UNITED STATES

Managing General Agents: A Guide to the Global MGA Landscape

DLA PIPER

Introduction

Managing General Agents (MGAs) have become one of the insurance industry's most dynamic growth stories, with the global market now estimated at approximately USD 150 billion of premium. Yet they remain surprisingly difficult to define – the MGA structure is usually not recognised by law, so in different jurisdictions they have to operate within a wide range of broader intermediary and delegated authority frameworks. A structure that is straightforward in one country can require a very different licensing, governance or contractual approach in another.

That complexity is why we created this guide. It covers 26 jurisdictions across the same core topics: licensing, passporting, ownership and control, insurtech, product governance, premium handling and capital requirements.

This guide reflects our understanding of the law and market practice in each jurisdiction as at July 2026. Regulation in this area continues to evolve and individual jurisdictions may have introduced changes since publication. For advice on a specific jurisdiction, please contact that jurisdiction's key contact, or your usual DLA Piper adviser.

Global key contacts

Leon Taylor
Partner
Global Chair, Insurance Sector
leon.taylor@dlapiper.com
Full bio

George Mortimer
Partner
Head of Insurance Regulatory
george.mortimer@dlapiper.com
Full bio

Luc Bigel
Partner
Head of Insurance, France
luc.bigel@dlapiper.com
Full bio

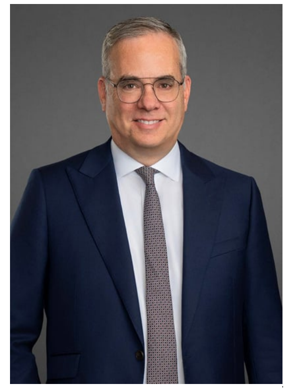
Dr Gunne Bähr
Partner
gunne.baehr@dlapiper.com
Full bio

Heng Loong Cheong
Partner
hengloong.cheong@dlapiper.com
Full bio

Naoise Harnett
Partner
naoise.harnett@dlapiper.com
Full bio

David Maria Marino
Partner
davidmaria.marino
@dlapiper.com
Full bio

Aline Kiers
Legal Director
aline.kiers@dlapiper.com
Full bio



Robert Fettman
Partner
robert.fettman@us.
dlapiper.com
Full bio

Samantha O'Brien
Partner
Head of Insurance, Australia
samantha.obrien@dlapiper.
com
Full bio

Editors

Aline Kiers
Legal Director
aline.kiers@dlapiper.com
Full bio

Kirsten Shoraka
Knowledge Development Lawyer
kirsten.shoraka@dlapiper.com

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MGA status and classification

Parameter	Summary
Dedicated MGA category	No
Average authorisation timeline	6-9 months (Nationwide)
Passporting	No
Insurtech sandbox	No Some state sandboxes
Controller approval	No

The US is the largest MGA market globally, with approximately 440 MGAs operating across the country.

In the US, MGAs are generally regulated no differently than any other insurance intermediary. The regulatory framework is state-based, with no federal insurance licensing regime.

Under the NAIC Model Act framework, to act in the capacity of an MGA, an entity needs only to be licensed as an "insurance producer."

Insurance intermediaries must obtain a producer license in each state where they conduct business. There are, however, a small number of states that require a separate MGA license in certain circumstances.

Importantly, although an insurance producer license is always required, additional requirements related to the terms of an MGA's agreement with an insurer apply if the MGA – whether described as a managing general agent, manager or other similar term – has authority to produce and underwrite a significant volume of business for that insurer. The threshold is met where the business produced represents at least 5% of the insurer's policyholder surplus in any quarter or year. The definition also captures entities that, in relation to that business, either adjust or pay claims above USD10,000 per claim or negotiate reinsurance for the insurer.

Accordingly, the use of the term "MGA" or "managing general agent" as a commercial or industry designation isn't itself determinative of regulatory status, and an entity that markets or describes itself as an MGA may nevertheless fall outside the scope of statutory MGA regulation if it doesn't satisfy the premium production and activity thresholds set forth in the applicable law.

Authorization / licensing process and timeframe

There is no federal licensing process for insurance intermediaries or MGAs. Each state maintains its own licensing requirements and procedures, and an MGA must obtain an insurance producer license in every state in which it operates. The timeframe for individual state licenses varies but can range from several weeks to several months.

If an MGA wishes to act in states where it is not a resident – in states other than the state where its principal place of business is located – it will take an additional six to eight weeks to obtain non-resident licenses in such other states, although there are outliers, so it can take six to nine months to obtain non-resident licenses in all 50 states.

Passporting / cross-border rights

There is no passporting regime in the US, either domestically or internationally. Each state is a separate licensing jurisdiction, and a license in one state doesn't grant rights to operate in another. This state-by-state requirement can create compliance challenges for MGAs seeking nationwide operations.

Insurtech considerations

There is no federal insurtech regulatory sandbox, but several individual states have enacted or proposed their own sandbox legislation, providing limited frameworks for testing innovative insurance products and distribution models. The US insurtech ecosystem nevertheless remains active, supported by significant venture capital investment.

Controller / ownership approval requirements

Ownership of an MGA isn't regulated in the US as an insurance regulatory matter. But foreign ownership of 50% or more of the voting power of an MGA located in the US would expose the entity (and, indirectly, its foreign owners) to US federal income tax liability.

There are no requirements for approval of controllers or owners of MGAs, other than in connection with the insurance producer licensing process, which in some states requires owners of insurance producers to submit biographical affidavits and submit fingerprints. If those submissions reveal information about an owner's or controller's background that may affect eligibility under applicable licensing requirements, the individual may be disqualified from acting in that capacity. Such disqualifications are uncommon in practice.

Product oversight and governance

There is no federal product oversight and governance framework equivalent to the Insurance Distribution Directive. Instead, state-level market conduct requirements govern the behavior of insurance intermediaries, covering fair dealing, disclosure, and suitability obligations.

The specific requirements vary by state, and MGAs must maintain compliance programs addressing each state in which they operate. There are general high-level standards prohibiting certain actions by MGAs on behalf of an insurer related to reinsurance, but customarily MGAs in the US are often given broad authority over product oversight and governance.

Premium handling and client money rules

There are no restrictions on profit commissions paid to MGAs, subject to the following exception. If the MGA has authority to establish the loss reserves or control claim payments upon which such commissions are calculated, profit commissions may not be paid until one year after they're earned for property business and five years after they're earned for casualty business.

Capital and PII requirements

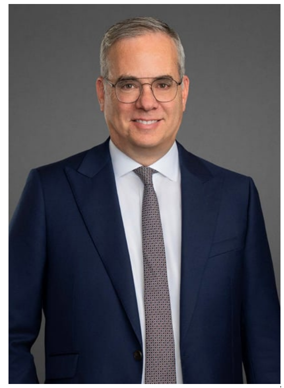
There is no minimum capital requirement for insurance producers or MGAs at the federal level. However, MGAs operating under the NAIC Model Act framework may have to post a surety bond, typically in the range of USD100,000 to USD500,000, depending on the state and the scope of authority.

Key additional considerations

The state-by-state regulatory structure is a key characteristic of the US MGA market. With 50 states plus the District of Columbia, each maintaining its own licensing requirements, MGAs seeking nationwide operations are generally required to comply with licensing requirements across multiple jurisdictions. Despite these complexities, the US is the largest MGA market globally. MGAs entering the US market may wish to consider the compliance requirements associated with multi-state operations.

Key contacts

Peter S. Rice
Senior Counsel
DLA Piper
peter.rice@us.dlapiper.com
View bio



Robert Fettman
Partner
DLA Piper
robert.fettman@us.dlapiper.com
View bio

For more information

To learn more about DLA Piper, visit dlapiper.com or contact:

George Mortimer
Partner
Head of Insurance Regulatory
george.mortimer@dlapiper.com
Full bio

Aline Kiers
Legal Director
aline.kiers@dlapiper.com
Full bio

Kirsten Shoraka
Knowledge Development Lawyer
kirsten.shoraka@dlapiper.com

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