can be categorized into four main categories; brand-owned, partner-owned, customer-owned, and external/social, depending on whether they are controlled by the firm, shared with partners, driven by the customer, or shaped by independent external actors. By mapping out these touchpoints across multiple actors, insights can be gained into the customer experience and areas for improvement are highlighted.

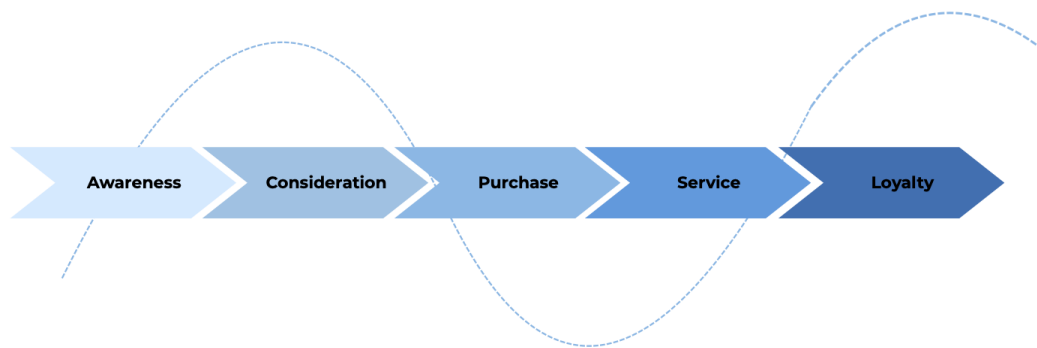


Figure 7. The sequential stages of a customer journey, adapted from Hayes and Downie (2024).

Lemon and Verhoef (2016) argues that “customer experience is deemed a culmination of a customer’s interaction with other actors in a broader ecosystem”. Thus, in complex networks, a customer journey must be understood through a broader ecosystem perspective, where multiple actors play a role. In combination with the nature of the brokered insurance market, characterized by information asymmetries and products that are hard to evaluate (Eckardt 2007; Cummins and Doherty 2006), this makes the insurance customer journey more complex than a traditional buyer-seller interaction. Through systematically mapping behaviors, perceptions, expectations and emotions of customers towards different actors in the insurance market, this thesis aims to understand how brokers and insurers are typically experienced, as well as how to develop toward a more advantageous position. In order to simplify and provide a basis for further analysis, Figure 8 combines Figure 1 & 7 to illustrate how industry specific stages relate to the theoretical framework. Although the awareness stage precedes the stages illustrated, and is therefore excluded from Figure 8, it is still considered within the scope of the thesis.



Figure 8. The Customer Journey Mapping framework applied to the brokered insurance industry, combining Figure 1 (Svenska Försäkringsförmedlare 2025) and Figure 7 (Hayes and Downie 2024).

While customer journey mapping identifies and visualizes customer touchpoints across actors (Lemon and Verhoef 2016), it is not in itself a framework for evaluating strategic power. However, Frazier (1999) suggests that power emerges through the ability to influence beliefs, attitudes, and behaviors within exchange relationships. Actors that maintain direct interactions over time with customers

has the possibility to shape preferences, gain informational advantages and build relational influence. Furthermore, repeated interaction fosters commitment and trust, since it reduces uncertainty and strengthens cooperation over time (Kalafatis 2000). Trust has been shown to influence relationship continuity and the effectiveness of marketing efforts (Kalafatis 2000). Within distribution systems, intermediaries often prioritize customer relationships over supplier relationships, as proximity to customers enables influence that extends beyond product-level competition (Kalafatis 2000).

Conclusively, literature suggests that control over customer touchpoints may translate into power. In this thesis, such influence is addressed as relationship power, and refers to an actor's ability to shape customer perceptions and preferences through ownership of key interactions, rather than ownership of the underlying product.

2.2.2 Value Chain Analysis

To understand where and how value is created across industries, Porter's value chain framework provides a structured approach for dividing firm activities into primary and supporting activities (Porter 2004; Lanfranchi and Grassi 2022). Primary activities directly contribute to value creation, while supporting activities enable and coordinate primary activities. Beyond simply mapping activities, the framework aims to identify sources of differentiation and opportunities for reconfiguring activities to enhance competitiveness.

Since Porter's value chain was formulated as a generic industry framework, subsequent literature has adapted to reflect the specific characteristics of the insurance value chain illustrated in Figure 9 (Lanfranchi and Grassi 2022; Eling and Lehmann 2018). The adapted value chain includes activities such as marketing, product development, sales, underwriting, contract administration and customer service, claims management, and asset and risk management as primary activities, supported by functions such as general management, IT, human resources, controlling, legal, and public relations. Noticeable is that the insurance value chain implicitly highlights that value creation in insurance is not necessarily confined to a single organization. Literature emphasizes that market developments such as the emergence of InsurTech firms, algorithmic decision-making, vertically integrated distributors, and increased customer involvement might reshape roles in the value chain (Lanfranchi and Grassi 2022; Eling and Lehmann 2018; Khalisa 2024). This dynamic emerging nature, rather than a static firm-bound one, makes under-

standing of these shifts essential for analyzing how influence over value-creating activities is structured within the insurance ecosystem.



Figure 9. Porter's value chain (Porter 2004), adapted to the insurance industry such as in Lanfranchi and Grassi (2022) and Eling and Lehmann (2018).

Lanfranchi and Grassi (2022) argues that insurers only adapting to developments might satisfy customers in the short term, but threatens long-term survival if they do not proactively innovate to maintain control over ambiguous positions in the value chain, where governance and ownership are not clearly defined. Eling and Lehmann (2018) further note that while core risk-modeling products appear relatively well protected from disruptions, insurers must actively engage with questions regarding their involvement or potential displacement in integrated services. In contrast, successful broker firms differentiate themselves through a broad range of modular and unbundled services, often supported by an international presence (Maas 2010). Core analytical functions, while critical, may be more vulnerable to AI-driven developments, which excel at data analytics and automation, whereas personal activities such as negotiation and relationship management remain difficult to replicate (Khalisa 2024). Since value chain activities can be distributed across multiple actors, influence over how these activities are configured emerges as a structural source of power. Both insurers and brokers must therefore continuously assess their positions within the value chain and determine how to defend, expand, or reorganize them in response to evolving market dynamics.

Taken together, literature suggest that this type of coordination, influence, and

ownership of activities emerges as a source of power within the value chain. This thesis will refer to such power as structural power.

2.3 Developing Strategic Responses to Market Shifts

2.3.1 Resource Based View

The resource based view (RBV) proposes that sustained competitive advantage stems from internal resources, and is based on the assumptions that such resources are heterogeneous and immobile across an industry (Barney 1991). In contrast to externally oriented perspectives, which assume that firms within the same market have access to similar resources and capabilities, RBV emphasizes internal differences as the primary source of performance variation. Competitive advantage arises when firms possess resources that are valuable, rare, imperfectly imitable and non-substitutable. Such resources may be categorized as either tangible physical assets or intangible assets, including intellectual property, brand reputation, relational capital, and trademarks (Jurevičius 2023). Barney (1991) further refines this classification by distinguishing between three categories of resources: physical capital resources, human capital resources, and organizational capital resources. When these resources are combined to create value in ways that competitors cannot easily replicate, they form the basis of sustained competitive advantage. The resource based view is illustrated in Table 2, and is adapted from the VRIO-framework presented by Johnson et al. (2018). The O in the VRIO represents the organizational support for a certain resource. This refers to the organization's ability to fully utilize the advantages of resources and requires suitable processes, systems, and structure to capture the potential competitive advantage of these (Johnson et al. 2018, p. 88)

Table 2. *The Resource Based View framework, adapted from Johnson et al. (2018, p. 90).*

Is the resource...				
Valuable?	Rare?	Inimitable?	Supported by the organization?	Competitive implications
No	-	-	No ↑ ↓ Yes	Competitive disadvantage
Yes	No	-		Competitive parity
Yes	Yes	No		Temporary competitive advantage
Yes	Yes	Yes		Sustained competitive advantage

While RBV is a general theory of competitive advantage, this thesis applies it to the insurance industry as a lens for identifying strategic resources. Rather than listing which resources are critical, the framework enables a systematic classification of both tangible and intangible assets in alignment with the RBV perspective. By linking these found resources to the insurance value chain provided by Lanfranchi and Grassi (2022) and Eling and Lehmann (2018) in Section 2.2.2, the analysis can assess how control over specific activities may translate into structural power. Similarly, by examining resources embedded within customer interactions and touchpoints, as conceptualized in Section 2.2.1, the study can evaluate how resource configurations underpin relationship power. Resources that do not directly contribute to either relationship power or structural power will still be acknowledged in the analysis.

By mainly focusing on internally controlled resources as the source of competitive advantage, RBV pays limited attention to how such resources are acquired, developed, or constrained through interactions with external actors (Barney 1991; Öztürk and Bağış 2025). In particular, RBV does not account for actor dependencies or the asymmetric power relations that arise when firms rely on others for critical inputs (Öztürk and Bağış 2025). Consequently, while RBV clarifies why certain resources generate advantage, it fails to explain how those resources are shaped by external dependencies. To address this gap, RBV provides a foundation, but will be complemented by the use of Resource Dependency Theory (RDT) to investigate the brokered Swedish SME insurance market.

2.3.2 Resource Dependence Theory

Resource Dependence Theory (RDT) conceptualizes organizations as open systems that depend on external actors for critical resources necessary for survival (Hillman et al. 2009). The core premise of RDT is that to understand organizational behavior, one must understand the "ecology" or context of that behavior. Rather than viewing firms as autonomous entities, RDT emphasizes that organizations are embedded in networks of interdependence, as illustrated in Figure 10. Because survival depends on securing access to externally controlled resources, organizations are constrained by their environment and must actively respond to it. For the insurance market, this implies that the actions of insurers and intermediaries are not isolated decisions but are responses to the resources controlled by the other party.

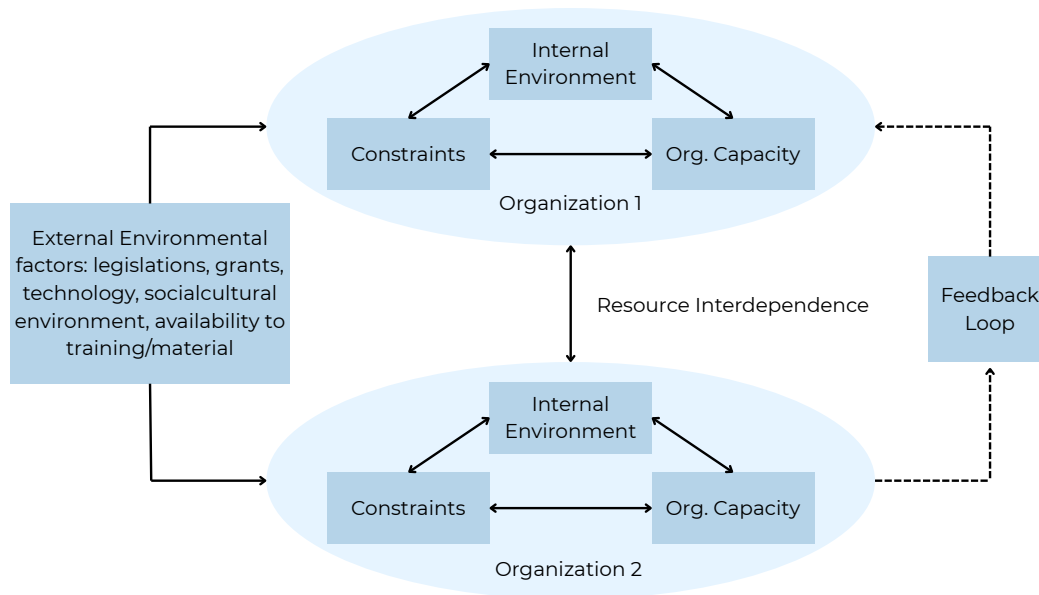


Figure 10. Illustration of the resource interdependence between actors on a market (RDT), adapted from Shah-Nelson et al. (2020).

A central element of RDT is the role of power (Hillman et al. 2009). Power arises from control over resources that others need, value, and cannot easily obtain elsewhere (Davis and Cobb 2010). Dependence and power are therefore two sides of the same relationship: the more dependent one actor is on another for vital resources, the more power the resource-controlling actor possesses. Therefore,

when two organizations rely on each other, such as an insurer needing distribution and an intermediary in need of insurances to sell, they become interdependent. Strategy, from an RDT perspective, is thus not only about efficiency, but about managing asymmetrical power relations (Hillman et al. 2009). Since interdependence generates uncertainty, RDT proposes that organizations should attempt to reduce said uncertainty, minimize dependencies, and increase autonomy by altering the structure of their relationships with key actors.

According to RDT, organizations actively manage environmental interdependencies through a set of strategic mechanisms. Pfeffer and Salancik (1978), originators of RDT, identify five primary methods through which firms reduce uncertainty and restructure power relations: mergers and vertical integration, alliances and joint ventures, board appointments, political action, and executive succession (Hillman et al. 2009).

2.3.2.1 Mergers and Vertical Integration

Mergers represent the most direct form of dependence management. By acquiring suppliers, buyers, or competitors, firms internalize critical exchanges and reduce external uncertainty. Vertical integration extends control over vital inputs or outputs, while horizontal mergers reduce competitive pressures and increase power within the industry (Hillman et al. 2009; Davis and Cobb 2010).

2.3.2.2 Joint Ventures and Alliances

Joint ventures and alliances provide partial absorption of dependence. Instead of full acquisition, firms cooperate to secure access to resources while retaining autonomy. These arrangements reduce uncertainty but maintain interdependence between partners (Hillman et al. 2009).

2.3.2.3 Boards of Directors

Boards function as a co-optation mechanism. Appointing directors who provide access to information, legitimacy, or key external actors, help firms reduce their environmental constraints. Board composition is therefore shaped by external resource needs (Hillman et al. 2009).

2.3.2.4 Political Action

Firms may attempt to manage dependence by influencing regulation and public policy. Through political engagement, organizations seek to “create” a more favorable environment and reduce constraints imposed by the state (Hillman et al. 2009).

2.3.2.5 Executive Succession

Leadership change can serve as an internal response to environmental misalignment. Replacing top executives allows firms to adjust strategy and better cope with external contingencies and shifting power dynamics (Hillman et al. 2009).

Importantly, RDT does not assume that dependence can be eliminated entirely (Hillman et al. 2009). Attempts to manage interdependence inevitably generate new patterns of dependence and new power configurations (Davis and Cobb 2010). The environment is therefore dynamic, and organizations continuously adapt their strategies in response to shifting constraints.

2.3.3 Operationalization of Insights: Dynamic Capabilities

Strategic adaptation in dynamic environments requires more than the possession of valuable and rare resources. While RBV primarily addresses the conditions under which resources generate advantage (Barney 1991), it pays limited attention to how firms renew or transform those resources over time. The dynamic capabilities perspective addresses this gap by focusing on the firm’s capacity to purposefully create, extend, and modify its resource base in response to environmental change (Pitelis and Wang 2019). This shift from resource possession to resource reconfiguration is central when industries are characterized by rapid and uncertain change.

A core distinction within this perspective is between ordinary, or operational, capabilities and dynamic capabilities (Pitelis and Wang 2019). Ordinary capabilities refer to the routines and operational activities that enable firms to “do things right,” such as efficient production or administration (Teece 2014). In contrast, dynamic capabilities concern higher-order processes through which firms “do the right things,” meaning that they reconfigure assets, redirect investments, or shift strategic focus when required. Pitelis and Wang (2019) explicitly emphasize that dynamic capabilities are not merely improved routines but involve the capacity to

create, extend, and modify the organizational resource base. This understanding of capabilities clarifies why adaptation cannot be reduced to operational improvement alone.

The mechanisms through which adaptation occurs are often conceptualized as sensing, seizing, and transforming (Teece 2018), see Figure 11. According to Teece (2018), higher-order dynamic capabilities enable firms to sense emerging technological and market opportunities, seize them by designing and refining appropriate business models, and transform organizational structures accordingly. These processes aggregate and direct lower-level capabilities and resource configurations. In this sense, business model design is not separate from dynamic capabilities but a concrete incarnation of them. Teece (2018) explicitly states that the crafting, refinement, implementation, and transformation of business models are outputs of high-order dynamic capabilities. Strategic adaptation therefore becomes visible through changes in how value is created, delivered, and captured.

Finally, the relevance of dynamic capabilities increases with increasing environmental change. Pitelis and Wang (2019) argue that the rise of the dynamic capabilities view corresponds to a global landscape characterized by rapid and hard-to-predict change. In such contexts, firms must go beyond reacting to external shifts and may actively shape or co-create new market structures. Teece (2018) similarly highlights that dynamic capabilities may allow firms not only to address environmental changes but in some cases to bring them about. Strategic adaptation thus encompasses both reactive realignment and proactive repositioning.

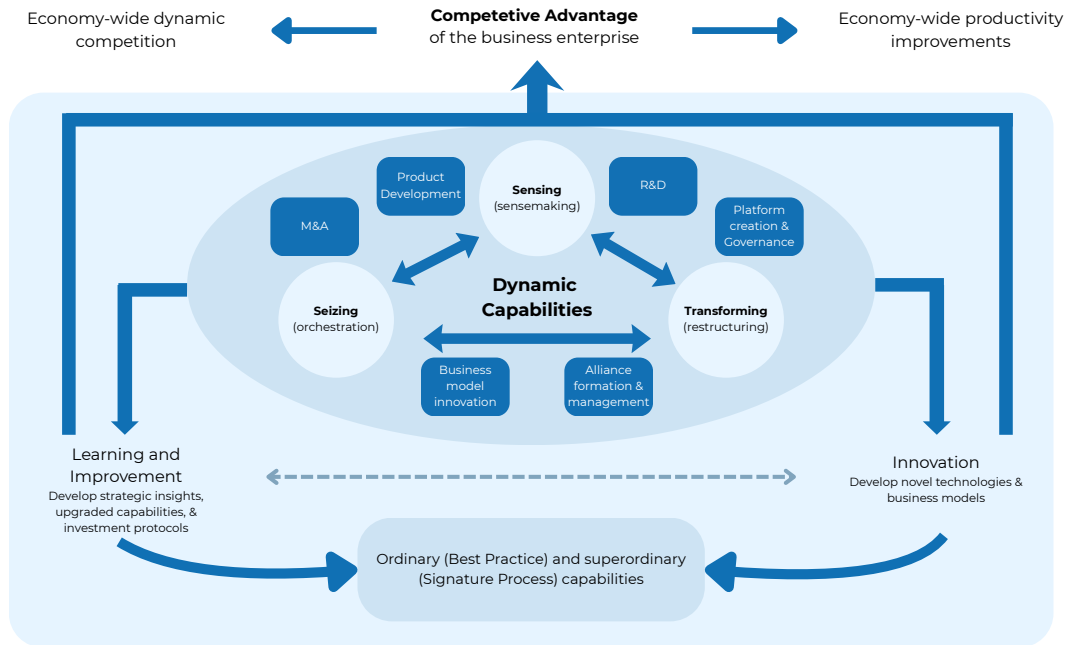


Figure 11. *Dynamic capabilities: taxonomy, components, and key interactions, adapted from Teece (2025).*

3 METHODOLOGY

Figure 12 illustrates Saunders et al. (2023)’s methodology framework for building a coherent method through layering design choices. Driven by a combination of interprevistic and pragmatic philosophies and an abductive approach, this thesis embrace an explorative, qualitative methodology that culminates in semi-structured interviews and document review.

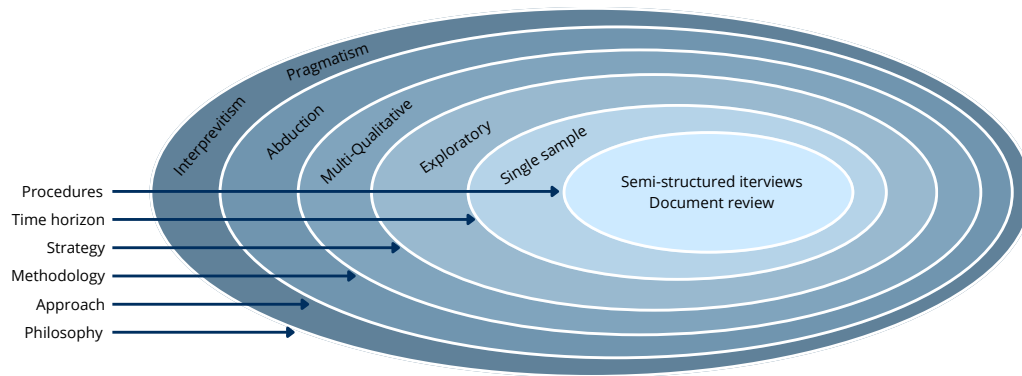


Figure 12. *Research Onion methodology framework, adapted from Saunders et al. (2023).*

3.1 Research Philosophy

Research philosophy is defined by Saunders et al. (2023, p. 131) as “*a system of beliefs and assumptions about the development of knowledge*”. It highlights that throughout the research process, the assumptions and values of the researcher influence all stages of the study, including the formulation of research questions, the choice of methods and the approach to collect data, making it essential to explicitly acknowledge and reflect on them. One common way of categorizing these underlying assumptions is through ontology, epistemology, and axiology. Ontology refers to the assumptions made about the encountered reality, and thus lays a baseline for how the world is conceived (Smith 2012). Epistemology instead focuses on the assumptions regarding what constitutes valid and legitimate knowledge and how such is generated and communicated (Moser 2009). Lastly, axiological assumptions revolves around how the researcher’s own values and ethics shape the research process (Saunders et al. 2023, p. 135). Together, the researcher’s positioning within these three categories constitutes a credible research

philosophy (Saunders et al. 2023, p. 131). Commonly used philosophies include positivism, critical realism, interpretivism, postmodernism, and pragmatism.

This study adopts an interpretivistic stance, emphasizing that the complexity of reality is best captured through deeply investigating multiple perspectives rather than focusing on one universal experience (Saunders et al. 2023). It recognizes that reality is perceived differently depending on the stakeholder, and therefore focuses on investigating narratives, social dynamics, and relationships that characterize the Swedish brokered insurance market. Therefore, the interpretivism paradigm resonates well with the exploratory part of this study, as it aims to understand and capture developments in the brokered insurance industry, not as linear causal mechanisms, but as outcomes of the interactive decision making, interests, and strategies of multiple stakeholders with different agendas. By integrating these perspectives the thesis aims to develop a structured understanding of underlying incentives, strategic developments, and narrative trajectories.

However, there are also elements of pragmatic research philosophy in the thesis. Pragmatism builds on the idea that the value of research lies in its ability to support action and contribute to results (Saunders et al. 2023). It is inherently problem driven, and is often initiated by identification of a problem that needs to be solved. In this thesis, the focus on the insurer narrative in changing market conditions reflects this. Thus, since the analysis is not solely aimed at understanding structural shifts, but also understanding possible effects and responses, the thesis combines interpretive understanding of market dynamics with pragmatic orientation toward strategic relevance.

3.2 Research Approach

Research designs are most commonly categorized based on their underlying logic, and divided into one of two approaches: inductive or deductive (Islam et al. 2022, p. 59). Deductive approaches are most commonly associated with quantitative research and use a top-down methodology where a predefined model, hypothesis, or presumption is aimed to be confirmed (Islam et al. 2022, pp. 60–69; Creswell 2014, p. 32). Deduction is therefore well suited for testing causal relationships and evaluating predetermined theories, but require fairly large samples of data (Saunders et al. 2006, p. 117). Inductive reasoning is instead commonly present in qualitative studies and uses a bottom-up approach of allowing theory to emerge from the gathered data without initial presumptions of models for the data to fit

into (Islam et al. 2022). Inductive approaches are practical when there might be a lack of initial understanding or research on a topic, and the research may not be in the position to form a hypothesis to test (Saunders et al. 2006, p. 119).

The abductive research approach has emerged in the intersection of the two designs, with the research approach being neither fully deductive nor inductive, but rather exploratory with some predefined theories, models, or trends as a baseline for the research (Saunders et al. 2023, p. 155). Unlike deduction, which tests hypotheses, or induction, which builds theories from scratch, abduction generates new insights by identifying unexpected findings and constructing explanations for them (Reichert 2005). The abductive research approach is often referred to as the “inference to the best explanation” (Haig 2005), and abductive reasonings reach conclusions about the same type of attributes mentioned in their premises (Haig 2008).

The research methodology of this thesis follows an abductive reasoning as it allows for exploratory research, while also keeping a logical and methodological framework (Timmermans and Tavory 2012). Abduction’s approach of moving between data and theory, making comparisons and interpretations, makes it more iterative than other approaches, suiting the aimed research and allow for conceptual refinements (Saunders et al. 2023, p. 158).

3.3 Methodological Choice

The thesis deploys a qualitative methodology, which aligns with the chosen interpretivistic research philosophy and abductive approach (Saunders et al. 2023, p. 146). Such a methodology allows for in-depth understanding of complex inter-social mechanisms through typically collecting data by allowing sources to freely express their views in language, rather than limited data points (Creswell 2014, p. 32; Miles et al. 2014, p. 30). Hence, a qualitative approach provides flexibility, making it suitable for analysis of the dynamic interactions between actors in the brokered Swedish insurance P&C market.

3.4 Research Strategy

Depending on the purpose of a study it can be either explanatory, descriptive, or exploratory (Saunders et al. 2006, p. 133). With exploratory being the best

approach for investigating a phenomenon or area with limited prior knowledge, or where the nature of the problem is unclear, it's well suited for the thesis's qualitative data collection. Given the academic gaps in the thesis' theoretical foundation, and the research questions beginning with investigating current trends shaping the brokered insurance market in Sweden, an exploratory study was deemed most appropriate as it has the means of finding out "*what is happening; to seek new insights; to ask questions and to assess phenomena in a new light*" (Saunders et al. 2006, p. 133).

3.5 Techniques and Procedures

Qualitative, exploratory methods can take many forms (Creswell 2014, p. 42), but this thesis primarily adopts two types. Semi-structured interviews with key stakeholders across the market contributes as the main method for empirical data collection, enabling capturing of multiple and diverse perspectives. To support this, a document study of prior literature and industry reports are used to identify gaps, provide context and validate the empirical findings.

While interviews present some challenges, such as researcher bias or limitation in views of interviewees (Creswell 2014), their ability to create understanding of relationships between variables and generate qualitative insights, aligned with an exploratory study, made them the most suitable method (Saunders et al. 2006). Document review does not come without limitations, and may present challenges in protected information not being available or materials being incomplete. However, as a time effective option it poses a great complement to interviews to fill gaps and triangulate theories (Creswell 2014).

Both data sources have been analyzed following the Interactive Model, illustrated in Figure 15, where data collection is followed by a first cycle and second cycle of analysis (Miles et al. 2014). The first cycle contains systematic coding, with the purpose to categorize, structure, and summarize collected data. The second cycle focuses on the identification of patterns in order to enable meaningful conclusions. By applying the interactive model, the research methodology inherently becomes iterative, which aligns with the selected abductive approach (Saunders et al. 2023, p. 155).

3.5.1 Data Collection

3.5.1.1 Interview Sampling

The interview sampling strategy was configured to ensure all participants had direct relevant experience and exposure to the market and trends being researched. This allowed for the exploratory approach to be applied and research questions answered. In addition emphasis was placed on including participants from all relevant segments of the brokered Swedish SME P&C market to reduce bias and create a holistic understanding of the market evolution and interaction between parties. To structure the sampling, four groups of interest were identified:

- I. Insurance Companies
- II. Insurance Brokers
- III. Industry Experts, e.g. representatives of industry organizations or retired executives
- IV. Managing General Agents (MGAs)

The perspectives of SME companies were excluded as a representative selection of interview candidates could not be formed. Respondents stated that they "*did not have sufficient knowledge about the subject*" to provide any meaningful insight, pointing at the knowledge asymmetry between the end customer and insurance providers and brokers. To address this limitation, the interview guides included questions exploring how other respondents identified end-customer needs and how they responded to this knowledge asymmetry. However, it turned out that interviewees had limited insight into end-customer preferences and desires, resulting in need for further research in this area.

Justifying the number of qualitative interviews in academic research is best approached through the concept of data saturation rather than a fixed numeric rule (Guest et al. 2006; Hennink and Kaiser 2022). Although the concept of saturation is useful at a conceptual level, it offers limited practical guidance regarding exact sample sizes in qualitative research (Guest et al. 2006). While few studies claim there is a set number of interviews required for a successful qualitative study, some state guiding sample sizes until saturation is reached, creating a baseline for this thesis' sample. In an empirical study Guest et al. (2006) map how previous

work determines sample sizes. Prior studies commonly suggest that saturation in purposive qualitative sampling may occur within approximately 5 to 25 interviews, depending on factors such as research design, sample heterogeneity, and the complexity of the phenomenon under study (Bertaux 1981; Morse 1994; Creswell 1998; Kuzel 1992; Hennink and Kaiser 2022).

Importantly, alternative research emphasizes that adequacy should not be assessed solely through the number of interviews, but rather through the informational richness and relevance of the collected data (Malterud et al. 2016). When participants offer deep, relevant perspectives, fewer interviews may be required, and similarly when the phenomenon under study is complex or highly variable, more interviews strengthen interpretive confidence. In line with this reasoning, the study sought to include representatives from the most significant actor groups within the Swedish brokered insurance market, resulting in interviews with key insurers, brokers, MGAs, and industry experts.

In total, 22 individuals were interviewed during March 2026. As the data collection progressed, recurring patterns and themes became increasingly evident, while the marginal contribution of additional interviews gradually declined. Several central themes, such as market consolidation and regulatory development, displayed clear signs of saturation relatively early in the process, with substantial thematic overlap emerging after approximately eight interviews. At the same time, new perspectives and nuances continued to arise throughout the later interviews, particularly in relation to future strategic implications and market developments. Details regarding the conducted interviews and interviewees are presented in Table 3.

Table 3. Overview of Interviewees

Segment	Name	Organization	Role
Experts	Henrik Rydén	Marsh McLennan	Chairman
	Georg Ebert	Risk & Försäkring	Publisher
	Magnus Björkman	InsureSec	CEO
	Håkan Holmström	Trygg-Hansa & If	Ex Head of Brokered Sales
	Glenn Nilsson	SFM	Vice CEO
	Tove Hässler	SFM	CEO
	Gunnar Loxdal	Sak & Liv	Publisher
Insurers	Interviewee A	If	Key Account Manager
	Michaela Fruergaard	Folksam	Head of Commercial Lines, Non-Life
	Anders Danielsson	Trygg-Hansa	Head of Sales, Commercial Lines
	Björn Schedwin	LF Mäklarservice	CEO
	Interviewee B	Anonymous	Senior Executive
	Mattias Fritz	Zurich	CEO Nordic
	Johan Kjellberg	Gjensidige	Director Commercial Lines
	Robert Lindström	If	Head of Brokered Sales
	Sofia Bodén	If	Team Leader SME Sales
Brokers	Mathias Öhman	Ewiga	CEO
	Joakim Fick	Max Matthiesen	Head of Risk & Compliance
	Interviewee C	Söderberg & Partners	Business Developer
	Interviewee D	Marsh	Executive
	Mats Andersson	Hjerta	Chairman
MGAs	Kajsa Peedu	Dual Nordics	Managing Director

The sample was constructed through a combination of purposeful and snowball sampling. The initial sample was constructed out of several representatives from each interview segment, and then expanded through snowballing. This ensured the study included targeted expertise while still allowing for an exploratory approach and serendipitous insights (Robinson 2014).

Purposeful sampling refers to a non-random strategy in which the researcher deliberately selects participants who are expected, based on prior theoretical understanding, to offer relevant, information-rich perspectives on the phenomenon under study (Robinson 2014), see Figure 13 for a visualization. Robinson (2014) emphasises that the rationale for purposive sampling is the assumption that certain groups may hold “*a unique, different or important perspective*” and therefore should be intentionally represented in the final sample.

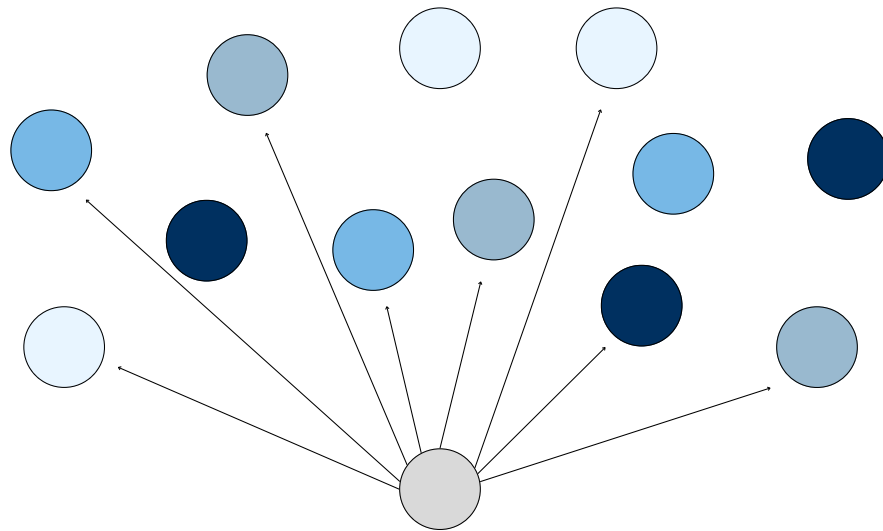


Figure 13. *An illustration of purposeful sampling demonstrating the selection of individuals from key segments, distinguished in the illustration by color.*

This thesis purposefully targeted individuals with roles of interest from the key groups identified, such as representatives from insurers, insurance brokers and industry organizations. Selecting individuals from diverse roles and key groups helped the study capture a diverse perspective on the ongoing changes and market dynamics. A combination of fewer actors and a lower willingness to participate within the broker segment resulted in a slightly higher proportion of insurer respondents. This may have introduced a degree of response bias. Furthermore,

MGAs arose as a group of interest during the early interviews, and although additional MGA actors were contacted, it was not possible to schedule interviews, resulting in the MGA perspective being represented by a single respondent.

Snowball sampling, also called chain-referral or chain sampling, is a recruitment technique in which existing participants refer the researcher to additional individuals who meet the study's inclusion criteria, thereby creating "referral chains" (Heckathorn 2011), see Figure 14. Robinson (2014) describes snowball sampling as particularly useful when studying hard-to-reach or hidden populations, or as in this thesis' case some perspectives that are not particularly visible to the public. While snowball sampling can improve access and recruitment, it may also introduce bias by over-representing interconnected networks within the sample, and therefore requires careful reflection in relation to validity and transparency (Biernacki and Waldorf 1981).

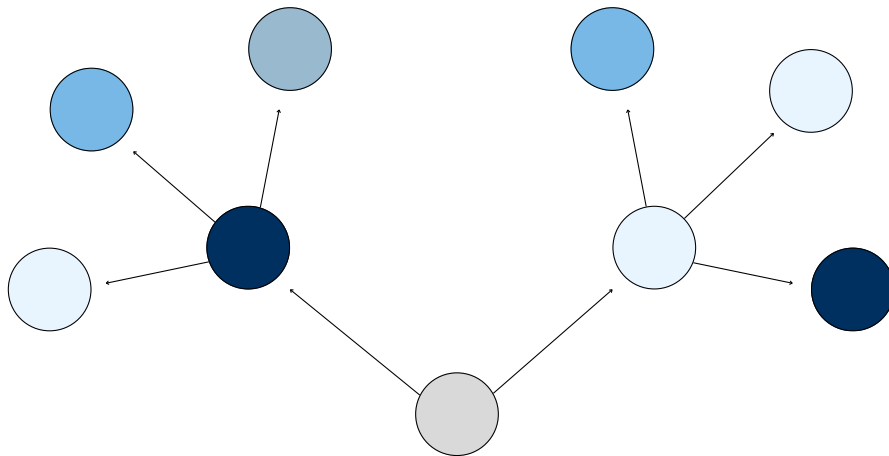


Figure 14. A visual representation of Snowballing, displaying how interviewees are recruited through referrals.

In this thesis, snowball sampling was deployed by inviting the initial interviewees to suggest additional individuals within their professional networks who possessed relevant knowledge connected to the research questions. Through these referrals, the sample was broadened while maintaining variation in experiences and perspectives.

3.5.1.2 Interview Preparation

The interview protocols, see Appendices I–III, were developed in advance of the interviews and functioned as a guiding foundation for the conversations. Separate versions were designed to reflect the specific characteristics and perspectives of each group of interviewees. As MGAs are a type of intermediary, interview guide II was used for that interview.

- I. Insurance Companies
- II. Insurance Brokers & Intermediaries
- III. Industry Experts, e.g. representatives of industry organizations or retired executives

All interviews were designed with open ended questions and suggested follow up questions to explore key themes. With the interviews being semi-structured, the interview guides provided a framework for the conversation while still providing the freedom to further elaborate and discuss new and unpredicted themes, and for the conversation to develop organically based on the interviewee's insights. (Saunders et al. 2006).

Prior to each interview, background research was conducted on both the individual respondent and their organization. Reviewing sources such as company reports, news articles, and websites helped the interviewers formulate more precise and context-specific questions. This preparation not only improved the relevance of the discussion, but also signaled professionalism, which can contribute to building trust and encouraging a more open dialog (Saunders et al. 2006).

Practical and ethical considerations were addressed in advance of each interview. Participants were informed about the study's purpose, confidentiality procedures, and their voluntary participation, and consent was obtained accordingly, often already during the scheduling phase (Saunders et al. 2006). Additionally, a selection of central questions was shared beforehand to give respondents an overview of the topics to be discussed. These questions were selected to provide transparency without disclosing potential follow-up questions, thereby reducing the threat of influencing or shaping participants' responses in advance.

3.5.1.3 Interview Execution

Interviews were conducted face-to-face virtually with all participants individually to allow for personal interaction while also accommodating varying schedules and geographical locations. The interviews lasted between 45-60 minutes, and the majority of interviews were recorded and transcribed, allowing the interviewers to focus fully on the conversation (Greener and Greenfield 2016). When recordings were not an option, one interviewer led the questioning while the other took careful notes making sure the entire conversation had been covered. All interviews were conducted in Swedish, and relevant quotes were then translated into English to be used in the report.

During the interviews active listening was practiced to give the respondent space to elaborate while also picking up on comments relevant to the research topic (Saunders et al. 2006). A respectful and trusting atmosphere was prioritized by starting with simple, non-sensitive questions before moving into more complex topics (Greener and Greenfield 2016). Open-ended and concrete questions encouraged respondents to describe real experiences, while follow-ups deepened reflections. When applicable, interviewees were encouraged to provide examples or applications of their statements to further contextualize observations.

Throughout the interviews, the researchers engaged in continuous reflexivity, critically reflecting on how their theoretical perspectives and personal assumptions might influence both questioning and interpretation (Saunders et al. 2006). By maintaining a neutral stance and carefully framing the research questions, the impact of potential bias was mitigated, although not entirely eliminated. In the early process, they recognized a tendency to steer discussions toward emerging themes to fit theoretical frameworks, as well as the possibility that implicit assumptions could limit deeper exploration of certain topics. By remaining aware of these tendencies, they sought to mitigate bias and ensure a more balanced and reflective discussion.

3.5.1.4 Data Triangulation

To enhance the credibility of research findings, data triangulation is a useful application where additional methods or data sources are used to increase the credibility and validity of a study (Akkaş and Meydan 2024). In a qualitative study data triangulation can also create a deeper understanding of complex social phenomena by filling in the blanks from the primary data source and create a

holistic understanding of the research problems. This thesis applies documentary secondary data in addition to the primary data from the interviews for data triangulation (Saunders et al. 2006). A document review of existing literature, both academic and news oriented, allowed the authors to broaden their understanding of the findings.

Incorporating data from multiple sources allowed for contextualization of findings, and for the study to cover broader market trends. Through integrating multiple sources, data triangulation allowed the researchers to view their findings from several perspectives, further reducing bias, deepening the analysis and leading to more well-grounded conclusions (Akkaş and Meydan 2024).

3.5.2 Data Analysis

The qualitative data analysis was conducted in alignment with the methodology described by Miles et al. (2014), which conceptualises analysis as three interrelated workflows:

1. Data condensation
2. Data display
3. Drawing and verifying conclusions

As emphasized by Miles et al. (2014), the process is iterative rather than linear. Given that data collection was carried out over approximately three weeks, elements of analysis were conducted in parallel with the collection phase. By iterating between the three analytical flows and adapting the process to this interview-based study, findings gradually emerged in line with the study's abductive research approach. Figure 15 illustrates the overall data analysis process adapted by Miles et al. (2014).

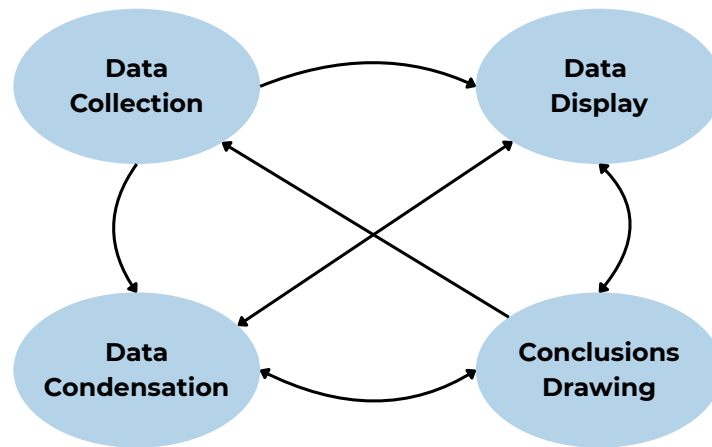


Figure 15. *The interactive model for qualitative data analysis, adapted from Miles et al. (2014).*

3.5.2.1 Data Condensation

Miles et al. (2014) define data condensation as:

"the process of selecting, focusing, simplifying, abstracting, and/or transforming the data that appear in the full corpus" (p.31)

In this study, data condensation began with the transcription of interview recordings using the digital tool Klang, where responses were saved. The transcripts were subsequently reviewed to ensure accuracy and to develop a holistic understanding of the material, as well as enabling initial pattern identification.

In line with the abductive research approach, combining inductive and deductive elements (Saunders et al. 2006), a coding framework was then developed. This framework was structured around the research questions and consisted of themes, subthemes, and, where necessary, more granular codes, see Appendix IV-VI. It included both predefined categories derived from the theoretical framework and background research, as well as inductively generated categories that emerged during the analysis. Furthermore, once new areas of interests were discovered and conclusions were drawn, they were used to continuously sharpen interview questions for remaining interviews to further deepen the insights gathered. Ultimately, this resulted in conclusions impacting the data collection throughout the

study, similar to how it is illustrated in Figure 15.

Relevant and illustrative quotes were systematically assigned to the appropriate categories within the framework. As new themes emerged, the framework was iteratively expanded while maintaining a structured and, as far as possible, mutually exclusive and collectively exhaustive categorisation. This step combined coding and thematisation, while simultaneously initiating the analytical process through the identification of recurring patterns and dominant perspectives.

3.5.2.2 Data Display

According to Miles et al. (2014), data display is:

“an organized, compressed assembly of information that allows conclusion drawing and action” (p.31)

To structure the extensive dataset, consisting of 505 individual quotes, the data were organized in a matrix format. Additional dimensions, such as the respondent’s actor type (e.g. insurer, broker, or expert), were included to enable systematic comparison across perspectives. This facilitated the identification of similarities, differences, and role-dependent viewpoints within the data.

Following the completion of the coding framework, visual representations, such as Table 4, were developed to synthesize and communicate the underlying patterns in a more accessible and structured format. These displays played a central role in enabling cross-case comparison and supporting higher-level analytical insights, as well as structuring the results chapter.

Table 4. Summary of research questions, themes, and subthemes with a priori (light) or in vivo (dark) specification.

Research question	Theme	Subtheme
RQ1 Key trends	Broker Development	Growth
		Consolidation
		PE-ownership
		Centralization
		Firm Internal Politics
	Digitilization	Future Speculations
		Emerging Solutions
		Industry Impact
	Regulatory	Compliance
		M&A
		Licensing
	Customer behavior	Demand
		Purchase patterns
	Product Development	Facilities
		Services
RQ2 Impact	Relationship power	Europe Benchmark
		Determining Turnover
		New Risks
		Insurance Companies
	Structural power	Brokers
		Awareness
		Consideration
		Service
		Loyalty
		Marketing
		Product development
		Sales
		Underwriting
		Admin & Service
	Market Dynamics	Claims
		Asset & Risk management
		Ecosystem Solution
		Dependencies
RQ3 Response strategies	Strategy	Internal Competition
		Broker Power
		Sales
		Ecosystem
	Capabilities	Customer
		Organization
		Insurers
	Critical Resources	Brokers
		Human Capital
		Technology

3.5.2.3 Drawing and Verifying Conclusions

The final analytical stream, drawing and verifying conclusions, is described by Miles et al. (2014) as:

"the process of interpreting meaning through identifying patterns, causal relationships, and emerging propositions" (p.32)

Conclusion drawing occurred iteratively throughout the study, but became more explicit during the structuring of the empirical findings chapter. At this stage, emerging interpretations were continuously verified by revisiting the raw data, to ensure that conclusions were grounded in the empirical material and not driven by selective interpretation.

Particular attention was given to role-based bias, as respondents' perspectives were often shaped by their organizational positions. Rather than eliminating such bias entirely, it was used to highlight differences in perspectives across actor groups. It should also be noted that the sample included a relatively higher representation of insurers compared to brokers. This reflects both the structure of the market and limitations in access, as interviews with certain brokerage firms could not be conducted.

The data analysis concluded by progressing from defining overarching themes and headings to constructing subheadings, paragraphs, and identifying supporting empirical evidence in Chapter 4. Interview quotes were primarily used to illustrate and verify analytical insights, rather than to constitute the analysis itself. By incorporating perspectives from multiple actor groups, the analysis aimed to provide a nuanced and balanced interpretation of the studied phenomena.

Finally, the empirical findings were analyzed through the lens of theoretical frameworks in Chapter 5 to further analyze the identified patterns for a final wrap up in the conclusion chapter.

4 EMPIRICAL FINDINGS

This chapter presents the empirical findings derived from the conducted interviews and supporting secondary data. It aims to describe how respondents perceive the current state and development of the Swedish brokered P&C insurance market, with a particular focus on the SME segment.

The findings are structured around key themes that emerged from the data, reflecting recurring patterns across insurers, brokers, MGAs, and industry experts. Where relevant, variations in perspectives are highlighted to illustrate differences in how market actors interpret ongoing developments.

The chapter is intentionally descriptive and remains close to the empirical material. Direct quotations are used to preserve nuance and ensure transparency. The empirical findings then form the foundation for further analysis in Chapter 5.

Unless otherwise stated, all interview quotes have been translated from Swedish to English by the authors.

4.1 Market Developments

4.1.1 Market Consolidation

4.1.1.1 The Consolidation Wave: Shrinking Number of Broker Entities while Expanding Brokerage

A central and widely agreed-upon trend across all interviews is the ongoing consolidation of the Swedish insurance brokerage market. While the total number of individual brokers has increased to record levels, the number of legal brokerage entities has declined significantly. Svenska Försäkringsförmedlare (2025), who represent 72% of all Swedish brokers, report that they've seen a decrease of 71.5% in number of member firms between 2010-2024, while the number of individuals working as brokers have increased by 20% over the same time period. This reflects a structural shift from a fragmented market of small, often employee-owned firms, toward one dominated by a few large, consolidated groups. This has led to a few large firms sharing the majority of the market, with players such as Söderberg & Partners, Max Matthiessen, Säkra, Tydliga, and Hjerta rapidly increasing their revenue and having created both advisory capacity and market influence in their

position (Ebert 2025c).

Figure 16 in addition illustrate the revenue growth of Sweden's largest brokers, Söderberg & Partners, Max Matthiessen, and Säkra, alongside global firms Aon, Marsh and WTW's Swedish business over the past two decades. The figure highlights the rapid growth of certain players, most notably Söderberg & Partners.

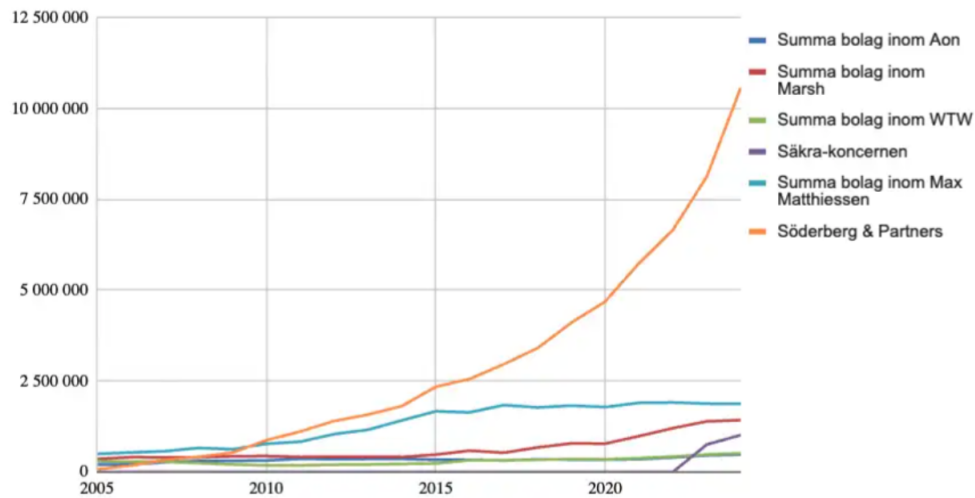


Figure 16. Revenue growth (in thousands of SEK) for the largest brokers on the Swedish market (Ebert 2025c).

This consolidation has largely been driven by acquisitions, where larger actors systematically acquire smaller, independent brokerage firms. As a result, individual brokers increasingly operate within larger corporate structures rather than as part of standalone entities. This indicates not only a consolidation of ownership, but also a centralization of customer relationships and distribution power.

“The number of companies and legal entities is decreasing, but the number of brokers is increasing. And that in itself is also a sign, or a trend, that insurance intermediation is important and that it remains a growing industry.”

— Tove Hässler, Expert

“The big thing is consolidation, where the mid-sized firms have swallowed the small ones, and the large ones are swallowing the mid-sized.”

(...) The number of brokers, as in people working as brokers, has probably never been higher than it is today. At the same time, the number of brokerage firms is at its lowest level in many years.”

— Björn Schedwin, *Insurer*

“If you go back to 2018, when the Insurance Distribution Act came into force, we had close to a thousand [intermediary firms](...) today there are fewer than fifty, (...) there has been an enormous consolidation. (...) There have been an incredible number of acquisitions of primarily small intermediary firms by Säkra, Max [Matthiessen], Söderberg [& Partners], and also by those that have joined the more loosely structured organizations like Hjerta and Tydliga.”

— Magnus Björkman, *Expert*

The Swedish market is however not viewed as an isolated case, but rather as part of a broader European consolidation trend. Several respondents highlight that similar developments are unfolding across other insurance markets, suggesting that consolidation is structurally driven rather than context-specific.

“Germany (...) is about ten years behind Sweden (...) but now there’s a massive race underway (...) It’s the same in the UK (...) that trend is clear across all of Europe.”

— Henrik Rydén, *Expert*

Despite there being a strong consensus around the existence and impact of the consolidation, there is less agreement regarding its future trajectory. Some respondents suggest that the most aggressive phase of consolidation may be nearing completion, while others argue that further concentration is inevitable. In particular, smaller brokers that remain independent are expected to either be acquired, exit the market, or gradually phase out through generational shifts.

“I don’t think there will be five [major brokers] in five years. . . I think there will be fewer.”

— Mathias Öhman, *Broker*

“The small brokerage firms that haven’t joined forces (...) will be pushed out or gradually fade away (...) client portfolios will be transferred (...) there will be fewer [firms].”

— Anders Danielsson, *Insurer*

At the same time, consolidation does not necessarily imply a reduction in entrepreneurial activity. Several respondents note that new brokers continue to enter the market, often operating under larger “umbrella” structures, such as Hjerta or Tydliga, rather than as fully independent firms. This suggests that consolidation and market entry can coexist, but within an increasingly centralized ecosystem.

“There will be greater concentration (...) You can still be an independent broker but be part of an umbrella structure (...) we’ve already seen that.”

— Michaela Fruergaard, *Insurer*

“To some extent, it’s a continued consolidation because entirely new brokers keep emerging all the time. So I believe that will continue.”

— Interviewee D, *Broker*

Finally, consolidation is closely linked to underlying economic pressures. Growth goals and increasing regulatory demands are pushing brokers toward scale, as larger volumes are pursued while ensuring compliance and service quality. This further reinforces consolidation as a structural necessity rather than a temporary phase.

“Margins (...) will decrease (...) it requires increasingly higher volumes (...) and there is a limit to how much volume you can sustain.”

— Mathias Öhman, *Broker*

Overall, the findings indicate a clear shift toward a more concentrated brokerage market, characterized by fewer firms, more brokers, and increasing dominance of large intermediary groups. While the pace of consolidation may vary, its direction appears both robust and structurally embedded.

4.1.1.2 Regulatory Pressure and Private Equity: The Engines of Consolidation

There are several drivers for the consolidation of the Swedish brokerage market, but according to the interviewees it is primarily a result of two reinforcing underlying drivers: increasing regulatory pressure and the emergence of private equity (PE). Across all interviews, these forces are consistently described as the primary “push” and “pull” mechanisms shaping market development.

Private equity emerges as the key enabling force behind the speed and magnitude of consolidation. The Swedish brokerage market has historically been widely perceived as highly attractive to PE investors due to its relatively high margins, recurring revenue streams, and strong opportunities for scaling. As a result, several of the largest brokerage groups are now owned or backed by private equity, fundamentally reshaping the ownership structure and strategic logic of the industry.

"The consolidation of brokers has been driven by private equity becoming owners of these firms and expanding very rapidly through acquisitions."

— Henrik Rydén, *Expert*

"Whenever someone is making a lot of money, others will always want a share of that pie. That's when these PE firms, private equity firms, realize that this is an industry where significant profits are being made."

— Johan Kjellberg, *Insurer*

"Regulation has also created a playing field for a type of actor we haven't seen before, relatively large private equity firms that are now present on the ownership side of companies like Söderberg & Partners, Max Matthiessen, and Säkra."

— Mathias Öhman, *Broker*

"There is also international interest in the Swedish insurance market. Large international players, sometimes private equity firms, are entering to invest in and acquire companies in Sweden. In that sense,

the Swedish insurance market is clearly attractive, and we are seeing that."

— Tove Hässler, *Expert*

Relying on organic growth in a fairly mature market like insurance for rapid expansion is difficult, making PE-backed firms pursue acquisition strategies to rapidly scale, consolidate market share, and increase enterprise value ahead of potential exits. This introduces a growth logic where consolidation is not only a response to external pressures but also an intentional, capital-driven strategy. Therefore, private equity acts as the primary accelerator of consolidation, enabling a pace and scale that would otherwise not be achievable.

"The three largest Swedish brokers are private equity-backed. Private equity wants growth. That can be achieved either organically or structurally. Organic growth is typically the more difficult route, especially in a market that is already quite mature and has been for a long time. Structural growth is therefore the alternative."

— Joakim Fick, *Broker*

In parallel, regulatory expansion, particularly following the implementation of EU directives such as Insurance Distribution Directive (IDD), General Data Protection Regulation (GDPR), and Anti-Money Laundering (AML), has significantly increased the operational complexity of running a brokerage firm. This has created a compliance barrier, where the cost, risk, and administrative burden associated with regulatory compliance disproportionately affect smaller firms. As a result, scale has become a prerequisite for survival, as only larger organizations can produce investments in dedicated compliance functions, legal expertise, and system support.

"The consolidation is impossible to ignore, and it is driven by much stricter regulatory requirements, particularly IDD."

— Georg Ebert, *Expert*

He further adds:

"GDPR increased documentation requirements enormously (. . .) so it suddenly became much tougher to operate as a broker."

— Georg Ebert, *Expert*

"The barriers to entering the market have become much higher. Partly because the market itself has demanded it. (. . .) Brokers in the market took the initiative to establish a self-regulatory body called InsureSec, committing to oversee industry actors. Combined with IDD, which came into force in 2018, MiFID II also in 2018, along with AML and sustainability regulations, this has made it costly and risky to operate as a small, independent firm."

— Joakim Fick, *Broker*

"A far from insignificant part [of the consolidation] is regulation-driven. Documentation requirements have multiplied over the past 20 years. Much of this is positive. (. . .) [IDD] is something beneficial, but it requires strong system support to avoid becoming almost unmanageable. And system support requires resources, which makes it more difficult for smaller independent players."

— Mathias Öhman, *Broker*

Collectively, these insights position regulation as the primary structural forcing mechanism that raises barriers to entry and gradually eliminates smaller, independent actors or pushes them toward integration into larger groups. While regulation is widely viewed as beneficial both from a consumer protection and market perspective, and is heavily broker driven, it simultaneously accelerates market concentration by increasing the minimum efficient scale required to operate.

These two forces are also mutually reinforcing. Private equity provides the capital and strategic intent to consolidate, while regulation increases the necessity of scale. Together, they create a self-reinforcing cycle in which smaller firms are either acquired, exit the market, or struggle to remain competitive, while larger players continue to expand.

4.1.1.3 Structural Professionalization and the Centralization of Value

Beyond consolidation in ownership, the findings indicate an increasing professionalization of the brokered market and a shift toward more corporate, centralized

operating models. This development unfolds along two interrelated dimensions: professionalization, referring to how brokerage services are delivered, and centralization, referring to where value creation and control reside within the value chain.

The first dimension, professionalization, captures the transition from a historically fragmented relationship-driven market, often centered around individual brokers and their individual way of working, toward standardized process-driven organizations. Respondents describe how the regulatory driven consolidation has contributed to improved governance, clearer processes, and higher quality standards across the industry. This includes the implementation of structured advisory frameworks, increased focus on compliance and risk management, and more streamlined and scalable customer offerings.

"There has been a fairly strong and clear consolidation. (...) This has led, in my view, to a higher degree of professionalization. (...) organizations have streamlined and optimized their customer offering, both in relation to the customer, by delivering better services, but also by placing clearer demands on insurance companies."
— Joakim Fick, Broker

"[Consolidation] is both positive and negative (...) The positive aspect is that there is now significantly better order and structure. Quality functions have been introduced in the industry over the past 10–15 years that did not exist in the beginning."
— Mathias Öhman, Broker

"Another [driver of consolidation], I believe, is the demand for efficient solutions, efficient products, and higher expectations, simply more professional intermediaries."
— Magnus Björkman, Expert

This professionalization is further reinforced by increased emphasis on continuous education and competence development. The introduction of regulatory frameworks, such as IDD, has aligned standards across market participants, while also raising expectations on ongoing training, certification, and documentation practices.

"Since [IDD] was introduced, all insurance distributors operate under the same legislation and regulatory framework. That was not the case before 2018, when there was one framework for brokers and another for employees of insurance companies."

— Mathias Öhman, Broker

"A third aspect where consolidation is not strictly necessary, but certainly helpful, is education. Ensuring that those of us working in the industry remain up to date through continuous training so that we maintain the right knowledge and competence."

— Mathias Öhman, Broker

The quality and educational requirements are monitored and maintained through the market's self-regulating organization InsureSec.

"We [InsureSec] issue licenses and certificates. Licenses apply to insurance intermediaries. Once licensed, individuals are not only required to complete our tests, both initial and annual knowledge assessments, but are also subject to our ongoing supervision and disciplinary procedures."

— Magnus Björkman, Expert

The second dimension, centralization, in contrast relates to how value creation is increasingly shifted away from the individual broker toward the organizational level. Brokerage firms are becoming more corporate in nature, with centralized platforms, shared infrastructure, and formalized processes, where key functions such as IT systems, product development, and negotiations with insurers are handled at the group level rather than by individual advisors.

"Consolidation (...) has essentially turned this market upside down. (...) Brokers have realized that their operations are highly inefficient when each individual broker operates as a small, independent business across different locations. There are enormous economies of scale in building larger broker organizations. (...) What Söderberg did was to invest in a platform. This means everything is handled centrally. The local broker (...) inputs the customer's needs into the

system, presses a button (. . .) and the only thing the broker really needs to focus on is developing the relationship with the customer, (...) resulting in a much more efficient process."

— Mattias Fritz, *Insurer*

"Instead of everyone negotiating their own insurance policies, terms, liability coverage, and products individually, perhaps we should consolidate this and create some form of interest organization, an overhead structure that handles these activities. (. . .) That was really the starting point of everything. It wasn't consolidation initially, but rather an interest organization designed to support negotiations and give these individuals working within Hjerta more bargaining power."

— Mats Andersson, *Broker*

"A brokerage chain has traditionally functioned as a franchise. The dilemma in a franchise model is determining where value is created, at the franchisor or the franchisee level? (. . .) In recent years, we have clearly seen a shift toward asking how more value can be created centrally, not only by increasing central value creation but also by redistributing the value in a way that allocates a larger share to the franchisor."

— Anders Danielsson, *Insurer*

However, this development is not unambiguously positive. While professionalization is broadly viewed as improving quality, efficiency, and compliance, the centralization of value creation is more debated. Several respondents, particularly from the insurer side, raise concerns that increased standardization and central control threatens to undermine the relational foundation of the brokerage model, where trust-based, long-term customer relationships have historically been central.

"They can push down prices, but is that really the role of the advisor?"

— Håkan Holmström, *Expert*

"Historically, in order to build a business with a broker, whether in Jönköping, Sundsvall, or elsewhere, you as an insurance company

needed to build a relationship and trust with them. (. . .) That cannot be done from a single location in Sweden, sitting in Stockholm."

— Mattias Fritz, *Insurer*

Interviewees highlight that formalizing broker processes and infrastructure is not necessarily a replacement for local presence, but that a combination is most valuable. Some players, insurers and brokers alike, even highlight that their own organizations remain more decentralized, reflecting a continued reliance on local presence and customer proximity.

"This is essentially our DNA. We are actually twenty-three fully autonomous insurance companies (. . .) that collaborate under a common brand. (. . .) It would have been difficult for Länsförsäkringar to operate in the broker market without us [broker service] acting as the interface toward brokers. (. . .) These twenty-three entities are not uniform, they can pursue different strategies (. . .) what do you want to achieve in your specific region? (. . .) there is a certain diversity there."

— Björn Schedwin, *Insurer*

"Why do they [the three large brokerage firms] have so many offices? (. . .) they are present in almost every small town, to be honest. (. . .) I believe that, for the foreseeable future, most customers still want a personal relationship with someone they trust. (. . .) many insurance companies have reduced their local presence, much like banks have done. In that context, local insurance brokers have stepped in to fill that gap."

— Henrik Rydén, *Expert*

The findings therefore suggest that consolidation has not only transformed the structure of the brokerage market, but also reshaped both how brokerage services are delivered and where value is created and controlled. While professionalization has led to improved quality, standardization, and more efficient service delivery, centralization has shifted bargaining power and value capture toward larger, more corporate broker organizations. This development however introduces a tension. Although centralized models enable scale and efficiency, the importance of local

presence and trust-based customer relationships remains highly relevant. As such, the future brokerage model appears to be characterized not by a full replacement of relational dynamics, but by a balance between centralized capabilities and localized customer interaction.

4.1.2 Facilities and an Increasingly Brokered SME Segment

4.1.2.1 Emergence of Facilities and Group Solutions

A central development within the increasingly brokered SME segment is the rise of so-called facilities and group solutions, representing a shift toward standardization of insurance. Broadly defined, facilities refer to pre-negotiated insurance solutions where risks from multiple clients are aggregated into a single portfolio and placed with an insurer under standardized terms (Lindström, 2026). Rather than underwriting individual risks separately, insurers assess and price the portfolio as a whole, enabling a more streamlined and scalable distribution model.

While often perceived as a relatively recent phenomenon, respondents emphasize that the underlying logic of facilities is not new. Historically, similar arrangements existed in the form of coordinated procurement, where brokers aggregated demand across clients. However, what distinguishes the current wave is the scale, formalization, and strategic importance of these solutions, with many broker firms now developing their own proprietary facilities.

"Portfolios and facilities have existed in the market for at least twenty years (. . .) Back then, it was referred to as coordinated procurement. What has happened now is that this has evolved to the point where almost every brokerage firm has its own solution, its own facility, and so on."

— Kajsa Peedu, MGA

"They realized that they could bundle everything into a mixed bag. (. . .) Naturally, everyone becomes very interested, given the brokers' strong distribution power. (. . .) As a result, there has been a major shift from assessing individual risks to now working with procured pool solutions."

— Johan Kjellberg, Insurer

At its core, the emergence of facilities reflects a shift from a traditional “single-risk” underwriting logic toward a portfolio logic, where risks are bundled and treated collectively. This enables brokers to standardize offerings and distribute insurance more efficiently, particularly within the SME segment where individual risks are smaller and more homogeneous.

"[The facility] creates a way for the broker to distribute insurance in a simplified manner. The procurement has already been completed beforehand, which means brokers can more easily handle smaller risks."

— Anders Danielsson, *Insurer*

"If you take a simple setup, no further customization is made. Instead, this is simply the product that is being offered."

— Interviewee B, *Insurer*

This portfolio-based approach is closely linked to a broader standardization of insurance. Rather than tailoring solutions to each individual customer, facilities rely on standardized products with predefined terms and pricing mechanisms. This allows for faster decision-making, reduced complexity, and increased scalability, but also implies a shift away from tailored underwriting.

"These facilities have driven standard products much more than tailored solutions."

— Kajsa Peedu, *MGA*

"Facilities and group solutions are often about simplifying data flows. You may not receive the data you are used to. You don't want to use a complex tariff, instead, you prefer a simple formula, something like a small equation (. . .) so that they can have their own simple tool to calculate the price."

— Interviewee A, *Insurer*

From a distribution perspective, facilities significantly lower the operational burden for brokers by pre-packaging both product and pricing. As such, they enable brokers to serve a broader segment of smaller clients more efficiently, while also simplifying internal processes related to quoting, underwriting, and data handling.

4.1.2.2 Brokered Penetration of the SME and Micro segments

A key development enabled by facilities and standardized solutions is the increasing penetration of brokers into the SME and, more recently, micro segments. Historically, brokers have primarily operated within the large corporate segment, while SMEs, particularly smaller firms, were predominantly provided through direct distribution by insurers. However, respondents consistently describe a shift in which brokers have gradually moved downmarket, capturing an increasing share of smaller and less complex risks.

"The broker market has moved much further down into the segments. (. . .) The traditional SME business was primarily direct distribution. (. . .) What we have seen is that the broker market has gradually penetrated the SME segment, steadily increasing its share over the past 15 years."

— Henrik Rydén, *Expert*

"[Brokers] anticipated that they would take market shares from direct distribution. (. . .) That was their simple macro analysis: 'We strongly believe that the SME segment will shift from direct distribution to broker distribution.' And they have been right."

— Henrik Rydén, *Expert*

"What has happened is that for customers with premiums lower than, let's say seventy-five thousand, this has [historically] been a protected segment [for insurance companies]."

— Glenn Nilsson, *Expert*

Svenska Försäkringsförmedlare (2025) have assembled data points that confirm the same trend. With the brokered commercial P&C market having increased by 7 Billion SEK between 2021-2023, while both the Small and Micro segments of the SME-market are growing in share, see Table 5.

Table 5. *Development of the Brokered Business P&C Insurance Market and SME Segment Share (Svenska Försäkringsförmedlare 2025).*

	2021	2022	2023	CAGR (21-23)
Brokered P&C insurance for business clients (SEK billions)	27	30	34	12,22%
Brokered P&C insurance for SME business clients (SEK billions)	7,8	12,9	15,0	38,22%
Share of brokered business P&C insurance attributable to small firms	18%	20%	22%	10,55%
Share of brokered business P&C insurance attributable to micro firms	11%	23%	22%	41,42%

This expansion is particularly pronounced within the micro segment, typically defined as firms with fewer than 10 employees and 20 MSEK in yearly revenue (Svenska Försäkringsförmedlare 2025). In the micro segment brokers have historically been absent, but have in recent years, 2021-2023, grown from a share of 11% to 22% of the brokered commercial P&C market, see Table 5. Several respondents describe a clear and recent shift, where even the smallest firms, including sole proprietors, are now increasingly insured through brokered solutions. This is illustrated in Table 5, which shows that even though the overall market for business clients is growing, the most dramatic growth occurs in the SME segment, mainly driven by the 41,42% Cumulative Aggregated Growth (CAGR) in the micro-segment.

"We are seeing a significant shift where [brokers] are also moving into the smaller segment. And within that segment, you now even find sole proprietors, clients who, 5–10 years ago, absolutely did not use brokers."

— Interviewee A, *Insurer*

This development has been made possible by the combination of facilities, automation, and standardized products, which enable brokers to serve smaller clients profitably. By aggregating volumes and simplifying underwriting and pricing processes, brokers can overcome the historically unfavorable unit economics associated with small-scale clients.

"Facilities are a major change. In those cases, it may no longer go through IF Express, instead, it is a group solution, and a facility can sometimes be very large. (...) When you come with a large volume of these small risks, you become very attractive, and suddenly you have the ability to create competition in a completely different way."

— Interviewee A, *Insurer*

Facilities however do not only open up for brokers to enter into the SME segment, but also insurance companies who historically have been operating in only the larger segments.

"That segment [SME], I would say we are not fully present in yet, but we do have some business in that segment through portfolio solutions. (...) In those cases, we do not administer customers individually, instead, they are managed through different portfolios."

— Mattias Fritz, *Insurer*

"Many of us insurers work extensively with brokers as a distribution force. (...) The advantage of a procured pooled solution is that we as insurers receive large volumes, the customer gets a better solution at a slightly lower price, and the broker receives higher compensation. So it becomes a win-win situation for everyone, especially for the insurer who wins the facility."

— Johan Kjellberg, *Insurer*

Another key driver of broker penetration of the SME-segment is the gradual withdrawal of insurers from local markets. As insurers have centralized their own operations and reduced local presence, brokers have stepped in to fill the resulting gap, leveraging their proximity to customers as a competitive advantage.

"Many insurance companies have reduced their local presence, much like banks have done. In that context, local insurance brokers have stepped in to fill that gap."

— Henrik Rydén, *Expert*

From an economic perspective, the SME segment is also perceived as highly attractive, further incentivizing broker expansion. Several respondents highlight that insurers have historically achieved strong profitability in this segment, making it a natural target for intermediated distribution.

"Why are brokers targeting the SME segment? Because that is where we insurers have historically made the most money."

— Johan Kjellberg, *Insurer*

"Market mechanisms have changed such that profitability [for brokers] can now be achieved even among lower-premium customers."

— Glenn Nilsson, *Expert*

However, this shift toward standardized, portfolio-based distribution also introduces important trade-offs. While efficiency, scalability, and speed are significantly improved, several respondents implicitly point to threats related to reduced underwriting precision and data quality. As insurance is increasingly priced and managed at a portfolio level, individual risk nuances may be overlooked, potentially leading to adverse selection and weaker risk differentiation over time.

Looking ahead, some respondents suggest that this development may fundamentally reshape the distribution landscape, with brokers potentially taking over large parts of the commercial insurance segment.

"The broker market could potentially take over the entire commercial insurance segment (...) leaving insurers to focus on the private segment."

— Georg Ebert, *Expert*

The findings indicate a clear shift toward increased broker penetration across both SME and micro segments, driven by standardization, digitalization, and portfolio-based distribution models. While this enables scalable and profitable expansion into previously underserved segments, it also introduces trade-offs related to risk assessment and the evolving role of underwriting, suggesting a transformation in how smaller risks are distributed and managed.

4.1.2.3 Evolution toward Comparison Platforms

While facilities and standardized solutions represent a strong development, findings indicate an emerging shift toward more platform-based distribution models. Rather than relying solely on pre-packaged portfolio solutions, brokers are increasingly adopting digital infrastructures that systematize data collection, insurer comparison, and recommendation processes, moving parts of the advisory function toward a more platform-like logic.

An illustrative example of this development is Söderberg & Partners' Modern Rådgivning, which enables a more structured, data-driven approach to intermediation. The solution is greatly appreciated by the majority of insurers, emphasizing that this platform logic might develop into a broader market trend rather than a firm-specific innovation. In these models, customer data is standardized and processed through centralized systems, where offers from multiple insurers are compared and pre-evaluated. This enables faster decision-making and increases transparency for both brokers and customers, while still allowing flexibility in insurer conditions.

"We work with a systematic, neutral analysis of the entire offering. (...) We apply our traffic light model—assessing insurers based on financial strength, our annual survey of broker satisfaction with service levels and claims handling quality. (...) We also apply a very academically driven analysis of policy terms. (...) In the end, we provide the customer and the broker with a one-page summary or visual that allows them to discuss what is best for me and my company."

— Interviewee C, Broker

"Insurers are developing systems that collect quotes from a pre-selected panel, send them back to the customer, where it has already been evaluated, which offers the best coverage, who has the best service, and who performs best overall."

— Mattias Fritz, Insurer

"These brokers now use a digital platform where everything is submitted online. (...) Then it is processed and returned according to a

pre-built traffic light model, indicating that this insurer has ‘yellow’ terms, this one ‘green’, and this one ‘red’, along with the prices, so you can choose among them."

— Interviewee A, *Insurer*

While a key component of this development is the use of comparison frameworks, where insurance offerings are translated into simplified decision formats, such as scoring models, this development does not aim to eliminate the role of the broker, but rather redefine it. While parts of the process become standardized and automated, the broker remains central in interpreting outputs, guiding decisions, and maintaining the customer relationship.

"Modern Rådgivning is not a digital platform intended to minimize human interaction. Rather, (...) it is a way of structuring how we communicate data points with each other. Between us and the insurers, there should be less room for errors. And above all, it should increase the scope for a more reasonable dialogue, between underwriters and brokers, or between brokers and customers."

— Interviewee C, *Broker*

From an ecosystem perspective, these platforms also reshape broker-insurer interactions by standardizing data inputs and improving process efficiency, while enabling insurers to more clearly signal underwriting preferences.

"Modern Rådgivning (...) includes a step in the advisory process where the necessary input data is ensured. (...) This is very beneficial for us as insurers, as we receive high-quality and clearly structured information, which allows us to speed up our processes. (...) There are many actors involved in Modern Rådgivning (...) and I believe it benefits both insurers and brokers."

— Michaela Fruergaard, *Insurer*

However, some insurers also highlight early challenges, including risks of over-standardization and potential knowledge erosion as processes become increasingly automated.

"One concern that has been raised (...) is that there is a noticeable loss of knowledge. (...) You have an automated tool that sends requests to all insurers and creates a quotation basis. Then another automated tool compiles everything, compares it, and provides a recommendation. (...) It is very efficient, very fast, and does not require much from the individual (...) which is something we are somewhat concerned about."

— Interviewee A, *Insurer*

"At the same time, there are many opportunities for us as well. As brokerage firms digitalize and create new capabilities, they also do so in collaboration with us."

— Interviewee A, *Insurer*

The findings indicate an initial but clear movement toward platform-based brokerage models. While still evolving, these solutions introduce greater efficiency, transparency, and scalability that could benefit all actors.

4.1.3 Customer Ownership and The Power of Personal Relationships

Another trend in the increasingly intermediated insurance market concerns the relocation of customer ownership and control over the customer interface. Insurers have historically maintained direct relationships with customers through local presence and their own salesforces. However, as brokered distribution has expanded, this relationship has increasingly been intermediated, with brokers assuming control over the customer interface. As a result, customer ownership has, in practice, shifted from insurers to brokers.

Across all interviews, there is a strong consensus that brokers, particularly the individual advisor, hold the dominant position in customer relationships. Rather than being tied to a specific insurance provider, customers are primarily connected to their broker, who acts as the main point of contact, advisor, and decision influencer.

"We do not have direct contact with brokered customers, it is the broker who maintains that relationship."

— Johan Kjellberg, *Insurer*

"The customer follows the direction pointed out by the advisor. And with that, a very significant responsibility also rests on the advisor."

— Mathias Öhman, Broker

"Most brokered insurance customers are closer to their broker than to their insurance company."

— Joakim Fick, Insurer

"Most customers, for the foreseeable future, want a personal relationship with someone they trust. They want someone to talk to (. . .) It creates a sense of security when you meet them, for example, at the local golf club. I believe this local presence will remain important, and that it will win business."

— Henrik Rydén, Expert

This dynamic reflects the importance of human capital within the brokerage model. The value of the broker is not only derived from access to products, systems and platforms, but from long-standing, trust-based relationships with customers. Respondents emphasize that these relationships are often highly personal, durable, and in many cases tied to the individual advisor rather than the brokerage firm.

"The typical broker, at an individual level, often has extremely long relationships with their clients, sometimes even lifelong. This makes the individual advisor or broker a key person."

— Mathias Öhman, Broker

"If you are a customer of a small brokerage firm, it is probably because 'Lasse' has successfully conveyed a strong value proposition. And if Lasse were to leave, it is far from certain that you would feel, 'I am a customer of brokerage firm X, and I will remain so.'"

— Mats Andersson, Broker

"It is often less about the exact terms (. . .) and more about who I am dealing with. What kind of contact and trust I receive from the advisor."

— Björn Schedwin, Insurer

Beyond individual relationships, brokers are increasingly functioning as gatekeepers to the insurance market by controlling the “first screen”, that is, the interface through which customers access, evaluate, and select insurance solutions. In practice, this means that brokers act as the primary point of interaction between customers and insurers, shaping both access to and navigation of available offerings.

"Brokers hold the customer relationship, that's what insurance companies are envious of."

— Georg Ebert, *Expert*

The findings point to a relocation of customer ownership toward brokers, where both the relationship and the interface increasingly sit outside the insurer's direct reach. While this development is rooted in long-standing personal relationships, it is further reinforced by the broker's role in structuring how customers access and navigate insurance offerings, making the broker, not the insurer, the natural point of reference for the customer.

4.1.4 Brokers Moving Further Down the Value Chain

Following the increasingly influential position brokers are gaining, we see a development in the expansion of brokers' roles beyond pure distribution, toward a broader set of value-creating activities traditionally performed by insurers. Respondents describe how brokers are progressively taking on responsibilities such as risk analysis, product development, administration, and, in some cases, elements of claims handling, indicating a gradual shift in the structure of the insurance value chain.

"Brokers used to procure insurance, and that was it. Then insurers handled all claims and everything else. But over the past ten years, brokers have tried to take a much larger share of the value. (...) 'we can take over claims handling as well', or (...) 'incorporate our own risk management services'."

— Georg Ebert, *Expert*

"There has been a shift in the value chain, particularly in such areas [administration, customer service, and claims management]. I would

also include product development."

— Anders Danielsson, *Insurer*

While claims handling is still largely controlled by insurers, some respondents view further broker expansion into this area as a matter of time.

"As far as I know, most insurers still control claims handling. But I believe it is only a matter of time."

— Michaela Fruergaard, *Insurer*

This development can be understood as a form of backward integration, where brokers move upstream in the value chain by internalizing activities that were previously insurer-driven. In parallel, product development and packaging are increasingly influenced, or like in some facility cases controlled, by brokers, further reinforcing their role beyond intermediation.

"What the customer buys is not just an insurance policy, it is also, to some extent, how it is packaged."

— Anders Danielsson, *Insurer*

At the same time, this shift contributes to a reframing of the insurer's role within the value chain. Several respondents describe a threat of insurers being reduced to providers of risk capacity, while brokers take a more active role in shaping the customer offering and managing the customer interface.

"That is why I believe there is concern among insurers, what are we actually being reduced to?"

— Henrik Rydén, *Expert*

"Then it may be that you are reduced to just capacity (. . .) and can be replaced very easily. (. . .) In that case, it will be very difficult to maintain strong profitability as an insurance company."

— Mattias Fritz, *Insurer*

"Some insurers are concerned that they will become nothing more than a pool of capital. (. . .) in that case, they might as well just be a bank."

— Georg Ebert, *Expert*

However, respondents also emphasize that this shift has practical and strategic limits. Core capabilities such as underwriting remain firmly within the insurer domain, and some insurers express reluctance to relinquish further control over key parts of the value chain.

"Underwriting is our future. That is something we will hold on to firmly."

— Interviewee B, *Insurer*

The expansion of broker roles, in addition, introduces an element of friction between brokers and insurers. While brokers frame the expansion as a natural evolution that increases efficiency and improves customer outcomes, insurers point to challenges related to control, differentiation, and the long-term distribution of value.

"We are, in most cases, a more efficient distribution channel than insurers' own distribution organizations. With a broker, insurers only pay when they actually win business."

— Joakim Fick, *Broker*

"It becomes clear to insurers that if you give everything away, you are left with nothing but price to compete on."

— Mattias Fritz, *Insurer*

In summary, a gradual but clear shift can be seen in the insurance value chain, where brokers are expanding their role beyond distribution into adjacent activities. While insurers firmly retain core functions such as underwriting, brokers are increasingly taking on a larger share of customer-facing and operational activities, reshaping how value is created and distributed within the market.

4.1.5 The Rise of Managing General Agents

4.1.5.1 The MGA as a Broker-Insurer Hybrid

While brokers are becoming increasingly important on the Swedish insurance market, another type of player is emerging in the form of MGAs, who occupy a hybrid position between brokers and insurers. While formally registered as intermediaries/brokers, MGAs operate with delegated authority from insurers, allowing them to both distribute and underwrite insurance within predefined limits.

Although MGAs from a regulatory perspective are classified as brokers and operate under the same legal frameworks and licenses governing insurance distribution, their role differs significantly from traditional brokers. This is because they, in contrast to most brokers, act on behalf of insurers rather than solely representing the customer.

"By definition, according to the Swedish Financial Supervisory Authority, we are an intermediary, that is, we are registered as a broker. This is because we distribute insurance from an insurance company to brokers and customers."

— Kajsa Peedu, MGA

"If you look at the legislation in Sweden today, everyone is covered by the Insurance Distribution Act. This includes intermediaries who act on behalf of customers, but also those who act solely on behalf of an insurance company, such as MGAs."

— Tove Hässler, Expert

At the same time, MGAs are granted underwriting authority through agreements with one or several insurers, enabling them to act operationally as insurers in the market. This delegated authority allows MGAs to price, structure, and bind insurance policies within agreed frameworks.

"An MGA has an agreement (...) that allows them to underwrite insurance within certain limits (...) as if they were these insurers."

— Georg Ebert, Expert

"MGAs may have the customer contact and set the price, but they do not carry the risk. They act on behalf of an insurer, so they are essentially an extension of the insurance company."

— Magnus Björkman, *Expert*

This dual role, combining distribution and underwriting, positions MGAs as a hybrid actor in the value chain, blurring the traditional lines between broker and insurer. Rather than acting purely as intermediaries, MGAs take on a more active role in shaping, underwriting and executing insurance transactions.

At the same time, this positioning is enabled by a structural separation between capital and underwriting activities. While MGAs do not carry risk on their own balance sheet, they operate using the capital of partner insurers, effectively “borrowing” underwriting capacity while retaining operational control over distribution and product execution.

"[MGAs are] underwriting agencies that effectively underwrite and manage the business by ‘borrowing’ an insurer’s balance sheet, so to speak."

— Henrik Rydén, *Expert*

"With no balance sheet, you can allocated your resources more to product development and agile market activity"

— Mattias Fritz, *Insurer*

From a market perspective, MGAs are often perceived as broker-friendly actors, as they integrate smoothly into brokered distribution channels and provide additional placement options. This contributes to increased competition, particularly in segments where brokers play a central role in distribution.

"They have been a positive addition to the competitive landscape, as they can enter and offer strong programs, both in terms of content and pricing."

— Interviewee D, *Broker*

"As the playing field has opened up with new actors such as MGAs and similar entities, brokers have gained more tools to work with."

It is no longer just the standard products from If, Trygg-Hansa, and Länsförsäkringar, there are now more innovative solutions from new market entrants."

— Interviewee C, Broker

However, the role of MGAs is not without ambiguity. While they are often positioned as partners within the broker ecosystem, some respondents highlight that their dual role can create uncertainty, particularly when MGAs move closer to traditional brokerage activities.

"Sometimes an MGA also wants to take on the brokerage role (. . .) which creates ambiguity for us; are you our competitor, or should we place insurance with you?"

— Interviewee D, Broker

4.1.5.2 Offering Industry Knowledge and Niche Expertise

A defining characteristic of MGAs is their focus on specialized knowledge and industry expertise, rather than capital provision. Respondents emphasize that MGAs differentiate themselves through the ability to concentrate experienced industry professionals and apply deep domain knowledge to specific risk areas.

"They have brought together individuals with strong technical expertise who in some niche areas have shown that they could do better than regular insurers, because they have concentrated unique competence. This can be within very niche areas."

— Mattias Fritz, Insurer

This concentration of expertise enables MGAs to position themselves as competence-driven actors in the value chain, where value is created through underwriting skill, data interpretation, and product understanding, rather than through balance sheet strength.

In particular, MGAs are often active within niche and complex risk segments that require specialized knowledge, such as cyber insurance. These areas are frequently characterized by limited historical data, higher uncertainty, and evolving risk landscapes, making them less attractive or more difficult for large, generalist insurers to prioritize.

"The risk that is currently the most difficult to price, in my view, (...) is cyber insurance."

— Kajsa Peedu, MGA

As a result, MGAs often fill gaps in the market by developing solutions and capabilities in areas where traditional insurers may lack focus, flexibility, or internal expertise. Several respondents highlight that innovation in emerging risk areas has, to some extent, been driven by intermediated actors rather than incumbent insurers.

"Brokers have a unique position where they can operate more quickly. (...) In recent years, brokers have identified new insurance gaps and needs, and developed new products and processes in ways that insurers have not. For example, cyber insurance has largely been driven by the broker market."

— Tove Hässler, Expert

In addition to specialization, MGAs are also described as more operationally agile, allowing them to adapt more quickly to new risks and changing market conditions. This enables faster development and deployment of niche products compared to larger, more complex insurance organizations.

"It is very easy to say, but very difficult when you are part of an organization with 1,800 employees and seven billion in premiums. (...) You want to do many things, but it becomes heavy and slow-moving."

— Kajsa Peedu, MGA

As prominent in the interviews, MGAs play a distinct role as knowledge- and expertise-driven actors within the insurance market, particularly in specialized and emerging risk areas such as cyber security.

4.1.5.3 Conduit for International Capacity and Market Entry

Another key role of MGAs in the insurance market is their function as a conduit for international capacity, enabling foreign insurers to access local markets without

establishing a physical presence. Rather than building a full-scale organization, international carriers can partner with MGAs that already possess the necessary infrastructure, distribution access, and market knowledge.

"Instead of establishing a local presence, going through an MGA that already has the structure in place and people with the right expertise is a much, much easier way to enter the market."

— Kajsa Peedu, MGA

"We are backed by several insurers, insurers that are not present in the local market but want to enter Sweden. Rather than making a full-scale establishment, they prefer to work through representatives or agents who can distribute their products. That is where the MGA comes into play."

— Kajsa Peedu, MGA

"It becomes much easier for them [MGAs], as they do not need the same distribution setup as we do. (. . .) The distribution is essentially handled by the broker (. . .) which creates an even greater upside for the MGA. So I definitely believe it is a valid reflection that we may see even more players entering the Swedish market."

— Johan Kjellberg, Insurer

In this sense, MGAs provide a systematized access point to both distribution and customer portfolios, significantly lowering the barriers to entry for international insurers. By leveraging existing broker networks and aggregated portfolios, MGAs enable carriers to participate in the market more efficiently than through traditional expansion strategies, allowing them access to the profitable SME-segment.

"The SME segment is, I believe, objectively a very profitable business for insurers. It has always been an area with strong margins, which means there will always be interest, particularly from international insurers that lack direct distribution capabilities in this segment."

— Henrik Rydén, Expert

The increasing international interest can also be confirmed by looking at the new establishments on the Swedish P&C market for corporate clients, as 100% of all new established actors in 2022-2023 have been international players. Even before that, emergence of Swedish players have been a minority of all new established players, see Figure 17.

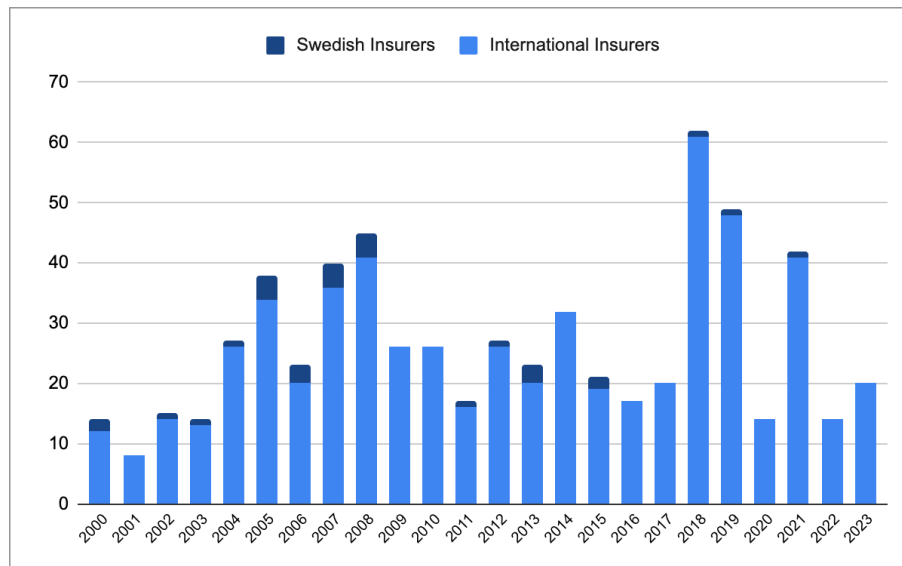


Figure 17. *New Establishments per year for P&C corporate insurance companies, based on insurers licenses issued by the Swedish Financial Supervisory Authority. 634 companies in total over the entire period, adapted from Svenska Försäkringsförmedlare (2025).*

The operational characteristics of MGAs, who are frequently described as faster, more flexible, and more entrepreneurial than traditional insurers, are a key driver of this development. Without the constraints of large organizational structures or balance sheet requirements, MGAs can adapt more quickly to market opportunities and evolving demand.

"There are three words that define our business (. . .) fast, accurate, and present. That has been extremely important."

— Kajsa Peedu, MGA

"MGAs have developed strongly in recent years as they have been agile and often have had systems that are directly tailored to the type

of distribution they need to carry out"

— Mattias Fritz, *Insurer*

At the same time, respondents highlight that the structure and ownership of MGAs may influence their ability to operate within brokered ecosystems. In particular, independent MGAs are described as having greater flexibility in forming partnerships across the market, compared to those affiliated with specific broker groups.

"Some of these agencies in the Nordic region are currently facing challenges if they are owned by large international brokers. I believe we will now see a period where some of these agencies will struggle to develop. Instead, we may see more growth among independent agencies, that is, those not owned by brokers, as they may have a broader market for distribution."

— Mattias Fritz, *Insurer*

Several respondents therefore indicate that MGAs play a key role in facilitating international market participation by lowering entry barriers and providing structured access to local distribution and portfolios.

4.1.6 Human Capital & Specialization as a Competitive Edge

4.1.6.1 Market-Wide Talent Shortage and Specialist Deficit

Across interviews, respondents describe a shortage of talent within the insurance industry. Two patterns are particularly emphasized: a generational shift in the workforce and a shortage of specialized expertise, especially within certain new and complex risk areas.

A recurring theme is that a large share of experienced professionals within the industry are approaching retirement, while the inflow of younger talent remains limited.

"There is worry in the industry that the inflow of new talent is too slow, since many of the true specialists are getting older. Within five years, many of them will be retiring."

— Georg Ebert, *Expert*

At the same time, several respondents highlight that the insurance sector struggles to attract new talent, particularly compared to more high-profile industries. As a result, the challenge is less about the absolute number of employees, and more about the long-term renewal of competence within the industry.

"All of you studying strong programs today, insurance companies are not exactly top of mind. You tend to look elsewhere."

— Johan Kjellberg, *Insurer*

"It is something that concerns the insurance industry in general, that young people are not particularly interested in studying actuarial science or pursuing education relevant for working in insurance."

— Georg Ebert, *Expert*

This creates a generational imbalance, where knowledge and experience remain concentrated among senior professionals, while the transfer of expertise to younger employees is perceived as insufficient. Respondents point to both reduced attractiveness of the industry and weaker knowledge transfer mechanisms as contributing factors.

Building on this, several respondents point to an emerging knowledge gap within the industry, where the depth of technical understanding is perceived to be declining. While processes have become more efficient and standardized, this has in some cases reduced the need for deep individual expertise, limiting opportunities for learning and knowledge accumulation over time.

"We are bringing in younger employees who have not gone through the same training. Many of the older professionals have undergone extensive education. Insurance companies used to have long training programs for sales staff, but these have become shorter and more limited over time. (...) There is a loss of knowledge, and this is raised as a concern both in the broker market and among insurance companies."

— Håkan Holmström, *Expert*

Respondents also highlight a growing divide, where brokers, particularly those backed by private equity, acquire more specialized expertise since they offer higher

compensation. In parallel, a more distinct shortage is observed within niche and technically complex areas, where demand for expertise has increased significantly. This is particularly evident in emerging risk segments such as cyber insurance, renewable energy, and other specialized commercial risks.

"There are not many claims handlers (. . .) with expertise across all specialized areas. So there is intense competition for those talents (. . .) particularly in rapidly growing fields such as large data centers or renewable energy."

— Georg Ebert, *Expert*

In these areas, the supply of qualified professionals is limited, leading to intensified competition for talent and increasing reliance on a small pool of highly specialized individuals.

"We need more young, talented individuals, and potentially also new types of competencies that we have not really seen before."

— Tove Hässler, *Expert*

The findings indicate a structural imbalance in the insurance labor market, characterized by a shortage of specialized expertise, rising competition for talent, and challenges in attracting and developing the next generation of professionals.

4.1.6.2 Evolution of the Broker: From Transactional Intermediary to Strategic Advisor

In parallel with the increasing importance of specialized competence, respondents describe a shift in the role of the broker itself. Rather than acting as transactional intermediaries focused on price comparison, brokers are increasingly positioned as strategic partners, engaging more deeply in understanding and shaping client needs, and need expertise reflecting that position.

"Today's broker is more of a partner, conducting risk analyses and understanding the client's needs and risks in a way that also allows them to identify needs that may not have been previously recognized."

So I believe that, from both the customer's and the insurer's perspective, the broker is increasingly seen as a partner."

— Tove Hässler, *Expert*

A key enabler of this shift is the increasing reliance on knowledge as a competitive asset. As discussed in the previous section, the growing importance, and scarcity, of specialized expertise requires brokers to develop a deeper understanding of complex and emerging risk areas.

"With new actors entering the Nordic and Swedish market, such as MGAs and similar players (. . .) it means that, as an advisor, you need to deepen your knowledge of the products and understand what they actually imply for your clients."

— Interviewee C, *Broker*

"I was thinking about cyber insurance where, for example, small companies might have a difficulty meeting the requirements. Then an insurance broker can step in and help them with consulting services so that they improve their game and become eligible to obtain insurance coverage (. . .) That is also a possible new revenue stream, at least for the brokerage side."

— Georg Ebert, *Expert*

Rather than representing a continuation of the traditional broker model highlighted in Section 4.1.3, this shift is described as a move toward a more structured and professionalized advisory role. Gaining this role requires accessing the relevant human capital and niche expertise, further emphasizing it as a critical asset within the brokered insurance market.

4.1.7 Digitalization, AI, and the Preservation of the Human Interaction

4.1.7.1 AI as an Efficiency Enabler

Across interviews, AI and digital technologies are primarily described as tools for improving efficiency rather than fundamentally transforming the core of the brokerage model. In particular, respondents highlight the role of AI and automation

in reducing administrative workload, streamlining compliance processes, and supporting data-driven decision-making. A central application is the automation of repetitive and time-consuming tasks. Respondents describe how activities such as documentation, policy comparison, and internal administration can increasingly be handled by AI or robotic process automation (RPA), reducing the need for manual input.

"There are many repetitive tasks (...) that we currently perform using fairly expensive personnel, which an AI robot or AI agent could handle instead."

— Kajsa Peedu, MGA

"They [individual brokers] shouldn't have to move values from an insurance letter to an Excel sheet to an email. All of that should disappear so they can spend more time with customers."

— Interviewee C, Broker

This efficiency gain is particularly evident within compliance and documentation processes, which have historically been both resource-intensive and burdensome for advisors. Several respondents highlight how AI can automate documentation requirements, especially in relation to regulatory frameworks such as IDD, thereby simplifying workflows and reducing friction in the advisory process.

"We are moving from a situation where advisory documentation is something burdensome that tends to be done too late, to a process where it happens automatically and easily immediately after the customer meeting. That is something that will dramatically change the advisor's day-to-day work."

— Interviewee C, Broker

"You can do it better, faster, and free up resources."

— Interviewee A, Insurer

In addition to administrative support, AI is increasingly used as an analytical tool to process large datasets and support risk assessment. This includes generating indicative insurance proposals, benchmarking coverage levels, and identifying potential gaps or inconsistencies in customer portfolios.

"Before meeting a customer, you can receive a complete overview of that client, what they look like and their likely insurance needs."

— Anders Danielsson, *Insurer*

"It has proven particularly effective in detecting insurance fraud, as these systems can identify patterns in very large datasets and compare them over time."

— Georg Ebert, *Expert*

Respondents also emphasize the growing importance of integrated data flows between brokers and insurers. The development of Application Programming Interface (API) based solutions enables real-time data exchange, faster underwriting processes, and more seamless interaction across the value chain.

"An SME risk could essentially be priced in fifteen seconds (. . .) the quotation process can become almost seamless."

— Johan Kjellberg, *Insurer*

"I believe this will be largely automated through APIs, where brokers connect directly into pricing tools and insurers' systems, and that is how most players are already preparing for it."

— Mattias Fritz, *Insurer*

Interviewees indicate that AI is primarily leveraged as an efficiency enabler within the insurance ecosystem, automating routine processes, enhancing data analysis, and enabling more integrated workflows. Rather than replacing the advisory function, these technologies support it by freeing up time and resources for more value-creating activities.

4.1.7.2 Reshaped Information Asymmetry and Digital Comparison

Alongside efficiency gains, digitalization is also reshaping the information dynamics within the insurance market. Respondents describe a gradual reduction in information asymmetry between customers and intermediaries, driven by increased access to data, comparison tools, and digital platforms.

A key development is the growing transparency of insurance offerings. Customers are increasingly able to access, compare, and evaluate policies across providers, both independently and through broker-supported platforms. As a result, the customer enters the advisory process with a higher baseline level of knowledge than before.

"It suddenly became very easy to compare insurance policies, even without a broker doing it for you. It only takes a few minutes to review the terms offered by several insurers you are interested in."

— Georg Ebert, *Expert*

"I believe that comparison tools and platforms mean that customers often come to meetings with brokers already well-informed, allowing for a more intelligent discussion about insurance coverage, rather than just a one-way transfer of information from broker to customer."

— Tove Hässler, *Expert*

Respondents however emphasize that this increased transparency is uneven across segments. For standardized and less complex products, such as smaller SME risks, digital tools can significantly reduce the need for advisory input. However, for more complex industrial risks, where information is less structured and more context-dependent, the information asymmetry remains substantial.

"For highly standardized products (. . .) I see much greater potential for digital interaction. But if you take a family-owned business with a turnover of 75 million, where the owner's entire wealth is tied to the value of the company, I don't think they want to simply log onto a website, input some data, receive a quote, and accept it."

— Henrik Rydén, *Expert*

As a result, digitalization does not eliminate the information gap, but rather shifts its boundaries, reducing asymmetry in simpler segments while preserving it in more complex ones.

4.1.7.3 The Preservation of the Human Interaction: Trust in Advisory

While previous sections highlight the efficiency gains and increased transparency enabled by digitalization and AI, respondents consistently emphasize that these technologies do not replace the human element of advisory. Instead, they act as tools to handle standardized processes, while human interaction remains central in areas requiring trust, judgment, and reassurance. A key theme is the role of the advisor as a “security provider”. Insurance is not perceived as a purely transactional product, but as a service where trust and personal interaction are critical.

"It is not just a financial transaction when a claim is settled. Let's say, for example, that someone's house has burned down. (. . .) If you are standing there without a roof over your head because of a fire, and two million is deposited into your account, you are not any happier. You still have nowhere to stay that night. (. . .) So the delivery aspect of insurance will always depend on the physical world functioning, on there being people who actually make things happen."

— Interviewee B, *Insurer*

"[AI] will be a complement, and it will certainly evolve, but it will not remove the need for a personal relationship with an advisor, someone who increases your sense of security."

— Henrik Rydén, *Expert*

This trust dimension is closely linked to the ability to communicate, interpret, and take responsibility, capabilities that respondents consistently describe as inherently human. While AI can process data and generate recommendations, it operates through fundamentally different trust mechanisms than human advisors. Research comparing the trust in humans vs AI in Singapore and Germany supports this distinction, showing that trust in AI and trust in humans are largely separate constructs, with only limited overlap, and that people consistently trust humans more than AI (Montag et al. 2024). While the trust in AI is context- and culture dependent, the large difference in trust displayed in Germany, a country sharing cultural similarities with Sweden, could indicate the same pattern in Sweden.

"Insurance and savings are not pull products. Customers do not actively go out and buy insurance or savings, they are sold to them."

(. . .) It requires someone calling and following up. (. . .) People do not want to be contacted by an AI bot trying to convince them to start saving. It is easier when a human does it. And I believe the human relationship remains very valuable."

— Joakim Fick, *Broker*

"I believe customers will continue to need that sense of security. And I think it will be difficult, at least in the coming years, to replace that through digitalization."

— Michaela Fruergaard, *Insurer*

Respondents in addition highlight that personal relationships remain a key driver of customer loyalty. Like presented in section 4.1.3, long-standing relationships between advisors and clients, but also insurers and brokers, create a form of “stickiness” that is difficult to replicate through digital channels, reinforcing the importance of human interaction as a competitive asset.

"Relationships (. . .) can in fact last a lifetime. This makes the individual advisor or broker a key person."

— Mathias Öhman, *Broker*

"The personal meeting (. . .) and building relationships. The brokers who call us (. . .) they know me (. . .) there is trust between us, and that is something AI can never replace."

— Kajsa Peedu, *MGA*

The findings suggest that while AI and digitalization enhance efficiency and transparency, they cannot replace the importance of human interaction in advisory. Rather than being replaced, the human element becomes more critical in areas where trust, judgment, and complexity define the customer experience.

4.1.7.4 Emerging Frontiers: FiDA and Open Finance

A final development highlighted by respondents concerns the emergence of open finance and insurance, driven by the proposed Financial Data Access (FiDA) regulation. At its core, FiDA aims to establish a standardized framework for access,

sharing, and use of financial data across institutions, requiring insurers and other financial actors to make customer data available to licensed third parties under regulated conditions (European Union 2023). In contrast to today's fragmented data landscape, this represents a structural shift toward a more integrated and data-driven financial ecosystem.

"FiDA, although currently somewhat paused, is about creating a framework for data sharing between actors in the insurance industry, in order to make it easier for customers to compare, switch, and understand their insurance holdings."

— Tove Hässler, *Expert*

By enabling broader data access and portability, FiDA is expected to significantly increase transparency and comparability in the insurance market (European Union 2023). Customers will gain improved ability to evaluate, switch, and optimize their insurance portfolios, increasing the competition on the market.

"Customers will have much greater opportunities to make comparisons themselves, as data becomes more accessible."

— Michaela Fruergaard, *Insurer*

Given this, FiDA represents a potential inflection point for the industry. While it promises increased innovation, transparency, and efficiency, it also introduces strategic uncertainties related to interface control, competitive dynamics, and ecosystem dependency. The development is therefore not only a continuation of ongoing digital trends, but a regulation with the potential to reshape how value is created and captured across the insurance value chain.

4.2 Impact on Insurers

This section presents the empirical findings on how the trends and developments identified in Section 4.1 impact insurers and their business models.

4.2.1 Erosion of Brand and Customer Ownership

4.2.1.1 Brand Invisibility in Facility Solutions

Respondents argue that in facility solutions, SME customers tend to perceive the insurance product as provided by the broker rather than the insurer. This largely stems from white labelling practices, where brokers compare and select products primarily based on price and predefined criteria. Once selected, the product is presented under the broker's brand, while the actual insurer is only marginally visible in the documentation. As a result, the insurer becomes backgrounded in the customer interface, weakening brand recognition.

"The customer relationship is essentially with the broker. When they receive the documentation, Söderberg & Partners might take up most of the space, while the insurer is mentioned briefly on page eight. The perception becomes that the insurance is an S&P product rather than, for example, a Länsförsäkringar policy."

— Henrik Rydén, *Expert*

An implication of this development is that customer retention shifts from the insurer to the broker. Each renewal cycle is at risk of becoming increasingly transactional, where competition is primarily price-driven and policy conditions only need to meet a certain threshold. Given the trust-based nature of insurance, this represents a potential erosion of the brand, which historically has been one of insurers' strongest competitive moats. Thus, over time, insurers are at jeopardy of being reduced to pure risk carriers, while brokers assume control over the customer relationship.

"Facilities further reinforce that the party you actually deal with, the one you discuss insurance with and have a relationship with, is the broker. It pushes the insurer further into the background, effectively becoming just a pool of capital behind the scenes."

— Henrik Rydén, *Expert*

Meanwhile, facility solutions remain partly dependent on strong and trusted insurer brands. Several respondents highlight that well-known insurers provide legitimacy to broker offerings, particularly in the SME segment where customers

often have limited knowledge of insurance. In these contexts, recognizable brands can sometimes have a calming effect on end customers and enhance trust.

“It has been quite clear in previous years when some insurers said they didn’t want to work with brokers. From the broker side, the response has often been that they need a strong brand involved, as it adds legitimacy to their offering in a different way.”

— Michaela Fruergaard, *Insurer*

As a consequence, insurers have adopted different strategic approaches to facility participation. Some large incumbents actively avoid or limit involvement in white-labelled solutions, arguing that the loss of brand visibility outweighs the benefits. Instead, they emphasize co-branding or maintaining a visible presence in customer-facing documentation.

“There are players who engage in white label setups and effectively become pure risk carriers, reduced to a price with barely any brand presence. We are not interested in that type of setup, we want to be Länsförsäkringar to the end customer, regardless of whether the distribution is direct or through brokers.”

— Björn Schedwin, *Insurer*

Others, particularly smaller or challenger insurers, accept this trade-off and focus on becoming preferred partners to brokers. By deprioritizing brand visibility, they can benefit from lower distribution costs and higher volumes.

“There are of course white label setups, even if we don’t work with them ourselves. But in those cases, the insurer is satisfied with just being the capacity provider.”

— Michaela Fruergaard, *Insurer*

This divergence reflects a broader strategic tension in the market, where some actors prioritize brand and long-term positioning, others optimize for access, scale, and cost efficiency. Overall, larger and established companies appear more reluctant to adopt this distribution model, while small and emerging insurers are more willing to leverage the distributional scale they offer.

“Many of the larger Swedish insurers do not want to be reduced to just a balance sheet. That goes very much against their core philosophy.”

— Henrik Rydén, *Expert*

4.2.1.2 Shift in Relationship Ownership and Control

As described in Section 4.1.3, the personal relationship between the individual advisor, whether at a broker or insurer, and the customer is critical. According to some respondents, this elevates human capital to a central competitive resource. As brokers increasingly attract top-performing salespeople, often through significantly higher compensation, insurers face the threat of losing both talent and the customer relationships tied to them. This not only affects retention, but may also weaken insurers’ ability to sense and respond to market developments, as customer insights are embedded within individuals rather than organizations.

“Human capital is absolutely critical, and it’s driving salaries up to almost unrealistic levels (. . .) This may be one reason why insurers are more willing to give up part of the value chain to brokers.”

— Georg Ebert, *Expert*

The multi-channel nature of insurance distribution introduces a latent threat in “parasitism,” where one actor attempts to appropriate customers or relationships from another. While such behavior appears relatively uncommon, it is widely perceived as highly detrimental to long-term collaboration.

“There is a risk of parasitism. A broker brings a customer to an insurer, and then in year two the insurer contacts the customer directly, offering similar terms but without paying commission. An insurer acting like that will not be an attractive partner going forward.”

— Joakim Fick, *Broker*

At the same time, increased broker penetration into traditionally direct segments has intensified structural tensions between insurers and intermediaries.

“The fact that brokers have moved into lower segments has further increased friction between the parties. Insurers are now thinking

carefully about how to relate long-term to brokers taking over business that was previously directly distributed."

— Henrik Rydén, *Expert*

From the broker perspective, insurers are increasingly reduced to suppliers competing to remain attractive within broker-controlled relationships.

"The insurer is essentially just a supplier. They fight hard to remain attractive enough for the customer to stay, but it's a very uneven battle."

— Mathias Öhman, *Broker*

However, it is important to note that "losing" the customer relationship to a broker is not equivalent to losing the underlying business, as the customer may still purchase the insurance product through the intermediary. Premium flows therefore remain intact in the short term. The more critical implication lies instead in the loss of customer insight, weakened retention control, and diminished strategic power that stems from no longer owning the relationship. As long as the customer remains within the portfolio, the economic impact may appear limited. However, once the relationship gradually shifts and ultimately transitions, the insurer's position becomes significantly more vulnerable.

"Revenue streams today are structured so that they persist as long as the customer remains."

— Mathias Öhman, *Broker*

"Regardless of what happens, insurers are likely to face increasing challenges with customer loyalty going forward. There will be greater customer mobility, which can be both positive and negative (...) I believe that the winner of all of this will be the one who manages to provide an experience of individual handling of customers"

— Michaela Fruergaard, *Insurer*

Overall, these dynamics suggest a structural shift in relationship ownership, where control increasingly resides with individual advisors, predominantly within broker organizations, rather than with insurers as institutions.

4.2.1.3 Collecting Client Information

Both insurers, experts, and brokers emphasize that the broker's extended control over the customer relationship is not solely a threat to insurers, but also provides benefits. Brokers acting as risk partners, are often able to leverage their close customer relationships to ask the right questions and develop a deep understanding of client operations. This enables more accurate risk profiling and improves the overall quality of data provided to insurers.

“This is where the broker creates value, by asking the right questions, understanding the client’s business, and acting as a risk partner in all those discussions. That’s where real value is created and where customer needs are identified.”

— Tove Hässler, *Expert*

This enhanced data quality benefits insurers, since insurance is fundamentally a product of accurately understanding and pricing risk. Improved data inputs therefore contribute to more precise underwriting and pricing outcomes.

“The better data we receive, the more accurate pricing we can offer the customer. We strive to be as precise as possible in our pricing analysis. If the data, especially on claims, is insufficient or of poor quality, the outcomes will reflect that.”

— Johan Kjellberg, *Insurer*

Such collaboration across the value chain, where brokers enhance data quality and insurers translate this into improved underwriting, creates clear synergies. However, the emergence of brokers as an intermediary layer in the flow of information also introduces new dependencies. While no immediate concern is currently expressed, a scenario where data transparency decreases could increase brokers' gatekeeping power, potentially limiting insurers' direct access to critical customer insights.

Moreover, the combination of high quality data access and human capital might allow brokers to expand further into the value chain. Over time, and particularly with lowering technological barriers, brokers may seek to enter underwriting activities themselves, thereby increasing competitive overlap with insurers.

“There is definitely a movement where brokers want to take on more and more. So far, the challenge for them is that we still do it better (...) But yes, they would like to take over underwriting. That’s something we almost never let go of, since it is truly at the core of what we do.”

— Interviewee B, *Insurer*

4.2.2 Value Chain Friction

4.2.2.1 Displacement of Value Chain Activities

As described in Section 4.1.4, an element of friction has arisen in the value chain due to brokers expanding their roles into historically insurer-dominant activities. While insurers firmly retain core functions such as underwriting, brokers are increasingly targeting customer-facing and operational tasks.

As a result, a strategic dilemma emerges for insurers. On the one hand, broker partnerships offer access to scale, efficiency, and enhanced customer insight. On the other hand, deeper reliance on brokers may accelerate the loss of customer ownership and control over key parts of the value chain. Insurers must therefore balance the benefits of collaboration with the threats of disintermediation.

“Using brokers as a distribution channel is highly attractive, but insurers also want to retain ownership of the customer relationship. It is a constant balancing act.”

— Michaela Fruergaard, *Insurer*

Some insurers may accept a more limited role as risk carriers operating in the background, while others seek to maintain a more integrated position with stronger control over customer relationships and value chain activities.

“Some insurers may be satisfied with acting purely as risk carriers, while others are more protective of customer ownership. Ultimately, it depends on the company’s strategy, values, and view on customer control.”

— Michaela Fruergaard, *Insurer*

4.2.2.2 Economic Frictions

There is a clear discrepancy between how respondents perceive economic dynamics and value capture in the insurance value chain. While brokers often describe the Swedish insurance market as highly concentrated and characterized by strong insurer margins, insurers express increasing frustration over rising commission levels and the growing share of value captured by intermediaries. Several respondents highlight the structural characteristics of the Swedish insurance market, pointing to a high degree of concentration and consistently strong profitability among insurers.

“The Swedish insurance market is highly concentrated. If you look at If, Länsförsäkringar, Trygg-Hansa, and Folksam, they account for around 85% of the market. The rest of us are competing for the remaining 15%.”

— Kajsa Peedu, MGA

“This segment shows profitability levels that are significantly higher than in most other markets. While insurers globally may operate at a combined ratio around 90-95%, in Sweden it is often closer to 75–80%, and with relatively low volatility. It is a very unique market in that sense.”

— Mattias Fritz, Insurer

At the same time, broker commissions have increased substantially over time, particularly within the SME segment.

“Historically, commissions were around 5% for private lines and 12% for commercial. Today, within SME, the average is closer to 15%, and in some cases up to 30%.”

— Kajsa Peedu, MGA

“Commissions used to be around 10–15%, but today they are closer to 20–22% in SME, despite increased efficiency. And they still manage to grow, which is quite impressive.”

— Mathias Öhman, Broker

From the broker perspective, these developments are justified by the value they create through increased competition and lower prices for customers. By comparing multiple insurers and activating otherwise passive customers, brokers argue that they improve both efficiency and customer outcomes.

“The value we create is that we introduce competition to the customer’s existing insurance setup. That is where we contribute and create value.”

— Joakim Fick, *Broker*

“With brokers, insurers only pay for actual business, which significantly lowers acquisition costs and reduces the need for large internal sales organizations.”

— Joakim Fick, *Broker*

“I have rarely seen a case where switching from direct distribution to a broker did not either reduce the price or improve the terms.”

— Glenn Nilsson, *Expert*

However, other respondents challenge this narrative. While acknowledging that brokers can exert downward pressure on prices, several respondents question whether price competition should be the primary role of an advisor. Instead, they emphasize the importance of matching risk with appropriate solutions rather than commoditizing insurance through price comparisons.

“They can push down prices, but is that really the role of the advisor?”

— Håkan Holmström, *Expert*

In parallel, insurers express growing concern that brokers are capturing an increasing share of the value chain without corresponding transparency in how that value is created. This has led to perceptions of excessive compensation and a misalignment between value creation and value capture.

“What incentive does a broker really have to be transparent about their commission levels? That incentive is probably quite weak.”

— Anders Danielsson, *Insurer*

“Sometimes they [brokers] take too large a share of the compensation in my opinion.”

— Johan Kjellberg, *Insurer*

Some respondents further question whether broker-led distribution is truly more cost-efficient at a system level, suggesting that the total cost of broker-driven SME value chains may even exceed that of traditional direct distribution models.

“The SME value chains currently being built by brokers likely cost as much as, or even more than, direct distribution models used by insurers.”

— Interviewee B, *Insurer*

Overall, these perspectives highlight a fundamental tension regarding value creation and value capture in a concentrated market. While brokers position themselves as drivers of efficiency and competition in, what some respondents refer to as, an oligopolistic structure, insurers increasingly perceive a growing imbalance. An imbalance where intermediaries capture a disproportionate share of the economic value without equivalent transparency or accountability.

4.2.2.3 Innovation and Talent Attraction

Respondents consistently describe brokers as more customer-oriented and innovation-driven compared to insurers. Historically, insurers have operated with a product-centric logic, developing standardized offerings based on internal capabilities. Brokers, by contrast, originate from the customer interface and are therefore incentivized to identify unmet needs and construct tailored solutions, and large investments are enabled due to private equity ownership. This shift has gradually reoriented the drive of innovation in advantage towards brokers rather than insurers.

“Traditionally, the insurance industry has been very product-oriented (. . .) But with the entry of brokers, this has changed somewhat, as they are purely customer-oriented organizations (. . .) Their starting point is the customer, not the existing product portfolio.”

— Gunnar Loxdal, *Expert*

“With private equity ownership, you get a completely different pace in the company (...) Brokers are innovative in pushing for new insurance solutions.”

— Anders Danielsson, *Insurer*

In addition to their customer proximity, brokers are described as more agile organizations, both structurally and culturally. This enables faster experimentation and adaptation.

“Brokers are generally more forward-leaning and entrepreneurial (...) They have identified new insurance gaps and developed new products and processes in ways insurers have not. For example, cyber insurance has largely been driven by the broker market.”

— Tove Hässler, *Expert*

Innovation and product development is closely linked to the evolving competition for talent. As Section 4.1.6.1 highlights, brokers generally offer higher compensation and more dynamic work environments. Consequently, insurers might struggle to attract and retain talent, particularly in technical and specialized domains. The impact of this threat is further amplified by the increasing importance of such domains, such as cyber and climate risk.

“Insurers are concerned about losing niche expertise (...) If brokers attract that competence, it may simply become too expensive to maintain in-house.”

— Georg Ebert, *Expert*

4.2.3 Channel Conflict: Direct vs. Brokered Distribution

4.2.3.1 Internal Friction and "Half-pregnant" Organization Dilemma

Respondents argue that the multi-channel nature of SME insurance distribution can create internal friction within insurers, as brokered and direct channels increasingly compete for the same customers.

“Brokers are increasingly competing for the same SME customers that insurers have traditionally targeted through direct channels.”

— Michaela Fruergaard, *Insurer*

This overlap forces insurers to make strategic trade offs, regarding how to allocate resources as well as how to position themselves in different channels. While broker partnerships offer scale and efficiency, maintaining direct distribution supports customer ownership and brand control. However, optimizing both simultaneously is inherently difficult, creating a strategic dilemma.

“Insurers need to decide how to relate to brokers. It is difficult to be half-pregnant.”

— Henrik Rydén, *Expert*

To complicate things further, the available choices are limited by path dependency. Differences in brand strength, sales infrastructure, and organizational structure limit the degree of flexibility across firms. For some insurers, such as Protector, Zurich and Gjensidige, the choice is easy, since they are committed to broker-led models. Länsförsäkringar instead rely on strong in-house sales capabilities and direct customer relationships. This is possible due to its strong local presence, brand and ecosystem with bank and housing business areas. Left in the strategic dilemma is mainly If and Trygg Hansa, for which the optimal strategy remains more unclear, and currently operate somewhere in the middle of the two distinct strategies.

“Others may not be able to take the same approach [as Länsförsäkringar], as they lack our strong brand, organizational structure, local presence, and resources. In that sense, we see ourselves as leading the way.”

— Björn Schedwin, *Insurer*

As a result, some insurers are at risk for internal strategic misalignment, in which competing channel perspectives cause inefficiencies and friction.

4.2.3.2 Uncertainty in Long Term Acquisition Costs

While navigating the multi-channel dilemma, the economic impact would be valuable as an assessment lever. However, insurers face uncertainty in evaluating the return on investment of brokered versus direct distribution. While brokers dominate initial acquisition costs, a comprehensive assessment should also account for

effects such as weakening of brand and the loss of customer ownership. Brokered distribution provides advantages in the short term, due to its pay-per-deal nature, low fixed costs, and reduced operational risk, as insurers avoid having large sales organizations that are not fully utilized in periods of lower sales.

“With brokers, insurers only pay for actual business, which significantly lowers acquisition costs and reduces the need for large internal sales organizations.”

— Joakim Fick, *Broker*

This model is particularly attractive for smaller market challengers, for which the barriers to building direct sales capabilities are high.

“Direct distribution would require significant investments in marketing and sales capabilities, which is considered both costly and inefficient.”

— Johan Kjellberg, *Insurer*

However, if these capabilities are already established and well functioning, such organizations are at risk of losing brand and control by outsourcing sales to brokers, sacrificing part of its value chain and unique market positions. This creates a fundamental trade off between cost efficiency and strategic control.

Respondents emphasize that the long-term economic consequences of this trade off are difficult to assess dependent on future market developments. This makes it challenging to determine the true return on investment of different distribution strategies, particularly when considering less tangible factors such as customer retention and brand equity.

As a result, while brokered distribution is often favored for its lower initial cost structure, insurers face a danger of suboptimal capital allocation due to uncertainty in long-term value creation.

4.2.3.3 Margins Erosion

Generally, insurers are increasingly noticing movements in margin development, driven by a structural squeeze where intensified price competition, partly enabled

by broker-driven solutions, combines with rising commission levels. While the Swedish SME segment has historically been highly profitable, a long soft market has placed downward pressure on premiums for decades, with respondents suggesting that the current intensity may be accelerating. While this development reflects competitive dynamics and efficiency gains driven by broker intermediation, it simultaneously alters how value is distributed across the ecosystem.

“Prices have continuously declined since 1994 (. . .) creating a clear and sustained downward pressure.”

— Kajsa Peedu, MGA

Simultaneously, insurers perceive that broker commissions have increased rapidly over time, while the value delivered is perceived as the same. Overall, the insurers experience less transparency and find broker commissions harder to justify relative to historical levels.

“Broker commissions have increased significantly (. . .) up to thirty percent in SME insurance.”

— Johan Kjellberg, Insurer

The combination of declining premiums and rising commissions creates a structural margin squeeze for insurers, where erosion is compounded by reduced value capture. This dynamic introduces a trade-off between growth and profitability, as volume can be generated through lower pricing or broader terms, although at the possible cost of eroding margins.

“It is very easy to grow (. . .) just lower prices and broaden terms, and you will write a lot of business (. . .) but you only see the claims after five to ten years.”

— Johan Kjellberg, Insurer

Given the long-tailed nature of insurance risks, especially in areas such as motor or liability insurance, the full profitability impact remains difficult to assess in the short term, further complicating strategic decision-making. Overall, the development contributes to a perceived shift in value distribution, where insurers experience increasing pressure on margins, leading to increasing tensions and signs of resistance within the market.

4.2.4 Pool Solutions Escalating Competition

4.2.4.1 Lowered Barriers for Specialized and International Entrants

As facilities effectively function as market openers, they enable new and international entrants to access the Swedish SME market without established local infrastructure. By leveraging brokers' existing portfolios, entrants can achieve rapid scale, thereby eroding one of the market's historically most important entry barriers. This has led to the emergence of MGAs and smaller challenging insurers, significantly intensifying competition in the segment.

"Pooled solutions create opportunities for smaller and specialized players to enter (...) it is an opportunity to grow organically."

— Johan Kjellberg, *Insurer*

"Smaller players like Protector and Volante have the opportunity to enter the market thanks to facilities."

— Interviewee A, *Insurer*

"Instead of [foreign insurers] hiring people and setting up offices (...) they go through an MGA (...) it is a much easier way to establish."

— Kajsa Peedu, *MGA*

As a result, traditional investments in sales organizations and local presence are partially de-emphasized, reducing differentiation among insurers. In parallel, bargaining power shifts towards intermediaries, weakening insurers' position in the value chain.

"Insurers become relatively weaker in negotiations (...) the value chain is shifting."

— Anders Danielsson, *Insurer*

"A bilaterally concentrated market is shifting power via new structures like facilities."

— Kajsa Peedu, *MGA*

Consequently, historically successful large insurers are at risk of losing market shares in a more accessible and competitive landscape shaped by new entrants.

4.2.4.2 Distribution Efficiency at the Cost of Risk Differentiation

While respondents agree that facilities enhance distribution efficiency and enable market access, they also emphasize that facilities introduce important trade offs. Insurance is in essence a product that relies on accurate risk assessment and individualized underwriting, making risk selection a core capability for insurers. However, in certain facility structures, this capability is limited, as standardized criteria and pre-decided data inputs replace more granular risk evaluation. Instead of underwriting individual risks, insurers may instead commit to portfolio-based agreements, reducing the opportunity for tailored pricing and selection.

“It becomes somewhat ‘one size fits all’ (. . .) often very broad terms to fit as many customers as possible.”

— Anders Danielsson, *Insurer*

“It becomes less of an individual risk assessment, as group solutions reduce the ability to price according to the actual risk profile.”

— Gunnar Loxdal, *Expert*

“A simplified model leads to worse pricing. The better data we have, the more accurate pricing we can achieve.”

— Johan Kjellberg, *Insurer*

As a result, the reduced precision in risk assessment increases the likelihood of adverse selection. When pricing does not fully reflect underlying risk, higher-risk customers are more likely to enter these standardized structures, while lower-risk customers may seek more tailored alternatives. Over time, this can lead to skewed portfolios and deteriorating underwriting performance.

“If you don’t achieve sufficient participation, it becomes a lottery, and you may end up with only the bad risks.”

— Interviewee B, *Insurer*

“What constitutes our core value as an insurer is difficult to apply within certain facility structures.”

— Interviewee A, *Insurer*

4.2.5 Impact of Technological Developments

4.2.5.1 Operational Efficiency

As stated in Section 4.1.7.1, one of the most vital opportunities enabled by the technological development is the operational efficiency gains from automating manual and repetitive administrative tasks, freeing up time for advisory and other value-creating activities. These efficiency gains are observed across the entire value chain, both for insurers and brokers, but they particularly strengthen the broker model by enabling greater scalability.

“Automation and digitalization of repetitive tasks frees up time to create more value in the customer interaction. We also believe AI will become increasingly impactful as large amounts of data can be used to categorise and interpret information, ultimately providing better decision support for customer meetings and advisory situations.”

— Tove Hässler, *Expert*

Beyond administrative automation, AI also supports analysis and decision-making processes, reducing the effort required for tasks such as research and underwriting-related assessment.

“You don’t need to spend so much time on research anymore, AI does it for you. It becomes a very strong tool for better decision-making.”

— Mattias Fritz, *Insurer*

“AI will summarize and prepare data so that advisors can work faster and more accurately in pricing and risk selection.”

— Interviewee A, *Insurer*

Taken together, these developments have important organizational implications. As fewer resources are required per case, insurers and brokers can handle larger volumes with the same workforce, making efficiency a direct competitive lever and enabling structural cost reductions.

“We will not need as many people in the future, as AI or AI agents can do much of what previously required human resources. We will, however, need different competencies that can be combined with insurance expertise, meaning people with a deep understanding of technology alongside insurance will become valuable.”

— Johan Kjellberg, *Insurer*

However, despite these technological shifts, respondents broadly emphasize that insurance remains fundamentally trust-based, meaning that the interpersonal dimension of advisory is likely to remain central, limiting the scope of full digital substitution.

“AI will streamline processes, but the human meeting and trust-building will remain central.”

— Kajsa Peedu, *MGA*

4.2.5.2 Potential Reduced Information Asymmetry

Technological developments, comparison platforms, and AI-enabled services are increasingly empowering customers to independently research, compare, and understand insurance products. As a result, the informational asymmetry enabling the traditional role of brokers may be reduced, particularly in standardized and low-complexity SME segments. Hypothetically, this could challenge parts of the broker value proposition while simultaneously increasing pressure on insurers to offer transparent, high-quality products to a more informed end customer.

“Digitalization has made it easier for individuals to compare (. . .) reducing the need for intermediaries on the private side”

— Georg Ebert, *Expert*

However, this development is not uncontested. While AI may reduce information gaps in early stages of the decision process, several respondents emphasize the continued importance of trust and human validation in final purchasing decisions.

“Even though you can prepare and research by yourself, when it comes to actually making the deal, you want to check with someone

(. . .) ‘Have I thought this through correctly?’”

— Tove Hässler, *Expert*

“It will not remove the need for a personal relationship with an advisor, as it increases the sense of security.”

— Henrik Rydén, *Expert*

In parallel, regulatory developments towards open insurance such as FiDA, if further implemented, are expected to increase transparency and facilitate cross-provider comparison, similar to how open banking transformed the banking industry. In such a scenario, it would weaken the broker’s role as an information intermediary.

“It [FiDA] will blur the boundaries between insurance companies and insurance intermediaries (. . .) as insurers will be able to display each other’s products in customer interfaces.”

— Henrik Rydén, *Expert*

“The purpose is that it should be much simpler for the customer to compare, move and understands their insurance products”

— Tove Hässler, *Expert*

New technologies are not only leveraged by customers, but also by personnel within brokers and insurers. While these tools offer significant efficiency gains, increased reliance on automation may reduce deep domain expertise. Over time, this creates an issue of “deskilling,” where junior employees rely on tools rather than developing underlying knowledge, potentially narrowing the competence gap between advisors and end customers. As a result, reduced information asymmetry may not only be driven by more informed customers, but also by a gradual erosion of expertise on the advisor side.

“There is a risk of knowledge loss when junior brokers use automated tools.”

— Interviewee A, *Insurer*

Overall, while technological developments have the potential to improve efficiency and transparency in the SME insurance market, they may also reduce the underlying information asymmetry that supports the value creation of both brokers and insurers. This effect could be further reinforced by regulatory initiatives such as FIDA, although significant uncertainty remains regarding its implementation and impact. Importantly, the implications are likely to be uneven across segments: while complex, large-scale insurance solutions appear relatively resilient, standardized SME and retail products are more exposed to disruption. Lastly, industry views remain highly divergent, with no clear consensus on whether these developments will lead to substitution or augmentation of the broker role. What is widely agreed upon though is that it is an interesting theme which actors across the industry will follow closely.

4.2.5.3 Digital Dependencies

Over time, incumbent insurers have developed a reliance on complex legacy systems. While these provide stability, they limit speed, flexibility, and integration capabilities, creating a structural disadvantage in responding to evolving distribution demands.

"Many insurers are stuck in old systems (. . .) changes take years and cost billions."

— Johan Kjellberg, *Insurer*

In contrast, brokers and MGAs, unburdened by such infrastructure, have taken on the role as first movers, since they can innovate more rapidly and increasingly shape product design and market interfaces, shifting initiative away from insurers.

Consequently, if insurers' internal capabilities are increasingly limited, it will force them to rely on broker-controlled systems and interfaces. This creates both a threat of losing direct customer access and a structural dependency on brokers, who can dictate requirements for data integration and digital collaboration.

"If insurers don't invest in their systems, they become dependent on brokers (. . .) There is an opportunity to ride their value creation and development, but that also enables brokers to go direct to customers."

— Mattias Fritz, *Insurer*

This dynamic introduces a new competitive dimension, where the ability to seamlessly integrate into broker ecosystems through APIs and data flows becomes a new key selection criteria. Insurers that meet these requirements are more likely to be selected partners, while those that fail to adapt are at risk of exclusion from important distribution channels.

"If you are struggling with an old IT system from the 70's or show unwillingness to strategically align, (. . .) then so be it."

— Interviewee C, *Broker*

At the same time, several respondents highlight that well-functioning digital ecosystems can create mutual value, if set up correctly. Many respondents refer to Söderberg and Partners concept of "Modern Rådgivning" positively, from both the insurer and broker side.

"Söderberg & Partners have succeeded with the flow (. . .) it benefits both insurers and customers."

— Michaela Fruergaard, *Insurer*

This suggests that, while digital dependencies might be increasing, they may also enable more efficient and transparent collaboration across the value chain.

4.2.5.4 Threat of Underwriting Competition

Another implication of the rapid AI and technological development is that they allow for AI-driven analytics, lowering the barrier for complex underwriting modelling. In combination with possible movement towards open insurance, this could erode the historical exclusivity of underwriting capabilities, where only insurers have traditionally maintained the ability to assess advanced risks. If so, underwriting could be moved from a core insurer moat capability towards more of a benchmarkable function, where brokers gain ability to independently assess and compare risk profiles. Some actors has already begun experimenting in this direction.

"We collect claims data (. . .) and model an analysis of the target group."

— Interviewee C, *Broker*

If brokers can increasingly evaluate, benchmark and challenge insurers pricing and coverage proposals, it would reduce the insurer's information advantage and weaken authority over pricing.

"We 'sanity check' insurance proposals (...) comparing clients within the same industry and size."

— Interviewee C, *Broker*

"There is clearly a movement among brokers to take on more and more. So far, the issue is that we still do it better than they do. (...) They do want to take over underwriting, but we rarely let that go, it's really our core, our heart and brain."

— Interviewee B, *Insurer*

As discussed in Section 4.2.4.2, brokers are already influencing underwriting within certain pooling solutions. In combination with this emerging "sanity checking", brokers could play a more central role in underwriting going forward and not only present prices, but also gain the ability to influence them first hand.

This would risk becoming a structural power shift in advantage for brokers, as insurers would lose exclusivity over one of their core capabilities, further relegating them to pure balance sheet providers. If such a change would occur it would be a major concern for insurers, since it in combination with the ongoing loss of relationship power would threaten to make them a commodity with no real inimitable capabilities providing strategic advantage.

"Insurers would be even further removed from the actual deal. It will be interesting to follow regulatory developments, as there may be some form of conflict of interest."

— Henrik Rydén, *Expert*

However, this development remains speculative. Regulatory trajectories such as FiDA, as well as varying degrees of industry adoption, introduce significant uncertainty. While the overall direction of change appears relatively clear, the pace and extent of it remain uncertain.

“It’s very difficult to say where this is heading (. . .) regulation may slow or reshape the development.”

— Henrik Rydén, *Expert*

4.2.5.5 Implications of Increased Risk Complexity

Section 4.1.5 and 4.1.6 address that niche emerging domains further increase complexity within the insurance value chain. This increasing complexity places greater demands on specialized underwriting expertise, as risk assessment becomes more domain-specific and dependent on niche knowledge areas. Such expertise is described as increasingly scarce, contributing to cost pressure and intensified competition for talent within the insurance ecosystem.

At the same time, the growing complexity of these risk types also creates space for brokers to expand their role beyond distribution into advisory and risk-enablement functions. This includes supporting clients in improving their risk profiles in order to become insurable, effectively influencing the pre-underwriting stage where risk quality is shaped prior to pricing. Experts further suggest that this may also open up new revenue streams linked to consulting and risk advisory services.

“I was thinking about cyber insurance where, for example, small companies might have a difficulty meeting the requirements. Then an insurance broker can step in and help them with consulting services so that they improve their game and become eligible to obtain insurance coverage (. . .) That is also a possible new revenue stream, at least for the brokerage side.”

— Georg Ebert, *Expert*

Overall, while cyber and climate insurance create opportunities for insurers to differentiate through more specialised underwriting capabilities, they simultaneously increase dependency on scarce expertise and reduce the exclusivity of insurers in early-stage risk assessment. This gradually shifts influence towards brokers, who are increasingly able to shape insurability and risk quality prior to pricing, as they can compete for the best talent due to their private equity ownership and lucrative salaries.

5 ANALYSIS

The empirical findings in Chapter 4 highlight a set of interrelated structural developments within the Swedish brokered P&C insurance market. Most notably, the results point to increasing broker consolidation, a movement downmarket into SME and micro segments, the growing prevalence of facilities, and a strengthening of brokers' control over the customer interface. At the same time, emerging developments such as MGAs, data-sharing initiatives like FiDA, and evolving talent dynamics indicate that the role of intermediaries is not only expanding, but also becoming more structurally embedded across the value chain.

While these developments are presented individually in the findings, their implications are inherently systematic and interconnected. Together, they suggest a broader reconfiguration of market structures, power relationships, and value creation mechanisms within the industry. To move beyond description and understand these shifts more analytically, this chapter interprets the empirical findings through relevant theoretical lenses introduced in Chapter 2. The chapter begins by examining how the identified trends reshape overall market dynamics, before turning to implications for customer relationships and value capture, and ultimately how insurers can formulate strategic responses.

5.1 Structural Transformation of the Insurance Market

The findings point to a structural shift toward a more intermediary-driven market, where brokers play an increasingly central role in distribution and customer access. This suggests changing power dynamics and growing insurer dependence on intermediaries. To better understand these interconnections, the following section analyzes them using established frameworks for market structure and competition.

5.1.1 Macro Drivers - A PESTEL Analysis

To structure the macro-environmental conditions shaping the Swedish brokered insurance market, a PESTEL analysis is performed (Whittington et al. 2021). The framework captures key political, economic, social, technological, environmental, and legal factors, and illustrates how these external forces translate into implications for the brokered market.

DIMENSION	KEY FACTORS	IMPLICATIONS FOR BROKERED MARKET
POLITICAL	- Financial Supervisory Authority (FI) supervision - EU regulatory harmonization	- Increases resources spent on compliance - Favors scale and professionalization - Accelerates consolidation among brokers
ECONOMIC	- Cost pressure and efficiency requirements in mature markets - Private equity presence in profitable markets	- Pushes scalable and standardized distribution models - PE drives consolidation and M&A - Push industrialization and standardization - Strengthens large brokers' market power
SOCIAL	- Low insurance and risk literacy, especially among SME - Preference for human advisory in complex financial decisions	- Reinforces brokers as trusted advisor - Creates information asymmetries that brokers can leverage - Strengthens control of the customer interface
TECHNOLOGICAL	- AI and automation in admin tasks - API integration and data availability + sharing - Platformization and digital ecosystems - Increase of cyber-related risks	- Improves operational efficiency - Increases data-driven insights and services - Enables broker platforms & economies of scale - Increased need for expertise in cyber security
ENVIRONMENTAL	Increase in climate-related risks and losses	- Introduces new risk complexity and uncertainty - Drives demand for specialized expertise in for example renewable energy
LEGAL	- Enforcement of regulations, IDD (Insurance Distribution Directive), GDPR & AML (Anti-Money Laundering) - Upcoming FiDA regulation (Financial Data Access)	- Reporting increases transparency and quality - FiDA increases transparency and comparability - Lowens switching barriers and intensifies competition

Table 6. PESTEL Analysis of the Swedish Brokered Insurance Market, adapted from Whittington et al. (2021).

As shown in Table 6, several macro-environmental factors shape the development of the brokered insurance market.

First, political and legal factors, which are inherently interconnected, reflect an increasingly regulated institutional environment. Supervision by Finansinspektionen (FI), combined with EU regulatory harmonization and the enforcement of frameworks such as IDD, GDPR, and AML, increases compliance requirements across the industry. This raises barriers to entry and creates structural advantages for larger and more professionalized actors, thereby accelerating consolidation and phasing out smaller brokers. In parallel, the upcoming FiDA regulation signals a broader shift toward open financial ecosystems, where increased data access aims to enhance transparency and give customers higher control over their financial information, which in return could lead to lower switching barriers and intensified competition (Svenska Försäkringsförmedlare 2025).

While the brokered SME insurance market is undergoing significant changes, primarily driven by brokers, the broader market structure remains strongly influenced by regulatory developments that define the conditions for competition. Importantly, while increased compliance requirements may appear resource-intensive, they are largely aligned with the market's demand for professionalization and standardization.

“The barriers to entering the market have become much higher. Partly because the market itself has demanded it. (...) Brokers in the market took the initiative to establish a self-regulatory body called InsureSec, committing to oversee industry actors.”

— Joakim Fick, *Broker*

Second, economic factors highlight how broader market conditions drive structural change. Price pressure and efficiency requirements in mature markets push actors toward scalable and standardized business models (Svenska Försäkringsförmedlare 2025). At the same time, favorable capital market conditions enable private equity investments, reinforcing consolidation and strengthening the market power of large broker groups. This has not only accelerated market concentration but also increased the presence of financially driven actors, influencing strategic priorities toward growth and scalability.

Third, social factors emphasize the role of information asymmetries and trust in advisory. Low insurance literacy among SME customers, combined with a

preference for human advisory in complex financial decisions, reinforces the role of brokers as trusted intermediaries. With a central position within the ecosystem, brokers are able to leverage information asymmetries and strengthen their control over the customer interface, thereby shaping access to end customers.

Fourth, technological developments enable and accelerate these shifts. Advances in AI, automation, and data integration, alongside the emergence of platform-based business models, increase operational efficiency and scalability. At the same time, rising cyber-related risks increase the need for specialized expertise, enabling new actors with niche expertise, such as MGAs, to access and compete within the market, further contributing to the evolution of the competitive landscape. Both the efficiency development AI creates, as well as the increasing demand for cyber insurance are apparent in triangulation with Svenska Försäkringsförmedlare (2025).

Finally, findings indicate that environmental factors introduce increasing complexity through climate-related risks and sustainability pressures, confirming observations by Parente (2023). These developments expand the scope of risk assessment and drive demand for specialized advisory capabilities, further reinforcing the role of actors with niche expertise.

The PESTEL analysis demonstrates how macro-environmental forces not only reinforce consolidation and the growing dominance of intermediaries, but also reshape the underlying conditions for competition. In particular, these forces influence barriers to entry, the emergence of new actors, and the distribution of power across the value chain.

5.1.2 Industry Structure in Transition

To further understand how these macro-environmental forces reshape competitive dynamics within the industry, the insurance distribution market is further analyzed using the industry life cycle perspective as well as Porter's Five Forces (Porter 1998).

5.1.2.1 Industry Development - A Life Cycle Analysis

The industry life cycle is used to assess the Swedish brokered P&C insurance distribution market, scoped to the SME segment. Rather than analyzing the insurance industry as a whole, the emphasis is placed on the distribution system,

where brokers have increasingly played a central role in shaping market dynamics.

The maturity of the market is closely linked to the evolution of insurance intermediaries. Historically, the brokered market was highly fragmented, with numerous small, relationship-driven intermediaries. As identified in Chapter 4, the market has recently undergone rapid consolidation, primarily driven by private equity-backed acquisitions. This process has resulted in the emergence of large, professionalized broker organizations with centralized capabilities, standardized processes, and greater control over customer interfaces. These developments are indicative of a late growth stage transitioning toward early maturity, where scale, efficiency, and market access are key drivers of competitive advantage.

At the same time, several indicators suggest that the market has not yet achieved full maturity. Although some interviewees believe that consolidation through company acquisitions in the Nordic region is approaching completion, ongoing expansion into the SME and micro segments, as well as the emergence of new actors such as MGAs, indicate continued growth opportunities. Technological advancements further facilitate new forms of entry and specialization, preventing complete stabilization of the market structure. Svenska Försäkringsförmedlare (2025) further confirm that the brokered P&C insurance market is experiencing significant growth, displaying that additional value is created for customers and insurance companies alike. Consequently, while the overall market is becoming more concentrated and mature, the emergence of new actors and specialized offerings sustains ongoing growth.

This development can be interpreted through the lens of two sequential, yet partially overlapping, S-curves, see Figure 18. The first S-curve represents the expansion of brokered distribution, marked by increased penetration of intermediaries in the SME segment and a structural shift from direct to broker-mediated sales. This phase has been driven by rising demand for advisory services, greater product complexity, and the scaling of broker organizations, which together have established the foundation for the current market structure.

However, the findings indicate that the market is entering a second S-curve, characterized not by further expansion of intermediation, but by a transformation of the intermediary role. Brokers are increasingly moving beyond transactional functions to assume responsibilities in risk analysis, product structuring, and management of customer interfaces. This transformation is reinforced by the emergence of MGAs, platform-based models, and data-driven coordination

mechanisms, which collectively redefine value creation and capture within the distribution system. Similar reasoning is done by Stricker et al. (2023) who examine what intermediation roles can be assumed by MSPs. The study by Stricker et al. (2023) reach the conclusion that increased digitalization enables MSPs to assume most, if not all, roles, further confirming the reconstruction of the broker role. It is further argued that intermediaries that combine platform-based coordination with data analytics and complementary services can emerge as powerful substitutes to traditional sales channels (Ai et al. 2025).

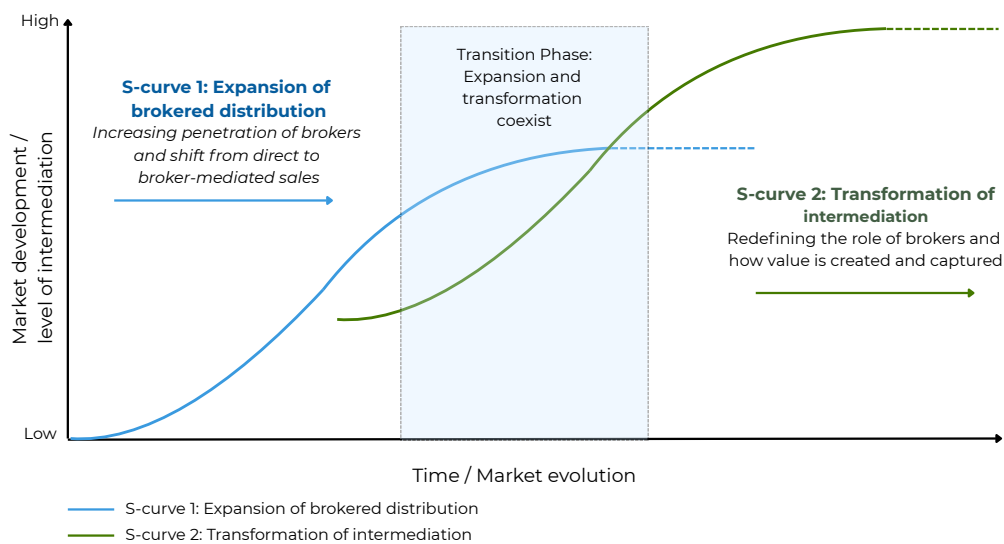


Figure 18. *Dual S-curve development in the brokered insurance distribution market, adapted from Porter's Industry Life Cycle analysis (Porter 1998).*

As such, the market exhibits a dual dynamic, where a maturing core market, driven by consolidation and increasing aggregation among large broker groups, coexists with ongoing transformation in the role and function of intermediaries. While the first S-curve shows a quantitative shift in distribution, the second represents a qualitative transformation of intermediation, fundamentally reshaping the structure of the insurance ecosystem.

Taken together, the brokered insurance distribution market can be understood as undergoing a non-linear transition toward maturity, where consolidation, professionalization, and increasing intermediary dominance are complemented by a redefinition of the intermediary role itself.

5.1.2.2 Market Dynamics - A Five Forces Analysis

Figure 19 illustrates the competitive dynamics, in terms of actors and developments, of the Swedish brokered SME P&C insurance market using Porter's Five Forces framework. The visualization captures what might signify each force in a market where value chain integration blurs the lines between forces.

To assess the industry rivalry, as well as the additional four forces, we first must have a clear definition of the market and what each force signifies. Because of the value chain integration we place not an industry group, but rather an industry function as the core market. More specifically SME-insurance distribution, direct and intermediated distribution alike.

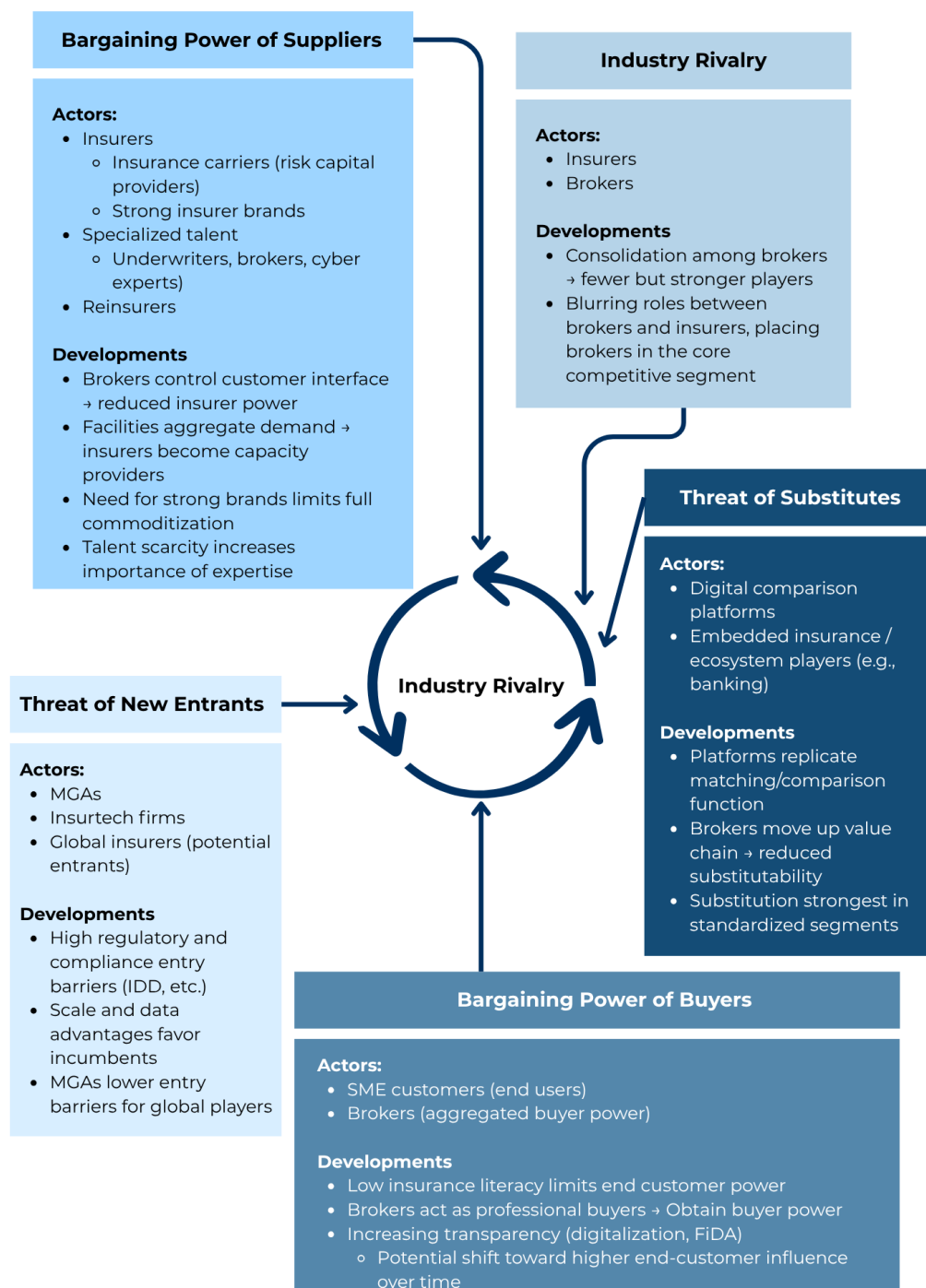


Figure 19. Actor-Based Five Forces Analysis of the Swedish SME Insurance Distribution Market, covering both what actors could be accounted to each force as well as recent developments within the force. The figure has been adapted from Porter's Five Forces (Porter 1998).

Figure 20 highlights the relative strength of each force, revealing a market with high competitive intensity, shifting power structures, and increasing intermediary dominance.

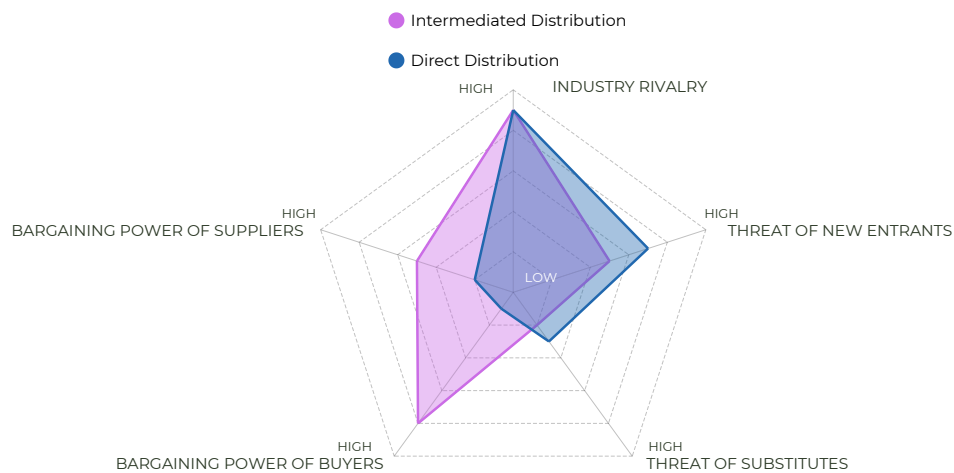


Figure 20. *Relative Strength of Porter's Five Forces in Direct and Intermediated SME Insurance Distribution, adapted from Porter (1998).*

Given the increasing integration across the value chain, the analysis centers on the function of SME insurance distribution, encompassing both direct and intermediated channels rather than a single industry group. While Porter's Five Forces provides a structured lens to assess competitive dynamics, its application to the insurance distribution market is limited by the market's multi-channel and multi-actor nature. The framework assumes relatively clear industry boundaries and actor roles, whereas in practice, direct channels, brokers, MGAs, and platform-based actors simultaneously operate and overlap across the same value chain. This blurs the distinction between buyers, suppliers, and competitors, complicating the categorization required by the model (Goyal 2020). In line with Goyal (2020), the framework also reflects a relatively static view of competition, limiting its ability to capture ongoing shifts in channel structure and power distribution. As such, while useful for structuring the analysis, the model should be interpreted with caution in complex, intermediated markets such as insurance distribution, and analysis using resource based view will complement the five forces analysis to capture the long term horizon.

Industry Rivalry

Given this definition, and problematization, the industry rivalry is assessed as high. The blurring of lines between brokers' and insurers' activities contributes to overlapping competitive spaces, intensifying rivalry while simultaneously making analysis of the competitive space complex. In terms of intermediated distribution, the competition has intensified rather than decreased, despite significant consolidation among brokers. Large broker groups want to build volume and further establish their position through acquisitions and insurer relationships, while increased transparency and product standardization place downward pressure on pricing.

For direct distribution, Section 4.2.4.1 highlights how the emergence of facility solutions have lowered customer access barriers for emerging insurers, enabling them to build portfolios, especially in standardized segments such as SME insurance. This has in return increased the number of insurance players on the market. So the industry rivalry has essentially gone from a few large insurance players, to not only an increased number of insurers, but also brokers sharing the same arena.

Threat of New Entrants

The threat of new entrants is considered moderate for direct and intermediated distribution alike. On the one hand, regulatory requirements, compliance costs, and the importance of scale create substantial barriers to entry for insurers and brokers alike. On the other hand, technological developments and modular business models enable targeted entry, particularly through niche players such as MGAs and InsurTech firms. As such, entry is less about full-scale competition and more about selective participation in specific parts of the value chain. Another form of new entrant is in the form of the international insurers MGAs represent. While we have yet to see any of these giants enter the Swedish market with their own salesforce and distribution models, interviewees frame MGAs as a gateway into the profitable Swedish insurance market, and a future trajectory where the giants operate independently in the market should not be deemed an impossibility. Although the threat of new entrants is driven by similar factors for direct and intermediated distribution, direct distribution is deemed to face a stronger threat from new entrants, as the intermediated channel itself could be viewed as a new entrant when brokers vertically integrate.

Bargaining Power of Suppliers

The bargaining power of suppliers, primarily insurers who develop the product, is moderate but multifaceted. While insurers retain importance as providers of risk capital and underwriting expertise, as well as total influence over their own distribution, their position has been weakened by brokers' increasing control over the customer interface and distribution. The rise of facilities further shifts power toward brokers by aggregating demand and centralizing negotiations, initiating a trend that threatens turning insurers into capacity providers in standardized segments. However, there is still a large need for brand recognition, contributing to insurers' supplier power in terms of withstanding from participating in facilities for example, undermining their legitimacy by the absence of trusted brands. While insurers might be deemed suppliers of insurance, reinsurers, companies that provide financial protection to insurance companies, could be deemed a downstream supplier as well as they facilitate risk-spreading from insurers (European Central Bank 2008).

In addition to insurers and reinsurers, human capital might be deemed suppliers with their specialized expertise, central to the product and value creating. As the demand for competence increases, especially in niche segments, the work force providing these services becomes a powerful supplier. This places large demands on recruitment and talent retention programs for insurers and brokers alike. Supplier power is thus divided between capital providers (insurers) and capability providers (specialized talent).

Bargaining Power of Buyers

The bargaining power of buyers is one of the more complex dimensions of the five forces affecting the Swedish market for SME insurance distribution since it differs heavily between the direct and intermediated channel.

For the direct channel, where insurers sell directly to the SME customer, the bargaining power of buyers is low. That is because the end customer in the individual SME customers typically lack the expertise to exert direct influence. The distribution is, however, increasingly mediated through brokers who act as professional representatives, aggregating demand and negotiating on behalf of clients, giving brokers a central, and powerful, role as "buyer" in relation to insurers. Brokers' strong position in the buyer segment is one of the main reasons behind their ability to vertically integrate backwards into the insurer's value activities. However, trends such as digitalization and regulatory developments like FiDA are expected

to further increase transparency and comparability, strengthening end consumer's power over time which will alter the power dynamics in both the intermediated and direct channel.

Threat of Substitutes

Finally, the threat of substitutes is moderate to low. A starting point for analysis is identifying what might constitute a substitute. In the Swedish market for SME insurance distribution substitutes could be everything from comparison-based distribution platform-providers, InsureTech actors and, most unlikely, self insurance. But substitutes could also come from other directions. Looking at how an established player like Länsförsäkringar has built an ecosystem around both banking and insurance solutions, other banking players might create similar solutions with the aim to reduce the need for an insurance partner.

However, looking at the more feasible substitute in the form of comparison platforms, as brokers expand their role beyond simple intermediation into advisory, risk analysis, and claims support, their services become more difficult to replace. As a result, substitutes primarily challenge the lower end of the market, while the brokered model remains resilient in more complex contexts. For insurance companies, their distribution model is what is mainly up for substitution, while the risk bearing and underwriting are more centrally anchored.

The analysis highlights a market characterized by high rivalry, increasing intermediary dominance, and a reconfiguration of power throughout the value chain. The visualizations in Figures 19 and 20 synthesize these dynamics, illustrating how different forces interact to shape the competitive landscape. The relative strength of these forces also reflects the dual dynamics identified in the industry life cycle analysis, where a consolidating core coexists with emerging forms of competition, consistent with the transition between two overlapping S-curves.

5.2 Activities, Roles, and Dependencies

5.2.1 Value Chain Analysis

The baseline for this value chain analysis is the adapted insurance value chain framework presented in Figure 9 in Section 2.2.2 (Porter 2004; Lanfranchi and Grassi 2022; Eling and Lehmann 2018). Historically, insurers in the Swedish P&C market maintained control over most primary activities, while brokers were

mainly operating within distribution and sales functions. However, the empirical findings suggest that this configuration is no longer representative of the current market structure.

Instead, the thesis findings indicate a gradual fragmentation and modularization of value creating activities, where value creation is no longer confined to a single firm, but increasingly distributed across an interconnected ecosystem of actors. This aligns with the findings by (Stricker et al. 2023). Within this structure, brokers have expanded their role beyond traditional sales.

Although brokers continue to dominate customer-facing activities such as sales and advisory, their influence has extended both downstream and upstream in the value chain, confirming the findings of Maas (2010) and Eckardt (2007). Downstream, brokers increasingly control marketing and customer relationships and service, reinforced by practices such as white labeling, which hides the underlying insurer and position brokers as the primary interface. There have even been attempts to overtake claims handling, although it primarily remain with insurers. Upstream, brokers are expanding into product development and pre-underwriting activities, particularly through facility structures, data-driven insights, and responsiveness to evolving customer needs. It is important to note that while the end product is still provided by the insurer, the development of these are often driven by brokers, with cyber insurances being one example.

In contrast, insurers remain dominant in core functions such as underwriting, claims management, and capital provision. However, their control over input factors, such as ownership of customer access and risk information, has weakened. While underwriting largely remains within insurers, early-stage risk assessment and validation processes are increasingly influenced by brokers, a development further enabled by technological advancements.

Figure 21 and 22 below illustrate the changes described above. Support activities are excluded due to limited empirical evidence and their primarily internal, rather than directly value creating nature.

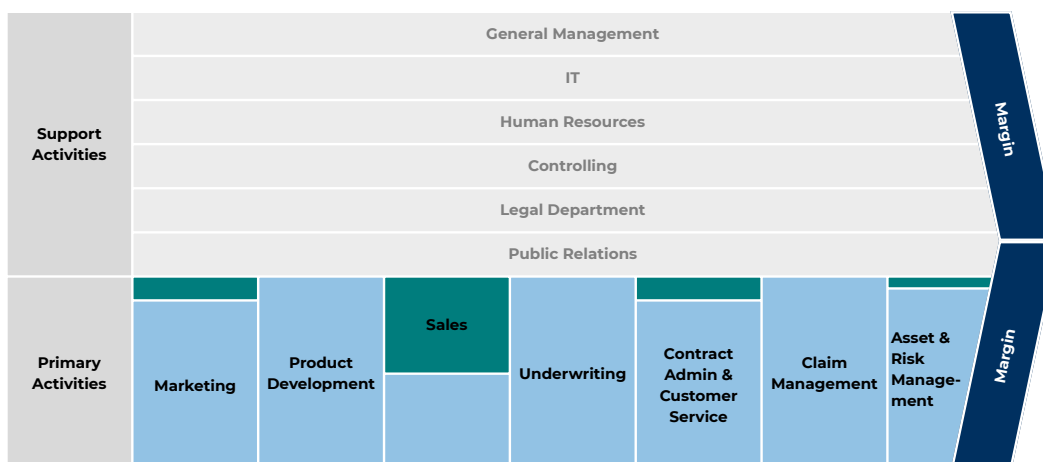


Figure 21. Historic allocation of insurance value chain activities, estimated based on qualitative data. (Blue = Insurers and Green = Brokers). The figure is adapted from Figure 9, where Porter's value chain (Porter 2004) is adapted to the insurance industry such as by Lanfranchi and Grassi (2022) and Eling and Lehmann (2018).

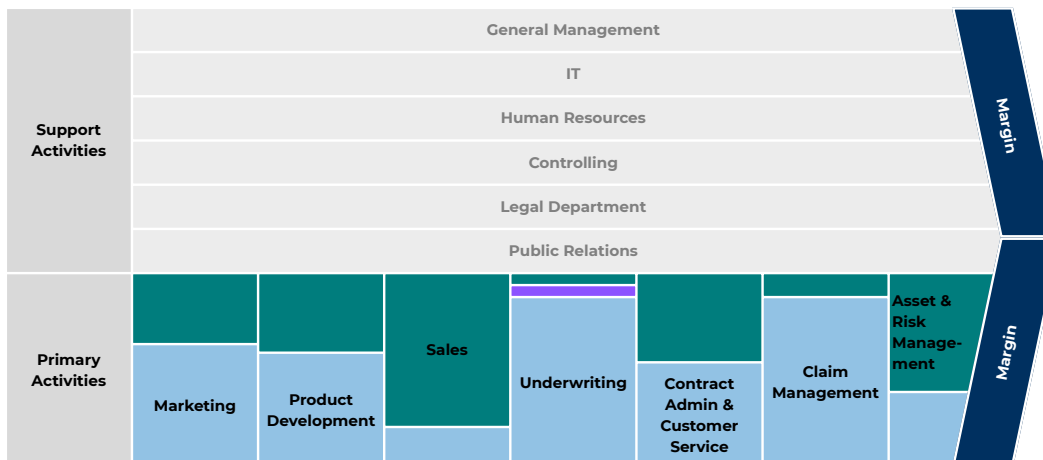


Figure 22. Current allocation of insurance value chain activities, estimated based on qualitative data. (Blue = Insurers, Green = Brokers and Purple = MGAs). The figure is adapted from Figure 9, where Porter's value chain (Porter 2004) is adapted to the insurance industry such as by Lanfranchi and Grassi (2022) and Eling and Lehmann (2018).

Taken together, these developments indicate that insurers are becoming more concentrated around specialized risk-bearing and processing activities, while brokers expand across a broader set of value chain functions. Apart from the fragmentation of the value creating activities in the insurance value chain, this also has another important implication. It reflects a broader structural shift from a traditionally firm-bound value chain toward a more modular and ecosystem-based configuration. The emergence of MGAs exemplifies this dynamic, as these actors specialize in underwriting while leveraging external capital and broker-led distribution. Value creation thus shifts from being firm-centric to being coordinated across multiple specialized actors, further emphasizing the strategic importance of broker management. This aligns with prior literature suggesting that value chain activities in insurance are increasingly distributed across multiple actors (Lanfranchi and Grassi 2022).

“Using brokers as a distribution channel is highly attractive, but insurers also want to retain ownership of the customer relationship. It is a constant balancing act.”

— Michaela Fruergaard, *Insurer*

Within this evolving structure, brokers increasingly take on the role of value chain coordinators, orchestrating interactions, information flows, and activity integration across the ecosystem, rather than merely acting as intermediaries between insurers and customers.

5.2.2 Resource Based View

The following section builds on the VRIO-framework by Johnson et al. (2018), presented in Section 2.3.1, which conceptualizes the Resource Based View that defines a firm’s resource base as the foundation of its competitive positioning (Barney 1991). Table 7 provides an overview of insurers’ key resources identified in Section 4, evaluating their development as well as their value, rarity, inimitability, and organizational support from the insurer perspective. While the specific configuration of resources varies across individual actors, the figure reflects general patterns identified in the empirical findings.

Table 7. *Development of insurers' key resources and their VRIO characteristics, using Johnson et al. (2018)'s framework. Faded VRIO attributes signalize attributes that have eroded over time, while the saturated highlights maintained VRIO attributes.*

RESOURCE	CATEGORY	HISTORICAL ROLE	CURRENT SHIFT	VRIO IMPACT
Customer Relationship	Intangible	Insurer owned interface	Brokered Controlled	V R I O
Brand	Intangible	Key differentiation	Lowered by white labelling	V R I O
Underwriting Expertise	Human Capital	Broad insurer capability	More specialized	V R I O
Legacy IT Systems	Organizational	Entry barrier	Constraints speed	V R I O
Local Presence	Physical	Local insurer access	Replaced by brokers	V R I O
Capital Provision	Financial	Insurers dominated	Insurers dominated	V R I O

Firstly, there has been a shift in ownership of customer relationships, from previously being mainly insurer-controlled to increasingly broker-controlled. This development is driven by customer loyalty being tied to individual advisors rather than firms, combined with brokers' active expansion within the SME segment. As a result, customer relationships have lost both their rarity and inimitability from the insurer's perspective, as customers are more inclined to switch insurer than broker.

Regarding brand, the increasing use of white-labeling and facility structures has reduced brand visibility toward end customers, who often perceive the broker as the primary provider. Consequently, brand is no longer a key differentiating factor in brokered segments, as purchasing decisions are largely driven by broker recommendations. However, strong brand recognition still holds relevance in the micro segment, which operates more similarly to traditional B2C markets, as well as in providing legitimacy to facility solutions.

Underwriting expertise remains one of the most critical resources in the insurance industry, and its value may even have increased due to growing complexity in niche risk domains. However, the emergence of MGAs and increased talent mobility have made this capability less firm-specific and more contested. As a result, the

ability to attract and retain underwriting talent becomes a key constraint.

Legacy IT systems, which historically served as a backbone and entry barrier, have increasingly become constraints. While still necessary for core operations, their limited flexibility and integration capabilities hinder insurers' ability to adapt to a more interconnected ecosystem.

Similarly, local presence has undergone a shift. While insurers have largely centralized operations, brokers have in many cases maintained and strengthened their local presence to secure customer access. Consequently, this resource has lost its rarity and inimitability for insurers and is no longer supported organizationally.

Lastly, capital provision remains rare and important for insurers. Although brokers will have a hard time expanding into this, MGAs has brought in international competition for this resource taking away the inimitability of this historically crucial resource on the Swedish market owned only by a few actors.

Overall, the analysis indicates a systematic erosion of insurers' traditionally valuable resources, particularly those linked to customer access and information. At the same time, new VRIO-resources emerge within broker platforms and more specialized underwriting, shifting control over value creation. As a result, competitive advantage is no longer only determined by ownership of resources, but also by control over the interfaces through which these resources are accessed and deployed.

It is important to note, however, that the erosion of certain resources is not necessarily detrimental, but may reflect strategic repositioning depending on the actor's business model. From an RBV perspective, not all resources remain valuable sources of competitive advantage over time, particularly if they no longer meet VRIO criteria. In such cases, maintaining these resources may instead impose unnecessary costs. Consequently, firms may strategically deprioritize certain resources in order to remain competitive. This is particularly evident for resources such as local presence and legacy IT systems, which, while historically valuable, may no longer justify their associated cost structures in a broker-dominated and digitally integrated ecosystem.

Shifting away from the insurer point of view illustrated in Table 7 and into the broker, a particularly significant development is the emergence of broker platforms, such as "Modern Rådgivning" and comparison systems. These platforms function as central coordination mechanisms, integrating customer data, insurer

offerings, and decision-making processes. Previous research has suggested that intermediaries combining such platform-based coordination with data analytics and complementary services can evolve into powerful substitutes for historically dominant sales channels (Ai et al. 2025), which validates this development. Due to their scalability, data accumulation, and integration into broker workflows, the platforms exhibit strong VRIO characteristics and are difficult for individual insurers to replicate. Thus, brokers have developed one of the most valuable resources in the insurance ecosystem through these platforms, altering actor dynamic in favor of those owning such.

5.2.3 Resource Dependency Theory

In order to complement the Resource-Based View, Resource Dependency Theory (RDT) is applied to incorporate the role of external dependencies in shaping competitive positioning. While RBV focuses on internally controlled resources, RDT enables a more nuanced analysis of how access to critical resources is mediated through relationships between actors. As outlined in Section 2.3.2, organizations are not autonomous, but embedded in networks of interdependence where survival depends on securing access to externally controlled resources (Hillman et al. 2009).

As illustrated in Table 7, several resources that were historically central to insurers have declined in relative importance or become externally controlled by actors such as brokers and MGAs. In particular, resources related to customer access, including customer relationships and local presence are now largely mediated by brokers. Furthermore, IT systems and brand go both ways in terms of dependencies, while brokers are dependent on insurers when it comes to capital provision and underwriting expertise. This implies that insurers, despite retaining ownership of most of these resources, no longer control access, and cannot fully utilize them.

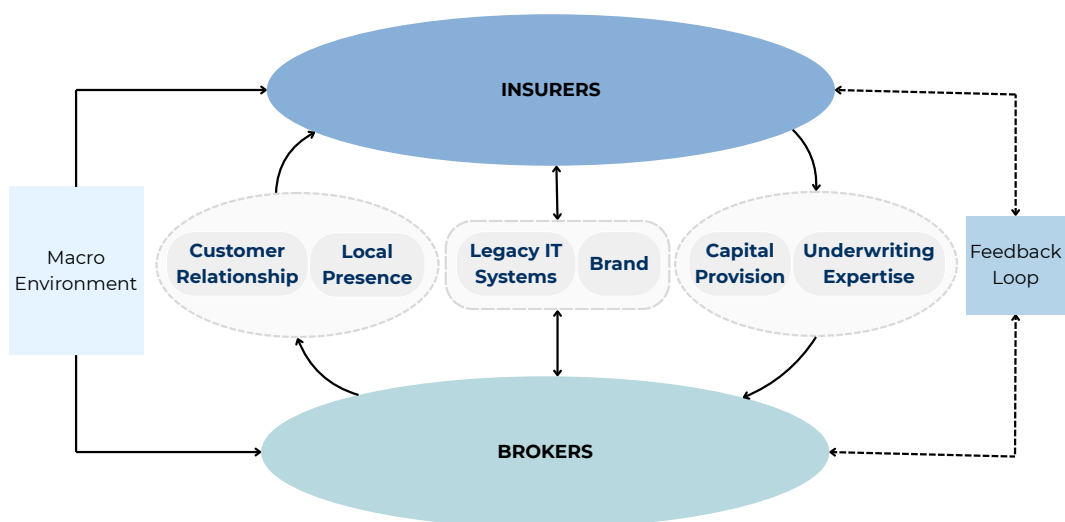


Figure 23. *Dependency dynamics for identified resources from Section 5.2.2, adapted from Shah-Nelson et al. (2020). Arrows are pointing towards the actor dependent on a specific resource.*

From an RDT perspective, power arises from controlling access to resources that others depend on, rather than from ownership (Hillman et al. 2009). This distinction helps explain the patterns observed in the RBV analysis. While insurers still own several key resources, their inability to fully utilize deployment reduces their effective value. For instance, although insurers retain ownership of their brand, white-labelling practices in facility structures allow brokers to control its exposure toward end customers. Similarly, while insurers formally maintain a relationship with the customer, this relationship is increasingly intermediated and, in some cases, entirely obscured.

Through this control of customer interfaces and information flows, brokers assume a gatekeeping role. Insurers seeking access to these channels must therefore compete on terms set by brokers, typically through pricing or policy conditions. Over time, this dynamic contributes to sustained pricing pressure and a weakening of insurers' ability to capture value, consistent with the prolonged soft market observed in the empirical findings.

Taken together, this results in a dependency structure where insurers rely on brokers for access to customers and data, while brokers remain relatively flexible

in their choice of insurers. Although brokers depend on insurers for product capacity and capital provision, these resources can often be sourced from multiple providers. This asymmetry strengthens the bargaining position of brokers and shifts power within the ecosystem.

Consequently, insurers face a situation where they retain ownership of critical resources but lack control over their deployment. According to RDT, firms respond to such dependencies by seeking to reduce reliance on external actors or by increasing their autonomy. In this context, insurers must strategically reposition themselves in order to regain influence over key resources and protect their ability to capture value. The implications of this are further explored in the following sections, where the evolving power dynamics are analysed and strategic responses are discussed.

5.2.4 Power Shifts Expressed in Two Dimensions

One of this thesis' main contributions is the creation of the actor-mapping framework presented in Figures 24 and 25. These figures conceptualize power in the insurance ecosystem along two distinct but interrelated dimensions, namely relationship and structural power. By combining existing theoretical perspectives with newly gathered empirical data, the framework enables categorization of actor roles and strategic positions within the insurance industry. Thus, it provides a possibility to illustrate how positions have shifted due to recent developments, as well as an analytical lens for understanding how different actors may respond to these shifts.

Relationship power was originally intended to build upon the theoretical framework developed in Section 2.2.1, which conceptualizes power through control over customer interactions, touchpoints, and the management of ongoing client relationships (Lemon and Verhoef 2016; Frazier 1999; Kalafatis 2000). However, due to limited empirical insights into the customer perspective and the detailed stages of the customer journey, the theoretical framework outlined in Section 2.2.1 could not be applied in its full intended form. Instead, the assessment of relationship power is grounded in recurring empirical themes related to customer ownership, relationship management, and influence which have consistently emerged throughout the analysis. Consequently, while the concept still captures important relational dynamics in the insurance ecosystem, the thesis ultimately relies more heavily on empirical observations than on the intended theoretical operationalization. This limitation also highlights a need for further research on

how relationship power can be more systematically conceptualized and measured within brokered insurance markets.

In contrast, the concept of structural power is grounded in both theoretical foundations and empirical data within this field. It emerges from the value chain perspective in Section 2.2.2, and refers to control over value configuration, including coordination, execution, and integration of activities across actors within the insurance ecosystem (Porter 2004; Lanfranchi and Grassi 2022; Eling and Lehmann 2018). Figure 21 and 22 in Section 5.2.1 illustrate this power, and how it has developed over time.

Together, these dimensions provide a structured lens for analyzing how influence and competitive positioning are distributed in brokered insurance markets. Actors that possess strength in both relationship and structural power are well positioned to succeed, whereas weaknesses in either dimension may create a need for strategic adjustments. The interaction between these two dimensions is illustrated in Figure 24.

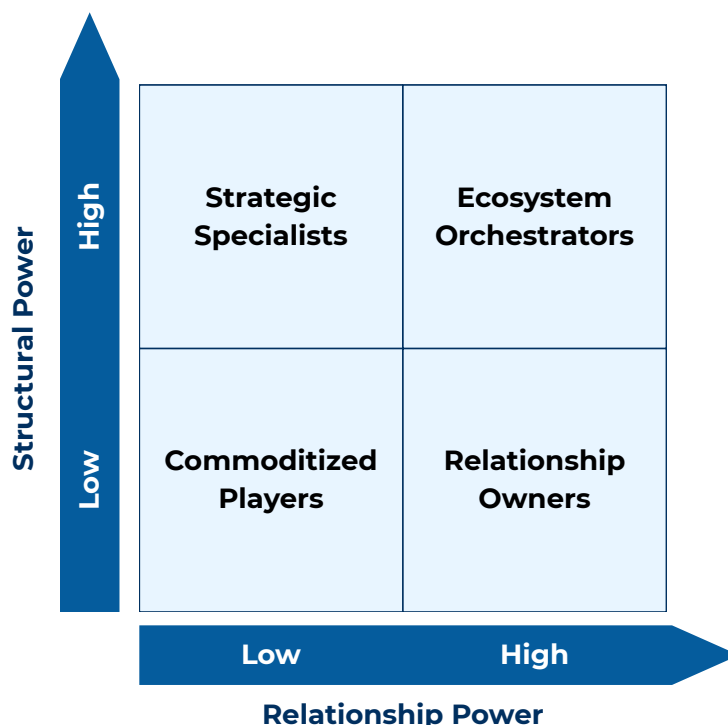


Figure 24. Power in the insurance industry split into two distinct dimensions: relationship power and structural power, and categorization of 4 actor types. The figure is a conceptual model created by the authors.

To capture the variation of individual actors, the matrix in Figure 24 should be interpreted as a role-based ecosystem map rather than a firm-level classification. Within this structure, four idealized archetypes emerge: Relationship Owners, Ecosystem Orchestrators, Strategic Specialists, and Commoditized Players. These represent directional positions rather than fixed categories.

The empirical findings indicate that both dimensions are undergoing changes, although in different ways and at different speeds.

Relationship power is observed to have undergone a clear shift away from historical strong incumbent insurers toward brokers. This shift is driven by white-labeling practices in facility solutions, increasing ownership of customer touch points and a tendency for customers' loyalty to lie with individual advisors instead of institutional brands. As a result, insurers experience a relative loss of visibility and control in customer-facing interactions. In the Figure 25 below, this implies

a leftward movement in relationship power for insurers, where generally they become less vital to the customer interface, while broker consolidate relational ownership resulting in a movement to the right.

Structural power, in contrast, shows a more gradual and heterogeneous transformation. While insurers still own core underwriting and balance sheet functions, brokers are increasingly expanding their influence over adjacent value chain activities such as risk advisory, data mediation, pre-underwriting processes, and influence over product configuration as illustrated in Figure 21 and 22 in Section 5.2.2. However, this shift remains uneven across actors and segments, with large variation between incumbents, challengers, and MGA structures. Consequently, structural power is best described as being in a state of early-stage reconfiguration rather than full displacement. Thus, for insurers, there is limited movement in Figure 25 in the structural dimension, and uncertainty remains about how it will develop going forward and what impact it will have on individual actors.

At the ecosystem level, these developments suggest a partial decoupling of insurers from both customer interfaces and value coordinating functions. However, the empirical evidence does not indicate a uniform repositioning of all insurers. Instead, positioning is increasingly heterogeneous, ranging from incumbents attempting to maintain relational strength, to broker-dependent insurers and MGAs occupying more structurally integrated roles within facility distribution models.

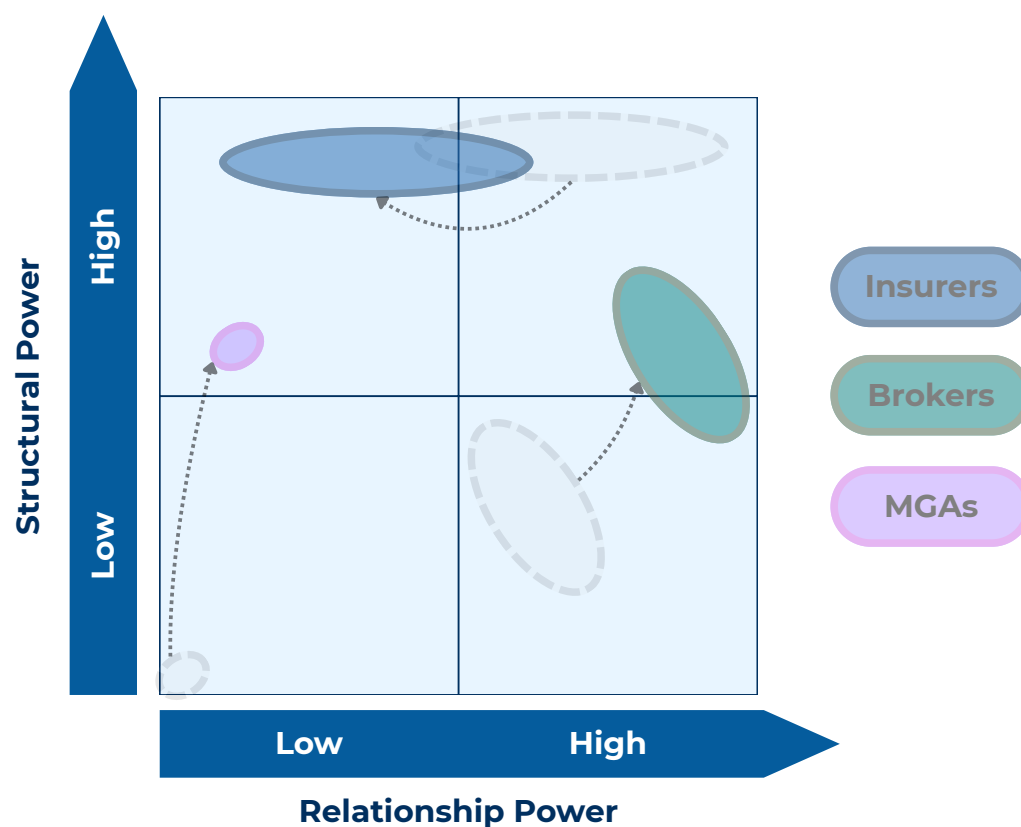


Figure 25. Observed directional movements across relationship and structural power dimensions for brokers, insurers and MGAs. The figure is a conceptual model created by the authors.

Generally, the empirical findings suggest a system-level drift in relationship power away from insurers, while structural power is undergoing slower, more unclear but increasingly contested redistribution across the value chain. Insurers are therefore increasingly exposed to asymmetric pressure across the two dimensions, with some actors adapting by repositioning along one axis while partially retaining strength in the other. The interaction between relationship and structural power forms is illustrated in Figure 25, and sets the stage for Section 5.3.

5.3 Strategic Implications for Insurers

Building on the preceding analysis, this section translates the identified power shifts into strategic implications for insurers. The recommendations are interpreted through Resource Dependence Theory and Dynamic Capabilities, introduced in Sections 2.3.2 and 2.3.3. Resource Dependence Theory helps explain how insurers can manage increasing dependence on brokers, platforms, and external capability providers, while Dynamic Capabilities clarifies how insurers can reconfigure resources and adapt their business models under uncertainty. Together, these lenses frame potential strategic responses as an active process of managing dependencies while also renewing capabilities over time.

5.3.1 The Need for Strategic Repositioning

Figure 25 illustrates the ongoing shifts in both relationship and structural power across actors in the insurance ecosystem. As demonstrated in the preceding analysis, the erosion of historically critical resources, combined with increasing external dependencies, has led to a systematic decline in insurers' relationship power. This development distances insurers from end customers and key decision-makers, while elements of structural power are gradually being contested and, in some areas, redistributed toward brokers.

As a consequence, many insurers are increasingly pushed toward a more narrowly defined Strategic Specialist role, focusing on risk-bearing and technical capabilities. At the same time, a limited number of larger actors retain the ability to operate as Ecosystem Orchestrators, maintaining influence across a broader set of activities. This divergence reflects not only differences in resource bases, but also in the ability to manage dependencies and control access to critical interfaces.

In this evolving market structure, maintaining a broad and partially integrated position is becoming increasingly difficult. The empirical findings suggest that strategic trade-offs are unavoidable, and that attempts to optimize across multiple dimensions simultaneously threatens to result in incoherent positioning and weakened competitiveness. As expressed by Henrik Rydén:

“Insurers need to decide how to relate to brokers. It is difficult to be half-pregnant.”

— Henrik Rydén, *Expert*

This highlights a fundamental strategic dilemma: insurers must explicitly decide how to position themselves in relation to brokers. Prior research suggests that merely adapting to market developments may preserve customer satisfaction in the short term, but threatens to undermine long-term strategic relevance if insurers fail to proactively shape their role within increasingly ambiguous value chains (Lanfranchi and Grassi 2022). Similarly, while insurers' core risk modeling capabilities may remain relatively protected, their position within broader integrated service ecosystems is increasingly uncertain (Eling and Lehmann 2018). Strategic repositioning therefore becomes a deliberate process of reshaping resource configurations and dependency structures in order to regain influence over value creation and capture.

In this sense, repositioning can be understood through Resource Dependence Theory as an attempt to reduce uncertainty and rebalance asymmetric dependence relationships by altering how insurers interact with key external actors (Hillman et al. 2009; Davis and Cobb 2010). At the same time, it reflects the logic of Dynamic Capabilities, where firms must purposefully reconfigure their resource base in response to environmental change (Pitelis and Wang 2019).

Given that a position as a commoditized player is not sustainable, and that relationship ownership is increasingly dominated by brokers, these positions are excluded from further analysis. Instead, the following sections outline two viable strategic paths for insurers: Ecosystem Orchestrators and Strategic Specialists. For each position, concrete actions are identified to both defend existing advantages and expand influence across the relationship and structural dimensions of power.

5.3.2 Ecosystem Orchestrating Insurers

An insurer acting as an ecosystem orchestrator is characterized by holding strong positions in both structural and relationship power. Actors in this position typically rely on a hybrid distribution strategy, combining direct channels with broker-mediated sales. While such actors are few in number, they represent some of the largest incumbents on the Swedish market.

The strategic objective for these insurers is to defend a historically strong and profitable market position. However, attempting to optimize both dimensions of power simultaneously introduces significant trade-offs and creates a threat of becoming “stuck in the middle” if strategic priorities are not clearly defined. At the same time, this dual approach may provide increased strategic resilience.

By maintaining internal capabilities in sales, customer service, and distribution, insurers preserve optionality in a market characterized by regulatory uncertainty (e.g. FiDA) and shifting power dynamics. This enables adaptation regardless of whether future developments favor direct or intermediary-led models.

5.3.2.1 Opportunity of MGAs

The described resilience is further strengthened by the ability to extend the ecosystem beyond organic growth. In particular, insurers can complement domestic positioning through international MGA structures, where underwriting capacity is deployed externally while distribution and operational complexity are delegated to local partners. Rather than requiring full market entry and organizational replication, MGA-based expansion enables scalable exposure to adjacent markets while decoupling capital provision from execution.

"Instead of establishing a local presence, going through an MGA that already has the structure in place and people with the right expertise is a much, much easier way to enter the market."

— Kajsa Peedu, MGA

Beyond efficiency gains, MGA structures also function as a strategic hedge against domestic dependency on broker-controlled distribution ecosystems. As Swedish SME distribution becomes increasingly intermediated, international MGA portfolios create an alternative earnings base that is not subject to the same structural channel concentration. This allows insurers to preserve underwriting expertise while diversifying revenue streams outside the domestic broker system.

5.3.2.2 Further Segmentation of the SME-Segment

Ecosystem orchestrators typically benefit from strong brand recognition and large existing customer bases, particularly within the B2C segment. A key strategic implication is therefore to leverage these advantages to strengthen positioning in the SME market, while recognizing that different segments require distinct approaches across both power dimensions.

In the micro segment, which in many respects resembles a consumer market, strong brand awareness can be leveraged to attract newly established firms. The micro segment is becoming increasingly important to address in a brokered context as it has seen such rapid growth as shown in Section 4.1.2.2 and Table 5.

By acquiring customers early in their lifecycle and maintaining high satisfaction, insurers can grow alongside the customer as the firm scales. In this segment, competitive advantage is less driven by product differentiation and more by seamless and accessible distribution, reinforcing relationship power.

The rest of the SME and mid-market segments are characterized by more professional insurance procurement. Thus, in this segment, for existing customers, the primary objective is retention, and it should be prioritized over acquiring new customers in this segment. Insurers must therefore prioritize trust, service quality, and continuity to prevent disintermediation.

This dual-channel model inherently creates internal tensions, as direct distribution may compete with broker relationships. Managing this requires strict segmentation, ensuring that channels serve different customer groups rather than overlapping.

At a system level, this also creates incentives for coordination among insurers through industry organizations to define common standards for broker engagement, particularly around facilities and pricing discipline. Such alignment can restrengthen bargaining power against dominant broker platforms.

5.3.2.3 Ecosystem Structures Creating a Strategic "One-Stop-Shop"

To reinforce this position, ecosystem-based strategies could be implemented where adjacent industries are increasingly connected. Ecosystem-based strategies should extend beyond traditional banking partnerships to include broader institutional ecosystems such as industry associations, trade unions, affinity groups, housing cooperatives, sector organizations, logistics providers, and product-linked distribution channels. When firms acquire commercial assets such as vehicles, machinery, or logistics services, insurance can be offered as a default embedded component in the transaction. This shifts acquisition from broker-mediated pull to ecosystem-driven push, repositioning insurers closer to upstream decision points in the value chain. The partnership structure is a strategy reinforced by Teece (2025) who highlights alliance formation & management as a way of seizing and transforming based on a development, displayed in Figure 11.

Affinity-based structures strengthen relationship power by embedding insurers into pre-existing trust networks, reducing reliance on both brokers and standalone digital acquisition channels. This increases switching costs without price com-

petition, as insurance becomes structurally integrated into broader commercial ecosystems rather than a standalone decision.

In parallel, ecosystem-based strategies should increasingly include integration of adjacent services such as banking, pensions, and advisory, creating “one-stop-shop” solutions. These ecosystems generate proprietary data flows and feedback loops, strengthening underwriting capabilities and long-term customer retention. Partnerships with banks remain particularly important, as they represent a key entry point for new firms at the moment of financing. Capturing customers at this stage enables insurers to establish early relationships before brokers enter the process, effectively pre-empting disintermediation.

5.3.2.4 Utilizing Vertical Integration as a Response Strategy

As addressed by Hillman et al. (2009) and Davis and Cobb (2010), another strategic lever for managing dependencies is selective vertical integration, which in insurers’ case could be into digital comparison platforms and broker-led distribution infrastructures. Rather than treating comparison platforms as neutral intermediaries, insurers can pursue ownership stakes, strategic partnerships, or preferential integration agreements. This would mean ownership of a platform similar to Modern Rådgivning, in which the insurer would be in charge of algorithms, advisory and customer interaction. Although some business would still go to competitors due to the comparison nature of such a platform, it would provide influence over decisions and acquisition of more data.

This represents a partial integration into the market’s interface layer, where structural power is increasingly concentrated. By influencing ranking logic, data inputs, and integration depth, insurers can indirectly shape conversion flows while maintaining formal neutrality. Over time, platform control may become as important as direct distribution ownership.

5.3.2.5 Proactive Acquisition of Emerging Capabilities

In an environment characterized by rapid technological change and increasing uncertainty around the trajectory of AI-driven innovation, insurers face a growing threat of being outpaced by specialized InsurTech players. These actors are advancing capabilities across core domains such as underwriting, pricing, and customer interaction, challenging incumbents’ traditional sources of advantage. As a response, insurers can engage proactively with the InsurTech ecosystem through

targeted investments and acquisitions, extending beyond distribution interfaces into capability-intensive areas.

Such engagements enable incumbents to internalize emerging capabilities, shorten innovation cycles, and build strategic optionality in the face of technological disruption (Teece 2018). Beyond immediate synergies, they also function as a hedge against capability erosion. By acquiring or partnering with InsurTech firms, insurers gain access to entrepreneurial talent, data-driven experimentation, and alternative operating models that are difficult to replicate within legacy structures. This reduces the threat of organizational inertia and technological lock-in.

Importantly, even when full integration is not pursued, maintaining a portfolio of InsurTech engagements allows insurers to continuously monitor technological frontiers and selectively scale solutions that align with their strategic positioning. In this way, InsurTech M&A and partnerships serve not only as a growth lever, but as a mechanism for long-term capability renewal and strategic adaptability.

5.3.2.6 Targeted Talent Mobility as a Strategic Lever

Beyond formal partnerships, relational and structural power can also be shaped through targeted talent mobility between insurers, brokers, and platform organizations. Strategic recruitment from broker firms, combined with rotational programs or secondments, could strengthen cooperation within broker ecosystems. Such talent flows increase understanding and improve alignment between underwriting and distribution behavior. They also create informal influence within broker organizations, as individuals with insurer-side experience often play a role in recommendation processes (Lindström 2026). This represents a human-capital-based mechanism of dependency management.

5.3.2.7 Active but Selective Facility Participation

While facilities enable scale and simplified distribution, they also introduce threats related to pricing pressure, reduced underwriting control, and diminished brand visibility. Ecosystem orchestrators should therefore adopt selective participation strategies, while viewing brokers as partners, not enemies, in this segment. Engagement should only occur where pricing discipline, underwriting standards, and brand integrity are preserved. Large insurers retain bargaining power in these arrangements, as their absence can reduce perceived legitimacy of facility offerings.

Beyond facilities, insurers should actively engage with forward-leaning brokers and platform providers such as Modern Rådgivning and try to develop these in order to create a fair comparison and win-win situation. Comparison platforms represent opportunities to participate in broker ecosystems without fully relinquishing control. From a Resource Dependence Theory perspective this can be interpreted as a form of partial dependence absorption, where insurers seek influence within intermediary-controlled ecosystems without fully internalizing the distribution function (Hillman et al. 2009).

5.3.2.8 Pricing Consistency as a Tool for Channel Governance

The empirical findings indicate a contradiction arising from the fact that both insurers and brokers claim that their channel enables the lowest price for the customer. Who is right varies from case to case, but inconsistent pricing occurs to some degree. Sometimes, insurers may offer slightly adjusted pricing or terms within broker-led facilities in order to increase competitiveness and secure deals. This can result in lower effective prices in brokered channels compared to direct offerings.

As stated in Section 1.1.1, a key challenge for insurers is to establish consistent customer experiences across distribution channels, in which access to the same information at any time through any channel is consistent (Eling and Lehmann 2018). For ecosystem orchestrators operating hybrid distribution models, inconsistencies in pricing therefore threaten to create negative brand perceptions and may incentivize customers to migrate toward broker-mediated channels. Over time, this may undermine the legitimacy of direct channels and weakens customer ownership.

To address this, ecosystem orchestrators may consider implementing pricing consistency across channels. This would entail aligning end-customer pricing for identical products, while accounting for broker commissions within the insurer's margin structure. From the customer's perspective, this results in a uniform price regardless of channel. Such an approach can enhance transparency and perceived fairness, thereby strengthening trust and reinforcing the attractiveness of direct channels. As perceived unfair pricing diminishes, retention in direct channels may increase, supporting relationship power. In this sense, pricing consistency can be understood as an attempt to reduce environmental uncertainty and rebalance dependence structures within hybrid distribution systems (Hillman et al. 2009).

However, this approach introduces significant trade-offs. From a profitability perspective, absorbing broker commissions may lead to margin compression. From a structural standpoint, brokers may respond strategically by demanding higher commissions or deprioritizing insurers that restrict pricing flexibility, thereby reducing visibility within intermediary-driven distribution. In addition, pricing consistency may accelerate commoditization by shifting competition away from product differentiation toward distribution control and service quality, in which brokers have recently strengthened their position.

To complement a price matching strategy insurers should also work continuously on streamlining their distribution channels, though e.g. automated processes and digital tools. This is because of cost efficient distribution channels being one of the main reasons behind low brokered prices. By making their direct channels more cost efficient, insurers are able to push brokers' margins if they want to match direct channel prices. Such investments in operational efficiency and streamlining resemble the operational and organizational reconfiguration emphasized within the Dynamic Capabilities perspective, where firms should continuously modify internal capabilities in response to changing market conditions (Pitelis and Wang 2019).

Consequently, pricing consistency should be implemented intentionally, for instance initially in specific products or customer segments where the strategic benefits outweigh the downsides. Continuous monitoring of broker responses, channel mix dynamics, and profitability is essential. When applied adequately, pricing consistency can function as a mechanism for managing channel conflicts and strengthening relationship power. If misapplied, however, it threatens to reinforce dependency on broker-controlled distribution and intensifying competitive pressure

5.3.2.9 Importance of Service Quality and Brand Recognition

Operational excellence remains critical. Becoming a preferred partner requires responsiveness, digital integration, and service reliability. As one interviewee noted:

“Quite bluntly, I believe that simply answering the phone when it rings and responding to emails as they come in already takes you a long way in the insurance industry. In that sense, it could be argued that this reflects rather poorly on the industry.”

— Kajsa Peedu, *MGA*

Additionally, brand visibility continues to play a critical role. Locally embedded insurers can leverage physical proximity and social trust networks, while more centralized actors must rely on marketing and digital presence to remain top-of-mind.

5.3.2.10 Performance Measurement as a Tool for Strategic Control

In order to sustain competitive positioning over time, ecosystem orchestrators must continuously monitor developments across both relationship and structural power. Performance measurement should therefore be structured into the same two distinct dimensions, enabling the insurer to track how strategic decisions and path dependencies affect control over time. Importantly, growth in premium or volume should not be immediately interpreted as strategic strength, since such increases may coincide with an underlying erosion of control.

Within the relationship dimension, measurement should focus on customer ownership by tracking indicative KPIs such as; retention across lifecycle stages, cross-selling success rates, share of business through direct versus brokered channels, share of direct customer interactions, and customer lifetime value. Together, these metrics create a view of how strongly the insurer owns the customer relationship. If possible, complementary qualitative analyses of customer journeys and decision-making processes can further clarify where awareness, consideration, and purchase decisions are formed within the ecosystem.

Structural power, in contrast, should capture the insurer's position within distribution and ecosystem interfaces. Key indicators include degree of data ownership, brokered sales breakdown, integration into partner workflows and selection frequency within broker-led channels. These metrics reflect both dependency structures and the insurer's relative influence within intermediary-controlled channels.

From a broader perspective, direct and brokered channels should be continuously compared in terms of volume, profitability, and customer longevity. Since individual data points are insufficient in assessing market development, trends over time are critical to identify shifts in control that may otherwise remain hidden. Performance measurement thus functions as an early warning system, enabling ecosystem orchestrators to detect gradual disintermediation threats and proactively reassess their strategic positioning (Teece 2018). In this sense, measurement be-

comes a tool for active strategic steering, ensuring that growth is accompanied by sustained or increasing control rather than long-term erosion of power.

5.3.2.11 Hybrid Positioning for Flexibility and Resilience

Taken together, this results in a hybrid strategic model in which direct channels are focused on micro segments and existing customers, strengthening relationship power, while broker partnerships enable access to larger SME segments where structural power is contested. The addition of ecosystem expansion, MGA diversification, platform integration, affinity networks, and structured talent mobility significantly enhances strategic resilience.

Rather than representing a compromise, this hybrid model constitutes an optionality-preserving architecture, allowing insurers to adapt across multiple plausible future states of market evolution.

5.3.3 Strategic Specialist Insurers

Strategic specialist insurers operate according to a fundamentally different logic than ecosystem orchestrators. Their strategic objective is to maximize underwriting returns by becoming the most efficient and reliable risk capacity provider within broker- and platform-driven ecosystems. This entails an explicit acceptance that customer ownership resides with intermediaries rather than the insurer. Competitive advantage is therefore defined not by brand or relational control, but by speed, underwriting precision, pricing discipline, and cost-efficient execution. As a result, distribution is deliberately concentrated in an external architecture where brokers, MGAs, and digital platforms constitute the primary demand-side interface. From a Resource Dependence Theory perspective, this represents a deliberate acceptance of structural dependence on intermediary controlled distribution in exchange for efficiency, scale, and ecosystem access (Hillman et al. 2009).

5.3.3.1 Structural Positioning as Backend Risk Engines

Structurally, strategic specialists function as backend risk engines embedded in intermediary-controlled ecosystems. Their power derives not from customer access, but from underwriting capability, integration into broker workflows, and the ability to scale risk appetite dynamically. This creates a paradoxical position in which insurers are operationally indispensable but commercially invisible. As

broker platforms evolve into ecosystem orchestrators, specialists risk being further reduced to commoditized capacity layers within digital distribution infrastructures, making execution superiority the only sustainable source of differentiation.

5.3.3.2 Focused Portfolio Strategy and Depth in Niche Areas

Portfolio composition should therefore remain concentrated around broker-originated SME and mid-market risks, facility-driven pooled structures, and selected high-growth niches such as cyber, climate risk, renewable energy, liability, and data infrastructure. Rather than broad diversification, specialists should build depth in underwriting domains where incumbents are slow or constrained. This yields a scalable but structurally dependent portfolio exposed to broker dynamics and facility pricing.

5.3.3.3 Execution-Centric Value Proposition

The value proposition is explicitly execution-centric. Strategic specialists should position themselves as the fastest and most certain underwriting partner within broker ecosystems. Competitive advantage is defined by speed-to-quote, binding certainty, underwriting consistency, and responsiveness in broker workflows. Value is created primarily for intermediaries, making “ease of doing business” the dominant currency. Products should remain highly standardized and modular to enable rapid integration, with innovation concentrated in narrow risk niches where informational advantages can be exploited at scale.

"There are three words that define our business (. . .) fast, accurate, and present. That has been extremely important."

— Kajsa Peedu, MGA

5.3.3.4 Intermediaries as the True Customer

In the role of a strategic specialist, the effective customer essentially becomes the intermediary rather than the insured. Brokers, MGAs, and platforms represent the true demand side, while SME exposure is accessed indirectly. Strategic specialists should therefore optimize service for intermediary satisfaction rather than being focused on end-customer experience. Distribution is fully intermediary-dependent and increasingly platform-mediated through APIs, embedded underwriting, and facility participation. As broker platforms evolve into ecosystem

orchestrators, competition shifts from customer acquisition to algorithmic visibility and preferred carrier positioning.

5.3.3.5 Performance Measurement as an Execution Engine

Internally, performance measurement should reinforce execution discipline. Core KPIs include quote turnaround time, hit rate per broker channel, loss ratio by segment and facility, cost per bound policy, broker share-of-wallet, and underwriting cycle efficiency. This measurement architecture drives continuous optimization of speed and throughput, while structurally de-prioritizing brand development and long-term strategic positioning.

5.3.3.6 Capability Focus

The defensible position rests on capabilities such as underwriting speed, deep system integration, standardized scalable processes, and disciplined risk appetite management. The objective is to achieve “default insurer” status within broker workflows. Growth should come from niche expansion, facility-driven scaling in commoditized SME segments, and displacement of incumbents through execution efficiency. International expansion is increasingly executed via MGA structures, enabling asset-light scaling while delegating distribution complexity externally and retaining underwriting control internally. This reduces dependency on domestic broker concentration. Such reconfiguration of distribution and underwriting structures closely resembles the Dynamic Capabilities perspective, where firms actively transform resource configurations to manage uncertainty and preserve strategic adaptability (Pitelis and Wang 2019).

Human capital is a critical enabler. Strategic specialists should recruit niche underwriting and actuarial expertise while also leveraging selective talent inflows from broker organizations. Talent mobility between insurers and brokers reduces informational asymmetries, improves alignment between underwriting and distribution behaviour, and strengthens informal embeddedness within broker ecosystems. This increases the likelihood of preferential treatment in allocation processes and functions as a soft mechanism of influence in structurally dependent relationships.

5.3.3.7 Leveraging Ecosystem Orchestrating Brokers

At a system level, strategic specialists operate within broker platforms that are increasingly becoming ecosystem orchestrators. Structural power is shifting toward digital interfaces, ranking logic, and allocation systems. As a result, insurers compete less for customers and more for visibility, integration depth, and preferred carrier positioning within platform ecosystems. Advantage is increasingly determined at the interface layer rather than through traditional distribution relationships.

This reinforces the importance of selective vertical integration into comparison platforms and broker infrastructures. Rather than treating these as neutral intermediaries, specialists could benefit from pursuing strategic partnerships, preferred integration, or minority ownership where possible. This enables influence over ranking logic, data inputs, and integration depth, shaping conversion flows while maintaining formal neutrality. Control over platform interfaces is becoming as important as underwriting capability.

5.3.3.8 MGA-Based International Expansion

International MGA expansion provides a parallel strategic lever. By delegating distribution and operational execution to external partners abroad, specialists achieve scalable geographic diversification without building local organizations. This creates asset-light growth and reduces dependency on domestic broker concentration while preserving underwriting control.

5.3.3.9 Dependent Operating Model - Both a Threat and Enabler

Despite its efficiency, the model carries structural threats: margin erosion in facility competition, dependency lock-in to broker platforms, loss of underwriting discipline during rapid scaling, long-tail risk accumulation, and gradual commoditization into pure capacity provision. The central threat is therefore not operational inefficiency but structural irrelevance. This highlights a central insight of Resource Dependence Theory: attempts to manage dependencies inevitably generate new dependency structures and shifting power configurations rather than eliminating dependence entirely (Davis and Cobb 2010).

Ultimately, strategic specialists succeed by continuously optimizing profitability as a function of speed, integration, and underwriting discipline. Their position is

defined not by customer ownership but by their ability to remain the most efficient and indispensable risk engine within broker- and platform-driven ecosystems. This enables strong execution competitiveness while embedding a structural dependency on external distribution systems increasingly controlled by platform orchestrators.

5.3.4 Talent Regrowth

The recurring theme of talent acquisition as a structural bottleneck in the insurance ecosystem is evident and affects both ecosystem orchestrators and strategic specialists. As talent increasingly gravitates toward broker organizations, driven by higher compensation, faster pace, and closer proximity to customers, insurers are at risk of losing critical capabilities and innovation capacity.

A central response is the development of early talent pipelines. Respondents highlight how integrating students through part-time roles and trainee programs allows insurers to access new technological capabilities while building long-term recruitment channels.

“We have worked quite extensively with bringing in students from KTH. We let them work part-time with us, and at the same time they are really driving development in our industry. Then, of course, we try to hire them.”

— Johan Kjellberg, *Insurer*

Such initiatives not only strengthen recruitment but also contribute to repositioning the industry among younger professionals, shifting perceptions from a traditionally stable and product-oriented sector toward a more dynamic and technology-driven environment. It also strengthens insurers’ sensing capabilities by introducing new technological competencies and external perspectives into the organization (Teece 2018). However, competing for talent cannot rely on recruitment alone. Brokers’ advantage is rooted in their operating model, characterized by higher pace, entrepreneurial culture, and direct customer engagement.

To remain competitive, insurers must therefore complement their value proposition as an employer by emphasizing societal impact, particularly as emerging risks such as cyber and climate increase the importance of insurance. Simultaneously, internal processes should be adapted into creating more autonomous and

innovation-oriented settings, such as internal venture teams or specialized project units, allowing talent to operate with greater flexibility and impact.

Equally important is the redesign of day-to-day work. Reducing administrative friction through digitalization can significantly improve both attraction and retention, enabling employees to focus on higher-value activities.

“They shouldn’t have to move values from an insurance letter to an Excel sheet to an email. All of that should disappear.”

— Interviewee C, Broker

Such changes are not merely operational improvements but directly affect the perceived quality and attractiveness of the work itself.

At the same time, insurers are still affected by trade-offs between building and accessing capabilities. Not all expertise needs to be developed internally. The empirical findings illustrate how capabilities can be accessed through ecosystem structures such as MGAs, consultants, and industry organizations, effectively decoupling capability access from talent ownership. This shift allows insurers to remain competitive in niche domains without fully bearing the cost and risk of internal capability development, while preserving strategic flexibility.

Finally, talent mobility within the ecosystem represents a critical lever. Targeted recruitment from broker organizations enables insurers to import customer perspectives, strengthening their position within broker-driven distribution. Such inflows of talent function not only as a capability transfer mechanism but also as a means of re-aligning internal processes with evolving market dynamics. At the same time, by leveraging former colleague relations within brokers, collaborations can grow even stronger, and influence from the inside can be acquired.

6 DISCUSSION

This chapter builds on the background and theoretical foundation from Chapters 1 & 2 and the empirical findings in Chapter 4 to further examine how increasing broker intermediation reshapes the Swedish SME insurance market. In particular, it returns to the intersection between insurance intermediation and platform-based perspectives, as highlighted by Stricker et al. (2023), which initially formed the study's research focus.

The aim is to explore how evolving broker roles, shifting channel dynamics, and persistent information asymmetries challenge established assumptions in the literature. By doing so, it aims to deepen the understanding of how value creation, control, and transparency are reconfigured in an increasingly brokered and platform-like market environment.

6.1 Alignment and Tension with Existing Literature

This study builds on two established but largely separate research streams: insurance intermediation and platform-based sales channels. The findings largely confirm the core assumptions within both, while extending them by examining their intersection in the context of the Swedish SME insurance market.

Firstly, the results reaffirm the central premise in the insurance intermediation literature that insurance markets are structurally dependent on intermediaries due to persistent information asymmetries (Cummins and Doherty 2006; Eckardt 2007). The empirical findings strongly support this, particularly in the SME segment, where limited insurance literacy and high product complexity sustain a continued reliance on brokers. As such, the problematization in Section 1.2 is validated: the information gap remains a fundamental driver of intermediary relevance.

Secondly, the study confirms the increasing importance of platform-based logics in mediating B2B interactions. Prior research on multi-sided platforms highlights their ability to facilitate matching, comparison, and coordination between actors (Hänninen 2020; Anderson et al. 2022). In the insurance context, Stricker et al. (2023) argue that platform models can replicate core intermediary functions. The findings align with this perspective, as digital tools, structured comparison models, and data-driven processes are becoming more prominent in SME insurance

distribution.

However, while existing literature often treats intermediation and platformization as parallel or competing developments (Stricker et al. 2023), the findings suggest a more integrated evolution. In line with the research gap identified by Stricker et al. (2023), the results indicate that brokers are not primarily being displaced by platforms. Instead, incumbent brokers are increasingly internalizing platform-like capabilities within their own operations.

Large brokerage firms are evolving beyond traditional advisory roles into actors that coordinate demand, standardize offerings, and structure insurer competition. Through mechanisms such as facilities and digital comparison tools, brokers increasingly control the customer interface, the “first screen”, and thereby take on functions typically associated with platforms. This both supports and extends Stricker et al. (2023), by showing that platform logic can emerge from within intermediary structures rather than through external platform entrants.

As a result, the distinction between traditional intermediaries and digital platforms becomes increasingly blurred. Brokers are no longer solely advisors and matchmakers, but are developing into hybrid actors that combine relational trust with elements of platform-based coordination and control. This shift implies that value capture is increasingly linked to control over data, access, and interaction structures, in line with platform theory (Stricker et al. 2023; Hänninen 2020; Anderson et al. 2022).

These findings also directly address the problematization outlined in Section 1.2. Prior literature highlights threats related to loss of customer interface and data control in platform-mediated environments (Stricker et al. 2023; Hänninen 2020), but offers limited guidance on how to manage such dependencies. This study contributes by showing that the key challenge is not only external platform competition, but the rise of broker-platform hybrids, which reshape dependencies within existing distribution structures and enhance brokers’ structural power, moving them towards becoming ecosystem orchestrators.

Finally, while prior research often frames digitalization and AI as imminent disruptors (Singh et al. 2019; Ai et al. 2025), the findings suggest a more gradual and uncertain development. Market actors expect significant change, but lack clarity on its direction, and are consistently waiting for the next development, and what role AI and digitalization will take in it. In practice, platformization appears to evolve incrementally within existing broker-led structures, rather than through

rapid disruption. Stricker et al. (2023) reasoning that emerging platform solutions might challenge established intermediaries could therefore not be ruled out in the study, but must be monitored and is subject for further research.

In summary, the study confirms the relevance of both intermediation and platform literature, but extends it by demonstrating that the most critical development is not the replacement of brokers by platforms, but the transformation of brokers into platform-like orchestrators of SME insurance distribution.

6.2 Lack of Multi-Channel Business Strategy Frameworks

The analysis in Chapter 5 applies Porter's Five Forces as a foundational framework for understanding competitive dynamics in the insurance market. As originally conceptualized, and presented in Chapter 2, the framework relies on a structural separation of actors into distinct roles, namely buyers, suppliers, competitors, substitutes, and potential entrants, within relatively stable industry boundaries (Porter 1998). This analytical clarity enables a assessment of competitive pressures, but also implicitly assumes that actors occupy clearly defined and non-overlapping positions within the value chain.

The study's empirical findings however challenge these assumptions. In the Swedish SME insurance market, brokers no longer function solely as intermediaries or distributors. Instead, they simultaneously act as advisors, aggregators of demand, gatekeepers to customers, and increasingly as platform-like coordinators of interactions between SMEs and insurers. Similarly, MGAs blur the boundary between intermediary and insurer by combining distribution capabilities with underwriting authority and product design.

This role multiplicity is reflected in the adjusted Five Forces analysis presented in Chapter 5 and Figure 19, where SME insurance distribution is positioned as the focal market rather than a clearly bounded set of competing firms. As illustrated in the analysis, competition increasingly revolves around control of distribution, customer relationships, and data, rather than solely around the provision of insurance products. This shift is consistent with Goyal (2020), who highlights that in multi-channel environments, firm boundaries become blurred and actors may simultaneously cooperate and compete across channels.

As a consequence, the individual forces in Porter's framework become increasingly difficult to isolate. Buyer power, traditionally associated with end customers,

is partially transferred to brokers, who aggregate demand and act as professional representatives of SMEs. Supplier power, typically attributed to insurers providing risk capacity, is challenged by brokers' growing influence over product structuring and solution bundling. Rivalry extends beyond competition among insurers to include competition between insurers and intermediaries, particularly as brokers expand into adjacent value chain activities. Substitution similarly becomes less clear-cut, as alternatives to direct distribution are not only external platforms or insurtech entrants, but also broker-led facilities and comparison infrastructures. Finally, barriers to entry are reshaped, as actors such as MGAs and international insurers can access markets through established broker networks rather than building independent distribution capabilities.

These dynamics suggest that the primary limitation of Porter's framework in this context is not its ability to identify competitive pressures, but its difficulty in capturing overlapping roles and interdependencies between actors. In line with Resource Dependence Theory (Pfeffer and Salancik 1978), the findings indicate that competition is increasingly intertwined with dependency. Insurers rely on brokers for access to customers, data, and distribution efficiency, while brokers simultaneously depend on insurers for underwriting capacity. This creates a system characterized by strong mutual dependencies, where actors are both partners and competitors.

The findings therefore point to a broader gap in existing strategy frameworks. While Porter's Five Forces remains a valuable tool for structuring industry analysis, and prior research on multi-channel environments acknowledges increasing role overlap (Goyal 2020), there is limited guidance on how firms should navigate markets where distribution channels are interdependent and actor roles are fluid. In such contexts, strategic decision-making extends beyond positioning within a given structure to managing channel conflict, balancing dependencies, and selectively retaining control over critical resources such as customer interfaces and data.

The study therefore highlights that established analytical tools provide only a partial understanding of competitive dynamics in brokered, multi-channel insurance markets. The increasing convergence of roles and channels calls for more integrated frameworks that explicitly account for hybrid actors, overlapping competitive positions, and the strategic management of interdependencies.

6.3 Product Complexity and Insurance Illiteracy

A central premise in the insurance literature is that markets are characterized by significant information asymmetries and product complexity, which limit customers' ability to independently assess coverage and pricing (Cummins and Doherty 2006; Eckardt 2007). Intermediaries are therefore expected to enhance transparency by reducing informational frictions.

However, the empirical findings suggest a more nuanced development. Despite increased data availability, digitalization, and the growing role of intermediaries, market transparency does not appear to improve proportionally. Instead, the findings indicate that information is increasingly mediated rather than made directly accessible, which limits the extent to which end customers can independently evaluate insurance offerings.

Three reinforcing mechanisms explain this development. First, as outlined in Sections 4.1.2 and 4.1.3, brokers play a central role in aggregating and filtering information. Through facilities, standardized procurement processes, and structured comparisons, brokers reduce complexity for SME customers. At the same time, this aggregation centralizes information within the intermediary, making transparency dependent on how information is curated rather than on direct market visibility.

Second, brokers' control over the customer interface further shapes information access. As highlighted in Section 4.1.3, brokers increasingly dominate the "first screen" through which customers engage with insurance options. This allows intermediaries to structure comparisons, prioritize certain offerings, and frame decision-making processes through tools such as panel selections and simplified evaluation models. While this enhances usability, it also implies that information is not neutral, but actively designed and filtered, reinforcing the intermediary's influence over customer choices.

Third, the findings point to a persistent level of insurance illiteracy among SME customers. Limited knowledge, time, and resources constrain their ability to interpret available information, reinforcing reliance on intermediaries even in increasingly data-rich environments.

Taken together, these mechanisms suggest that intermediation and digitalization do not eliminate information asymmetries, but rather redistribute them. While

brokers reduce complexity for customers, they simultaneously centralize information and shape how it is accessed and understood. This shifts informational dependence away from the insurer–customer relationship and toward the broker–insurer interface.

In contrast to the traditional view that intermediation improves transparency, the findings indicate that transparency becomes concentrated within intermediary structures rather than at the market level. This points to a need for further research on how information asymmetries can be reduced in practice, particularly through mechanisms that enhance insurance literacy among SME customers while preserving the efficiency benefits of intermediation.

6.4 The Swedish Market in an International Context

The empirical findings suggest that while Sweden follows a broader European trend toward broker consolidation, with the Swedish market appearing to be at the forefront of this development, as argued in Section 4.1.1.1. As such, the Swedish SME segment may provide an early indication of how intermediary-driven insurance ecosystems could evolve in other European markets, including larger economies such as the UK and Germany, where similar developments appear less advanced. Insights from the Swedish market may therefore enable both insurers and brokers internationally to adapt proactively in order to defend existing positions or expand into new ones.

Another important finding concerns the emergence of MGAs as influential actors within underwriting and product-related activities. While the MGA model is still relatively limited in Sweden, it is already well established in several other European markets. In countries such as the Netherlands, for example, MGAs play a dominant role across large parts of the non-life insurance market. This suggests that Swedish actors have an opportunity to learn from more mature MGA ecosystems in order to prepare for, or strategically shape, similar developments domestically. The findings indicate that MGAs are unlikely to continue to play a limited role and should therefore be incorporated into long-term strategic positioning.

Together, the findings highlight that while insurance market developments are predominantly local, they are also internationally interconnected and influenced. Although market structures differ due to regulatory conditions, distribution tradi-

tions, and cultural factors, insurers and intermediaries can still derive significant strategic value from observing developments in other countries. Swedish actors may learn from more mature MGA ecosystems abroad, while international markets may look to Sweden to better understand how broker consolidation reshapes customer ownership, distribution control, and competitive dynamics within the SME segment. This thesis can, by exploring the Swedish market, hopefully contribute to such learning.

7 CONCLUSION

7.1 Answering the Research Questions

The main research question is addressed through the findings of the three sub-questions.

7.1.1 RQ1

What are the key trends and drivers shaping the brokered insurance market in Sweden?

The Swedish brokered insurance market is shaped by a set of interrelated developments that both reinforce intermediary dominance and fundamentally alter market structure and power dynamics.

First, market consolidation, primarily driven by private equity ownership and heightened regulatory requirements, has resulted in a small number of dominant brokers with significant market power and centralized capabilities.

Second, the expansion of facilities and an increasingly brokered SME segment represents a structural shift in distribution. Brokers aggregate demand and standardize offerings, allowing insurance to be distributed at scale while simultaneously concentrating control over deal flow.

Third, customer ownership and relational power have increasingly shifted toward brokers. Brokers are increasingly controlling the primary customer interface through personal relationships and advisory processes, positioning themselves as gatekeepers between insurers and end customers. This creates a structural dependency, where insurers' market access is increasingly mediated rather than direct.

Fourth, brokers are moving further down the value chain. This development is reinforced by increasing data availability and digital tools, which enable brokers to aggregate and operationalize information at scale. Together with the rise of MGAs, these developments blur traditional role boundaries, as intermediaries increasingly take on activities related to underwriting, product design, and administration reflecting a broader trend of role convergence, where the distinction

between insurers and intermediaries becomes less clear.

Fifth, human capital and specialization emerge as key competitive drivers, reflecting an increasing need for advanced competencies across the value chain. As products, risks, and distribution structures grow more complex, competitive advantage is increasingly determined by access to specialized expertise, analytical capabilities, and industry knowledge.

Finally, digitalization and AI act as enabling rather than disruptive forces. While technology improves efficiency and supports data-driven decision-making, it primarily reinforces existing structures by enabling brokers to operate in a more standardized, scalable, and platform-like manner. At the same time, the findings highlight the continued importance of human interaction.

Taken together, these developments point toward a market characterized by increasing intermediation, centralization of power, and platform-like coordination by brokers. Rather than fragmenting the market, digitalization and data availability reinforce intermediary control, leading to a structural shift where access, relationships, and aggregation capabilities become the primary drivers of competitive advantage.

7.1.2 RQ2

How do the found developments affect insurers' control over customer relationships, distribution efficiency, and competitive positioning?

The developments identified in this study significantly affect insurers' position across three key dimensions: customer relationships, distribution efficiency, and competitive positioning, while introducing increasing friction and complexity into the value chain.

First, insurers face a clear erosion of control over customer relationships. Brokers increasingly dominate both advisory processes and customer interfaces, weakening insurers' brand visibility and limiting direct interaction with end customers. This reduces insurers' direct access to customer data and insights, reinforcing dependency on intermediaries and shifting relationship ownership away from insurers.

Second, the impact on distribution efficiency is characterized by both gains and trade-offs. Brokered distribution enables access to larger, standardized portfo-

lios, particularly through facilities, improving scalability and reducing customer acquisition costs. However, this efficiency is offset by increasing value chain friction, including reduced pricing control. Additionally, tensions between direct and brokered channels further complicate optimization, as insurers must balance efficiency gains with the threat of channel conflict and cannibalization.

Third, insurers' competitive positioning shifts fundamentally. As competition intensifies, not only among insurers, but across overlapping roles within the ecosystem, brokers act as both partners and competitive actors, while MGAs and other intermediaries expand into insurer-adjacent activities. This escalation of competition moves the focus away from product and brand differentiation toward access to distribution, strength of intermediary relationships and inclusion in broker portfolios, opening up for emerging insurers to claim market shares from incumbents.

Finally, technological developments reinforce rather than disrupt these dynamics. While digitalization and AI improve operational efficiency, they also strengthen intermediaries' ability to aggregate, structure, and control information flows, further consolidating their position in the value chain.

These developments collectively illustrate a broader shift in power dynamics within the insurance ecosystem, where actors move across both relationship power and structural power dimensions over time, as illustrated in Figure 26.

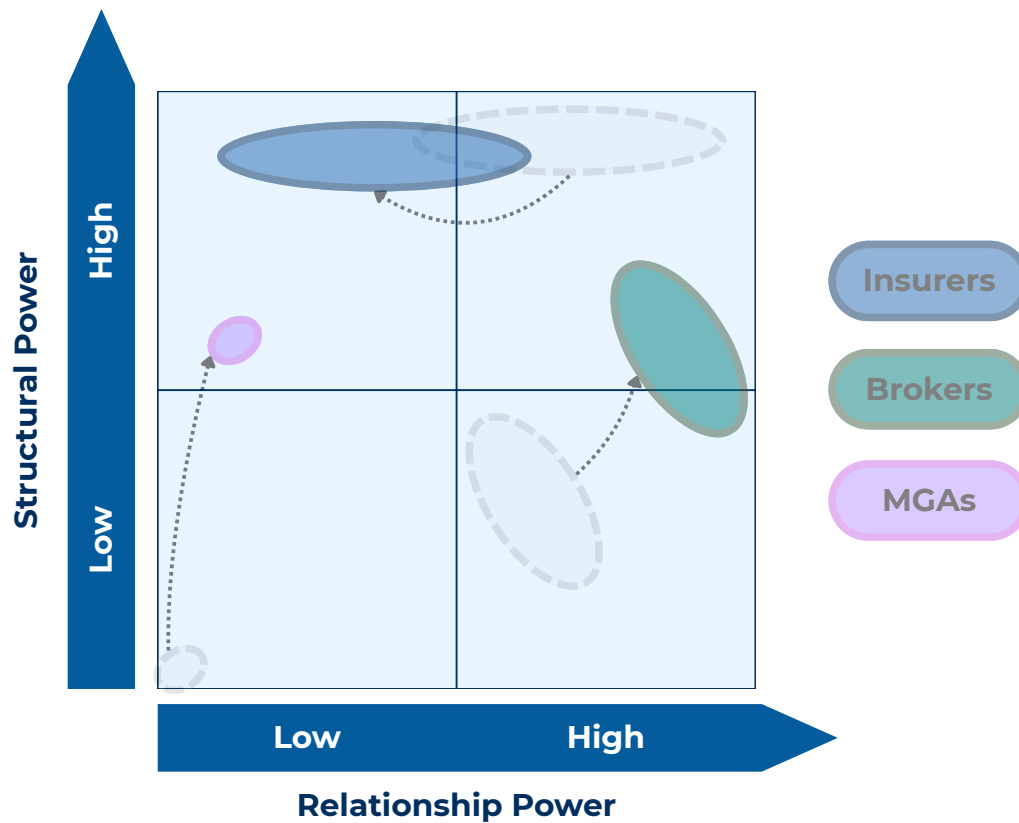


Figure 26. Power dynamics in the insurance ecosystem: observed directional movements across relationship and structural power dimensions. The figure is a conceptual model created by the authors.

Together, these developments indicate a shift toward an intermediary centric market structure, where insurers' performance is increasingly determined by their ability to manage dependencies, navigate channel conflict, and secure access to broker-controlled distribution, rather than by standalone product competitiveness.

7.1.3 RQ3

How should insurers strategically position themselves in the changing insurance industry, and what organizational strategies, capabilities, and resources are required?

The findings indicate a clear need for strategic repositioning, as insurers can no

longer rely on traditional product- and channel-centric approaches in an increasingly broker-dominated market. Instead, insurers must define their role within the evolving ecosystem and align their organizational capabilities accordingly.

Two primary strategic positioning logics emerge:

First, insurers can protect their position as ecosystem orchestrators, particularly in segments where direct customer interaction remains feasible, such as micro and simpler SME segments, while aiming to becoming a preferred partner in segments accessed through brokers. This involves leveraging direct channels, partnerships, and integrated offerings to retain control over customer relationships, data, and distribution. Successfully executing this strategy requires capabilities in customer interface management, data analytics, and ecosystem integration, as well as the ability to bundle insurance with adjacent services.

Second, insurers can position themselves as strategic specialists, focusing on underwriting excellence, niche expertise, and product capabilities within broker-led structures. In this role, insurers compete for inclusion in broker portfolios and facilities by offering superior pricing, risk assessment, and flexibility. This requires strong capabilities in portfolio underwriting, data-driven pricing, and relationship management with brokers, as well as a clear prioritization of segments where competitive advantage can be sustained, all competences needed to become the preferred partner to brokers.

Crucially, these positions are not mutually exclusive, but must be strategically differentiated across segments. Attempting to pursue both approaches simultaneously without clear prioritization creates possibilities of organizational inefficiencies and weakened competitive positioning.

Finally, both strategies need to account for shifts in organizational capabilities and resources, particularly in relation to talent acquisition and regrowth. There is a growing need for specialized competencies combining insurance expertise with technological and analytical capabilities, as well as strong personal relationships. This includes skills in data analysis, digital distribution, and risk modeling, as well as the ability to manage complex partnerships, customer handling and interdependencies within the ecosystem. Actors should proactively address these talent needs and develop strategies for acquiring future employees.

The study therefore suggests that successful insurers will be those that clearly define their strategic role, build focused capabilities, and actively manage their

position within an increasingly intermediary-driven value chain, rather than attempting to maintain full control across all parts of the market.

7.2 Contributions

This thesis contributes to the literature on insurance intermediation, platformization, and sales channel transformation in business-to-business insurance markets. Prior literature has highlighted how digitalization and platform-based intermediation increasingly reshape customer interfaces and value creation processes (e.g., Stricker et al. (2023) & Verfürth and Helwing-Hentschel (2025)), while insurance intermediation literature has emphasized the economic and relational role of brokers within insurance distribution systems (Cummins and Doherty 2006; Eckardt 2007). However, existing literature remains limited in explaining how insurers should strategically position themselves in increasingly brokered SME ecosystems, as well as how shifting ecosystem dynamics redistribute structural and relational power between insurers, brokers, and emerging intermediary actors. By studying the Swedish SME insurance market as an advanced broker-dominated setting, this thesis addresses these gaps through conceptual frameworks that synthesize the empirical findings and extend existing literature on intermediary-driven market structures.

7.2.1 Academic Contributions

7.2.1.1 The Power Matrix Framework

The thesis contributes to ecosystem and intermediation literature by developing the Power Matrix Framework, illustrated in Figure 26. Existing literature has discussed intermediary influence and platform-based intermediation, but has largely lacked conceptualizations of how power positions evolve between insurers, brokers, and intermediary actors over time.

The framework illustrates how brokers increasingly strengthen both structural and relational positions through customer interface ownership, ecosystem coordination, and control over distribution access, while insurers retain structural scale but experience weakening relational proximity to customers. Simultaneously, MGAs emerge as increasingly influential specialized actors through delegated authority and niche expertise.

7.2.2 Practical Contributions

7.2.2.1 Strategic Implications of Shifting Power Dynamics

The thesis contributes practically by providing strategic implications for insurers operating in increasingly brokered insurance ecosystems. Through the categorization of actors displayed in Figure 24, these strategic recommendations are tailored to either ecosystem orchestrators or strategic specialists.

The practical contribution of the framework lies in its ability to support insurers in navigating channel conflict, prioritizing ecosystem positioning, and managing dependencies on intermediary-controlled distribution. Rather than viewing direct and brokered distribution as opposing alternatives, the framework highlights the importance of differentiated and strategically coordinated distribution models across SME segments. The study then ends by presenting actionable options for insurers.

7.2.2.2 Sweden as a Leading Example of Brokered Insurance Transformation

This thesis further contributes empirically by positioning the Swedish SME insurance market as an advanced example of brokered insurance transformation. The findings indicate that Sweden represents a highly intermediary-centric market characterized by strong broker consolidation, increasing facility-based distribution, expanding intermediary influence, and growing ecosystem integration.

Several respondents described Sweden as being ahead of many other European markets in terms of broker dominance and structural transformation, suggesting that developments currently observed in Sweden may provide insights into broader future developments across European insurance markets.

7.3 Suggested Further Research

There are three main suggested future research areas:

7.3.1 Mapping SME Insurance Customer Journeys

Firstly, the intended use of customer journey mapping as a theoretical foundation for exploring relationship power in the insurance industry proved challenging due to limited empirical access to customer-level insights with respondents. In an attempt to complement this gap, multiple SME firms were contacted to obtain first-hand perspectives. However, response rates were low, and those that did respond did not want to participate due to limited knowledge regarding their own insurance setup and decision-making processes.

Taken together, this implies a significant empirical gap in which end customers appear to have limited awareness of their own insurance journeys, while industry experts lack insight into beliefs and behaviors at this level across the awareness, consideration, purchase, service and loyalty steps in the customer journey. This disconnect highlights a blind spot in the current understanding of relationship dynamics in the insurance ecosystem.

Future research should therefore aim to explore this gap by systematically mapping SME customer journeys. Topics could include identifying critical touchpoints, as well as examining how customer attention, trust formation, and decision influence are developed over time. Such research would not only provide valuable strategic insights for industry actors seeking to improve positioning, but also potentially improve customer outcomes through better alignment between customer needs and insurance offerings.

7.3.2 Understanding How to Improve Insurance Literacy in SME Firms

Secondly, a key implication from the empirical findings relates to the limited level of insurance literacy among SME customers. This suggests that insurance, despite being a critical risk management function, is often treated as a low-engagement or delegated decision area rather than an actively managed strategic function.

Future research should therefore investigate how insurance literacy is developed, maintained, and potentially improved among SME customers. This could include examining the role of insurers, brokers, digital tools, and regulatory initiatives in shaping customer understanding, as well as how improved literacy may influence decision-making processes, competition dynamics, and the balance of power between actors in the insurance value chain.

7.3.3 Long-Term Ecosystem Implications of FiDA and Open Insurance

Lastly, the regulatory impact of the Financial Data Access (FiDA) framework, especially depending on the pace and extent of its practical implementation, forms an important future research area. Understanding how increased data transparency influences customer switchability, intermediary dependence, and control over customer relationships within the insurance market would be valuable for both industry actors and market regulators. Some type of scenario analysis tackling this would be especially important in order to navigate how regulatory-driven data accessibility reshapes ecosystem structures in modern markets going forward.

APPENDIX

I Interview Guide – Insurers

Introduction

- Could you briefly introduce yourself, your background, and your role in your company?
- Could you briefly describe your company's positioning within the SME insurance market?
- May we record this interview for transcription purposes?

Market Landscape & Industry Development

Market Trends

- How would you describe the current state of the Swedish SME insurance market, and what changes have you observed over the past 5–10 years?
- What role have brokers/intermediaries played in this development?

Competitive Dynamics

- Do you work with any insurance brokers? If so, how?
- Has the role of insurance brokers changed in recent years? If yes, how?
- Do brokers influence pricing, product design, or underwriting decisions? If yes, how?
- Do you perceive increasing competition among insurance companies for access to broker relationships?
- Have you seen any digital developments, such as digital platforms or insurtechs, alter the competitive landscape? If so, how?

Regulatory Factors

- Are there any regulatory changes that have affected insurer-broker relationships? If so, how?
- Do compliance requirements strengthen or weaken intermediaries' position?
- Are there any informal industry norms shaping collaboration between insurers and brokers?

Role of Brokers in Value Creation

- What value do brokers create for your company? Do you consider them an opportunity or threat?
- In which product lines are brokers most critical? Why?
- Are there areas where you prefer direct distribution instead? Why?

- How do brokers influence customer expectations and price sensitivity?
- Do you see brokers as strategic partners, transactional distributors, or something else?

Facilities & Underwriting Structures

- Do you currently participate in broker-led facilities?
- What motivates you to join a facility structure?
- In which product lines are facilities most common?
- How do facilities differ from traditional broker placements in terms of risk selection and pricing?
- Do facilities strengthen or weaken your direct influence over underwriting decisions?

Dependencies & Power Structures

- To what extent are you dependent on brokers for access to SME customers?
- Does this dependency vary across segments, geographies, or products?
- Have you experienced situations where brokers significantly influenced your strategic decisions?
- How do you manage risks associated with broker concentration?

Facilities

- Do facilities increase your dependency on certain broker groups?
- Have facilities shifted control over portfolio composition?
- Are you concerned about concentration risk within facilities?
- Have you ever declined participation in a facility? Why?

Resources & Competitive Advantage

- What capabilities do you think differentiate you from your competitors?
- What do brokers value most in your organization?
- What do end customers value most in your organization?
- Are there capabilities you believe are underleveraged?

Responses to Change

Sensing

- How do you monitor changes in broker behavior or market shifts?

Seizing

- What strategic initiatives have you taken in response to growing broker influence?
- Have you redefined your value proposition toward brokers?

Transforming

- Has the organizational structure changed due to broker growth?
- Have roles, incentives, or KPIs shifted?
- Have you reallocated resources toward broker channels?

Facilities

- Have facilities changed how you allocate underwriting capacity?
- Have you created your own structured facilities?
- Do you see facilities as:
 - A growth opportunity?
 - A margin pressure risk?
 - A strategic necessity?
- How do facilities influence long-term positioning in the SME market?

Future Outlook

- How do you see the role of brokers evolving over the next 5–10 years?
- Will insurers remain risk carriers, or must they redefine their strategic role?

Risks and Tensions

- Where do conflicts typically arise between insurers and brokers?
- Have you experienced margin pressure due to broker power?
- How do you balance cooperation and competition with brokers?

Closing Remarks

- Is there anything we haven't covered today that you think is important to mention?
- Is there anyone (person, actor, organisation) you think would be valuable for us to talk to regarding this topic?
- Can we follow up if we have any additional questions?
- May we use your name or would you like to be anonymous?
- Is there anything we've discussed today you'd like us to keep confidential/not include in the report?
- Would you like to receive a summary of our research findings once completed?

II Interview Guide – Brokers

Introduction

- Could you briefly introduce yourself, your background, and your role in your company?
- Could you briefly describe your company's positioning within the SME insurance market?

- May we record this interview for transcription purposes?

Market Landscape & Industry Development

Market Trends

- How would you describe the current state of the Swedish SME insurance market, and what changes have you observed over the past 5–10 years?
- What role have brokers/intermediaries played in this development?

Competitive Dynamics

- Has the role of insurance brokers changed in recent years? If yes, how?
- What does the competition look like among insurance brokers today?
- Are you experiencing consolidation in the brokerage market?
- Have you seen any digital developments, such as digital platforms or insurtechs, alter the competitive landscape? If so, how?
- What barriers exist for new brokers entering the market?

Regulatory Factors

- Are there any regulatory changes that have affected insurer-broker relationships? If so, how?
- Do compliance requirements strengthen or weaken intermediaries' position?
- Are there any informal industry norms shaping collaboration between insurers and brokers?

Bargaining Power

- How would you describe your bargaining power toward insurers?
- Has your negotiating position changed over time?
- What factors strengthen your position in negotiations with insurers?

Value Creation & Customer Interface

- What value do you create for SME customers?
- What value do you create for insurance companies?
- At what stage of the customer journey are you most critical?
- Where do customers experience the highest value from your services?
- Why do SMEs choose brokers over direct insurers?

Relationship with Insurers

- To what extent are you dependent on specific insurers?
- How do you select which insurers to collaborate with?
- Do insurers compete to access your customer base?

Power & Dependency

- What kind of pressure do you experience from insurers?
- Do insurers attempt to bypass brokers and go direct?
- How do you manage conflicts of interest?

Facilities & Market Power

- Do you work with facilities in the SME segment? If so, how?
- What strategic purpose do facilities serve in your business model?
- How do facilities affect your negotiation power toward insurers?
- How do you select insurers to participate in your facilities?

Resources & Competitive Advantage

- What capabilities do you think differentiate you from your competitors?
- What do insurance companies value most in your organization?
- What do end customers value most in your organization?
- Are there capabilities you believe are underdeveloped or underleveraged?

Facilities (Capabilities)

- What internal competencies are required to manage a facility?
- Is facility management scalable?
- Do facilities create competitive barriers for new entrants?

Digital Development

- How digitalized is your business today?
- Are you using any type of platform technology? If so, for what?
- Do you use any digital comparison tools, data analytics, or automated quoting?
- How do digital tools strengthen or weaken your market position?

Responses to Change & Future Position

Sensing

- How do you identify changes in insurer strategies or customer needs?
- What trends do you believe will change the market?

Seizing

- Have you expanded services beyond traditional intermediation?
- Have you invested in acquisitions or consolidation strategies?

Transforming

- Has your organizational structure changed as you've grown?
- Have incentive systems or KPIs shifted?

- How do you scale while maintaining advisory quality?

Facilities

- Have facilities become more common in the SME segment?
- Do facilities enable you to move from intermediary to risk orchestrator?
- Do you see facilities as a step toward platformization?
- How do facilities affect your long-term strategic role in the ecosystem?

Future Outlook

- How do you see the role of brokers evolving over the next 5–10 years?
- Will brokers become more like platforms?
- Will insurers need to redefine their role?
- What would a sustainable ecosystem look like?

Risks and Tensions

- Where do conflicts typically arise between insurers and brokers?
- Is there a risk of insurers internalizing broker functions?

Closing Remarks

- Is there anything we haven't covered today that you think is important to mention?
- Is there anyone (person, actor, organisation) you think would be valuable for us to talk to regarding this topic?
- Can we follow up if we have any additional questions?
- May we use your name or would you like to be anonymous?
- Is there anything we've discussed today you'd like us to keep confidential/not include in the report?
- Would you like to receive a summary of our research findings once completed?

III Interview Guide – Experts

Introduction

- Could you briefly introduce yourself, your background, and your role?
- How would you describe your organization's role within the Swedish SME insurance ecosystem?
- May we record this interview for transcription purposes?

Market Landscape & Industry Development

Industry Evolution

- How would you describe the current state of the Swedish SME insurance market?
- What major structural shifts have occurred in the past 5–10 years?

Industry Maturity

- How mature would you consider the brokered SME insurance segment?
- Are we in:
 - Growth?
 - Consolidation?
 - Structural transformation?

Role of Brokers

- How has the role of insurance brokers evolved?

Facilities & Market Structure

- How have facilities altered the insurance landscape, especially in SME insurance?
- How common are facility structures in the SME segment?
- Do facilities alter competitive dynamics among insurers?
- Could facilities create entry barriers?

Power & Dependency

- How would you describe the power balance between insurers, brokers, and SME customers?
- Has bargaining power shifted?

Regulatory & Institutional Factors

- Are there any recent regulations that have affected the market, and if so how?
- Do compliance requirements create barriers to entry?
- Are there informal norms shaping collaboration?

Digital Development

- What does the market's digital development look like?
- Are we seeing platform dynamics in SME insurance?
- Are brokers developing proprietary digital infrastructures?
- Could insurtechs disrupt current intermediation models?

Strategic Role of Insurers & Future Position

- What do you think the future position of insurance companies will look like?
- Will insurers remain primarily risk carriers?
- Must insurers redefine their strategic role?
- Are insurers at risk of commoditization?
- What capabilities will determine long-term positioning?

Future Outlook

- How do you see the ecosystem evolving over the next 5–10 years?

- What would a sustainable balance between insurers and brokers look like?

Closing Remarks

- Is there anything we haven't covered today that you think is important to mention?
- Is there anyone (person, actor, organisation) you think would be valuable for us to talk to regarding this topic?
- Can we follow up if we have any additional questions?
- May we use your name or would you like to be anonymous?
- Is there anything we've discussed today you'd like us to keep confidential/not include in the report?
- Would you like to receive a summary of our research findings once completed?

EMPIRICAL CODING FRAMEWORK

The empirical material was structured into a hierarchical coding framework consisting of research questions, themes, sub-themes, and codes. The dataset comprises 505 coded quotations.

IV Empirical Coding Framework: RQ1 – Key Trends

IV.1 Broker Development

IV.1.1 Growth

Maturity

- Growth Strategies
- Hardening vs Softening market
- Cyclical Market
- History (long back)
- Mature market

Ansoff

- Market Development
- Market Penetration
- Product Development
- Data availability
- Diversification

New Actors

- New Actors
- MGA

IV.1.2 Consolidation

Barriers

- Regulations
- Requirements of Professionalism
- Education
- Globally
- Combined product offering
- Fast mover ability and risk appetite
- Sales Volume Requirement

M&A

- Growth goals
- Creating and distributing value
- Higher efficiency
- Demographic effect
- Profitable Market

Competition

- Decreased Competition

Profitability

- Higher margins than traditional insurers
- False profitability

IV.1.3 PE-ownership

Strategy Horizon

- Shorter Horizon
- Avoiding large investments in improvements

Opportunity Recognition

- Entering the SME-segment

Attractiveness of high margins

- Margins have increased historically

Pace & Innovation

- Higher Tempo

Morale

- Decreased entrepreneurial spirit

IV.1.4 Centralization

Local presence

- Benefit of customer proximity

Centralization

- The foundation of organizations
- Sales rather than advisor

IV.1.5 Firm Internal Politics

- Salary Increases
- Who to partner with

IV.1.6 Future Speculations

Continued Consolidation

- Decreased Compensation
- Halting Consolidation
- Determined by insurers responses
- Caused by high M&A prices

Broker ecosystem

- Multi-channel future
- Increase in MGAs & international presence

IV.2 Digitalization

IV.2.1 Emerging Themes & Solutions

AI

- Pushing prices for consumers
- Enhancing broker tool
- Demography driving adaption
- Customer Journey Efficiency
- Efficiency gains
- Concerns/Criticism

Insurtech

- Role
- Emergence
- Impact

Platforms

- Industry Entry Point
- Enables intelligent conversation between customer and broker
- Product Dependent
- Concerns/Criticism

Open Finance

- Regulatory driven (FiDA)

Robotics

- RPA

IV.2.2 Industry Impact

Advantages

- Distribution Efficiency
- Price Pressing
- Broker-Insurer Collaboration
- Frees up time and capacity
- Increases end customer knowledge
- Increase quality & value

Impact on Insurers

- Barriers

Customer Interface

- Remote meetings

Challenges

- Low-interest Product
- Broker Reliance on AI
- Importance of Relationships
- Market Need for customization
- Adaption difficulties
- Regulations

IV.3 Regulatory

IV.3.1 Compliance

General

- Unreasonably hard to follow
- Differences between countries
- Emerging regulations
- High barriers

Licences

- Insuresec surveillance

IV.3.2 M&A

Risk of Oligopoly

- Failed M&A
- Authority Monitoring

IV.3.3 Licensing

Broker Requirements

- Liability Insurance

IV.4 Customer Behavior

IV.4.1 Demand

- Value creation SME

IV.4.2 Purchase Patterns

- Pricing Change
- Information asymmetry

IV.4.3 Product Complexity

- Long tails

IV.5 Product Development

IV.5.1 Facilities

Pros and cons facilities

- Advantages facilities
- Disadvantages facilities

Definitions

- Types of facilities
- Emergence of facilities

Competition

- Growth opportunity for risk willing emergers
- Risk of losing market presence
- Growth opportunity for upper segment insurers

IV.5.2 Services

Brokers role

- Loss of personal relationship
- Historically glorified salesmen
- Salesmen → Innovators and value creators

Modern Rådgivning

- Modern Rådgivning platform
- Customer self usage
- Lost complexity
- KOF Pick & Choose
- Personal is key

IV.6 International Landscape

IV.6.1 Europe Benchmark

Broker dominated markets

- The Netherlands

Consolidation Examples

- Germany
- USA

Insurer dominated markets

- Finland

Determining Turnover

- Across the Nordics
- Sweden vs Norway

IV.6.2 Climate

IV.6.3 New Risks

Need for specialists

IV.6.4 Risk Willingness

IV.6.5 Insurance companies

Increased risk taking

- Unreasonable terms

Brokers

V Empirical Coding Framework: RQ2 – Impact

V.1 Relationship Power

V.1.1 Awareness

- Customer research phase
- Increased awareness and time spent

- New companies select ecosystem or comfort

V.1.2 Consideration

Insurer selection

- Portfolio concentration
- Brokers effect on price
- Companies vs personal considerations

Broker selection

- Relationship
- Sales call starts when companies reach threshold

V.1.3 Service

Sales & advisory

- Customer retention
- Administration
- Expand to cyber service
- System integration

V.1.4 Loyalty

Customer loss

- Parasitisation

Customer retention

- Personal broker advantage

V.2 Structural Power

V.2.1 Marketing

- Brand trust and power

V.2.2 Product development

Facilities

- Customer ownership
- No standard product, but combination of terms

V.2.3 Sales

Prices

- Price development

Duty of care

Brokers vs insurers

- Power loss for insurers
- Modern rådgivning cooperates instead of competes
- Who wins the customer
- Brokers effect of price

Market stability

- Small differences in sales year on year

V.2.4 Underwriting

Backward integration

- Brokers sanity check insurers

Brokers vs direct channels

- Data availability

Pricing

- Pricing accuracy
- Tariff adjustment

V.2.5 Admin & Service

Customer ownership

- Who owns the customer
- Customer ownership shifting from insurers to brokers
- Worth much
- Might not want to digitalize

Value chain conflict

- Brokers integrate backwards
- Innovation enabler
- Brokers create more efficient value chain

Value chain collaboration

- Tradition matters
- When does it work
- Stick to core value creation

V.2.6 Claims

V.2.7 Asset & Risk Management

Liability insurance

- Brokers outsourcing advisory liability

V.2.8 Ecosystem Solutions

Everything under one roof

- Brokers creating difficulties for established players

V.2.9 Dependencies

Commercial

- Brokers create value for insurers
- Parasitism
- Brokers from pure distribution to service
- Cooperation
- Sales channels
- Brokers are pressured to innovate

Operational

- How brokers win insurers
- Love-hate relationship
- Regulations from authorities

Negotiation

- Actor interdynamics

Financial

V.3 Market Dynamics

V.3.1 Internal competition

Insurers

- Facility driven competition
- Brokers threat to Insurers
- Insurer vs Insurer
- Multi Channel Conflict
- Insurers competition in winning Facilities
- Who is nervous?

Brokers

- Competition in facilities for attention of insurers
- Large deals - large risk
- Affinity Deals
- Customer Segment Competition
- Organizations VS Corporations
- Quality VS Quantity

V.3.2 Broker Power

Facilities Led

- Unreasonable Terms
- Intermediary → Product owner

Bias

- Maybe not entirely unbiased

Consolidation bias

- Increased broker negotiation power
- Equilibrium

VI Empirical Coding Framework: RQ3 – Response Strategies

VI.1 Strategy

VI.1.1 Sales

Channel

- MGA (Managing General Agent)
- Standardized Platform (Modern Rådgivning)
- Multi-channel
- Only brokered
- Long-term partnerships
- Own sales channel
- Channel decision-making
- Facilities
- Digital sales channel

Pricing

- Deductible vs premium
- Pricing transparency

Growth

- Growth

Margins

- Increased broker margins

Portfolio

- Strategic selection of Life vs P&C
- Re-definition of SME-segment
- Affinities
- Diversified portfolio strength
- Global vs local brokers
- Size of portfolio companies

VI.1.2 Ecosystem

Partnerships

- Long-term facilities
- Affinities
- Partner not enemy

M&A

Platforms

Reinsurers

- Impacts profitability

Value chain integration

- Reduce market entry barriers
- Increase broker value and power

VI.1.3 Customer

Acquiring customers

- High quality counseling

Ownership

- Individual broker
- Traditional insurers

Engagement

- Insurer non-contact with SME customers
- Customer touchpoints and decision making

Retention

VI.1.4 Organization

Departments

- Team structure + numbers
- Small team advantages
- Conveying strategies to scattered teams/departments

Internal systems

- Updating old systems

Staying compliant

- Sensing and adapting to regulations

Performance measurement

Consequences of size

- Slowness of large corporation
- Brokers more innovative

VI.2 Capabilities

VI.2.1 Insurers

Competitiveness

- Positioning in evolving market

Financial

- Financial advantage vs brokers enabling tech adoption

Responsiveness

- Fast, correct, present

Multi-actor learning

- Learning from brokers

Information exchange**Sensing market trends**

- Broker consolidation

Organizational structure

- Managing facilities
- Slim down
- Customer proximity

Delivering value to brokers

- Service level
- Stickiness
- Technological leadership
- Small portfolio advantage
- High value to low price
- Relationship building

Company ownership

- Non-profit goals
- No own salesmen mean no direct sales
- Transparency
- Strategy horizon

Human capital

- Large corporation advantages
- Acquiring young professionals

Starting from zero

- Brokered sales

Damage prevention

- Proactive solutions to minimize damage

Customer orientation

- Advisor rather than seller
- Customer first

VI.2.2 Brokers**Innovation**

- Creative in product development

Large corporation advantages

- Regulatory
- International network

Relationships

- Establish strong bonds with insurers
- Customer perception

Human capital

- Brokers/advisors

Processes

- Standardize to SME

Copying large insurers

- Compliance

Quality counseling

- Educated employees
- Trust and knowledge as edge

VI.3 Critical resources**VI.3.1 Human capital****Shortage of renewal**

- Expert shortage
- Threat to insurers
- Wage inflation

- Attracting young professionals

Sales associates and brokers

- Reduced need due to digitalization
- Reduced knowledge gap between

advisor and customer

VI.3.2 Technology

Infrastructure

- Data systems

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