BUSINESS PLAN · INDIA

Crop & Livestock Insurance Facilitator

PMFBY crop insurance & cattle-insurance enrolment and claims for farmers

INSURANCE

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August 2026

1. Executive Summary

This plan sets out a **Crop & Livestock Insurance Facilitator** in India — a rural-focused business that enrols farmers into crop insurance (PMFBY and other schemes) and cattle/livestock insurance, facilitates documentation and premium collection, and supports claims (yield loss, calamity, animal death) on behalf of insurers/banks under an appropriate intermediary authorisation. Income comes from commissions/service fees on enrolments and, where applicable, scheme facilitation.

Indian agriculture faces high weather and livestock risk, and government schemes plus rising awareness are expanding agri-insurance coverage — yet last-mile enrolment and claims support remain weak. A well-run facilitator bridges farmers, banks and insurers with local trust and process, earning per-enrolment income across large farmer volumes with seasonal cycles.

The promoter — operating under an insurer/broker principal — seeks total funding of **₹4.5 lakh** (₹1.75 lakh promoter + ₹2.75 lakh term loan, eligible under PMMY-Mudra / CGTMSE), targeting **₹20 lakh** income in Year 1 and **₹52 lakh** by Year 3.

2. Business Description, Vision & Legal Structure

Concept: A rural agri-insurance partner that gets farmers enrolled correctly, on time, and supported at claim time — reducing their risk and building trust.

Vision: To be the trusted crop & livestock insurance facilitator across the region's farming community.

Mission: Maximise correct, timely enrolment and fair claims for farmers, with honest, accessible service.

Legal structure options

- **Proprietorship / LLP** — operating under an insurer/broker/corporate-agent principal (POSP/agent) per IRDAI norms.
- **Company / FPO tie-up** — for scale via farmer-producer organisations and banks.

> **Regulatory anchor:** agri-insurance distribution operates under IRDAI intermediary norms and scheme guidelines (e.g., PMFBY, administered via empanelled insurers with bank/CSC/agent enrolment). The facilitator works within the principal's/scheme framework; suitability, correct documentation and grievance-redressal apply.

3. Promoter & Ownership

Led by a promoter with rural-insurance, agri or banking experience and community relationships. Delivery uses field enrolment agents, documentation staff and claims coordinators, often partnering with banks, CSCs and FPOs. Year-one ownership rests with the promoter; ownership and profit-sharing are editable inputs, aligned to the principal.

4. Market Analysis — India

India has a vast farming population exposed to weather, pest and livestock risk, and government schemes (PMFBY for crops; cattle-insurance programmes) drive large-scale enrolment. Coverage is expanding but last-mile facilitation and claims support are under-served, creating a durable, volume-based facilitation opportunity across seasonal cycles.

Demand drivers

- **High agri & livestock risk** — weather, pests, disease, calamity.

- **Government schemes** (PMFBY, cattle insurance) driving enrolment.
- **Bank/loan-linked** crop insurance for KCC borrowers.
- **Under-served last mile** for enrolment and claims.
- **FPO & community channels** enabling scale.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Farmers & livestock owners needing insurance in India	Very large
SAM	Reachable farmers in the facilitator's district/region	Large
SOM (Yr 1–3)	Enrolments facilitated per year	3,000 → 9,000

Target segments

- Crop farmers (PMFBY, loanee & non-loanee).
- Cattle/livestock owners (dairy, working animals).
- FPOs and farmer groups.
- Banks/CSCs needing enrolment support.

5. Competition & Competitive Advantage

Landscape: banks/CSCs, insurer field teams, other agents, and FPO channels. The facilitator competes on local trust, enrolment accuracy, claims support and community reach.

The firm's edge

- **Local trust & reach** in the farming community.
- **Correct, timely enrolment** reducing rejections.
- **Claims support** — the key trust-builder.
- **Bank/FPO/CSC partnerships** for volume.
- **Digital enrolment tools** for efficiency.

6. Services & Pricing (commission/fee)

Service	Income model	Basis
Crop insurance enrolment (PMFBY/other)	Commission / service fee	Per enrolment
Livestock/cattle insurance	Commission	% of premium
Documentation & premium facilitation	Service fee	Per case
Claims support & facilitation	Service (loyalty)	Retention value
Allied rural insurance (PA/health)	Commission	Cross-sell
FPO/bank tie-up programmes	Volume/retainer	Negotiated

> Per-enrolment income across large farmer volumes (seasonal for crops) plus livestock and cross-sell drives the model; claims support builds trust and repeat enrolment.

7. Go-to-Market — Marketing & Sales

- **Bank/CSC/FPO tie-ups** for enrolment volume.
- **Village-level camps** during enrolment windows.
- **Community trust & referrals.**
- **Claims-support reputation** driving repeat enrolment.
- **Cross-sell** allied rural insurance.

Growth model

Partner with banks/FPOs/CSCs → run enrolment camps in season → support claims → build trust and repeat. Add villages/partners to scale; livestock and allied lines diversify beyond crop seasons.

8. Operations Plan

- **Location:** a district/rural office plus field operations across villages.
- **Process:** awareness & camps → documentation & enrolment → premium facilitation → policy delivery → claims support (loss intimation, survey coordination, follow-up).
- **Technology:** enrolment apps/portals, documentation tools, and a farmer/claims CRM.
- **Compliance:** scheme & IRDAI norms, correct documentation, suitability, and grievance handling.
- **Capacity:** field agents plus coordination handle seasonal volume; scale by adding agents/partners.

Seasonal enrolment cycle

Season	Activity	Window
Kharif	Crop enrolment	Jun–Jul
Rabi	Crop enrolment	Dec–Jan
Livestock	Year-round	Ongoing
Claims	Post-loss	As events occur
Cross-sell	Allied cover	Ongoing

9. Regulatory, Licences & Compliance (India)

- **Intermediary authorisation** under an insurer/broker/corporate-agent principal (POSP/agent); scheme (PMFBY etc.) guidelines.
- **Business registration:** proprietorship/LLP; PAN; GST if applicable; Shops & Establishments.
- **Conduct:** correct documentation, suitability, no mis-selling, and grievance-redressal.
- **Data protection** aligned to the DPDP Act; secure handling of farmer/KYC data.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / Head	1	1	1
Field Enrolment Agent	2	5	8
Documentation & Claims Coordinator	1	2	3
Admin	0	1	1
Total	**4**	**9**	**13**

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–1	Principal & scheme tie-ups, bank/FPO partnerships, agents
First season	Month 1–4	First enrolment cycle; camps; documentation set
Traction	Month 4–9	Livestock & claims support; break-even nears
Scale	Year 2	More villages/partners; cross-sell
Growth	Year 3	9,000 enrolments; multi-line rural book

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. Commissions/fees follow scheme & IRDAI norms. They are not projections of guaranteed results.

12.1 Project cost & means of finance

Capital requirement	₹
Office & fit-out	70,000
Computers, tablets & IT (4)	1,40,000
Enrolment app/portal & tools	55,000
Branding, camps & marketing	55,000
Deposits & pre-operative	40,000
Working-capital buffer	90,000
Total project cost	**4,50,000**
Promoter contribution	1,75,000
Term loan (Mudra / CGTMSE)	2,75,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Crop enrolment income	11,00,000	20,00,000	27,00,000
Livestock insurance income	6,00,000	13,00,000	18,00,000
Allied cross-sell & fees	3,00,000	6,00,000	7,00,000
Total income	**20,00,000**	**39,00,000**	**52,00,000**
Salaries & field agents	9,60,000	19,00,000	25,00,000
Rent & utilities	1,40,000	1,80,000	2,20,000
Field, travel & camps	2,40,000	3,60,000	4,80,000
Tools, IT & app	1,20,000	1,80,000	2,30,000
Marketing & admin	1,60,000	2,30,000	2,90,000
Interest on term loan	30,000	22,000	12,000
Total expenses	**16,50,000**	**28,72,000**	**37,32,000**
Net profit (before tax)	**3,50,000**	**10,28,000**	**14,68,000**
Net margin	17.5%	26.4%	28.2%

12.3 Unit economics & break-even

- **Per enrolment:** modest fee/commission; volume across seasons and livestock drives income.
- **Seasonality:** crop income concentrates in Kharif/Rabi windows; livestock and allied smooth the year.
- **Break-even:** a threshold of enrolment volume plus partnerships — reached around month 9–11.

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2 (Kharif)	Q3	Q4 (Rabi)
Opening balance	90,000	70,000	1,10,000	1,55,000
Collections	3,60,000	6,20,000	4,50,000	5,70,000
Operating outflows	3,60,000	5,60,000	3,85,000	5,05,000
Loan EMI	20,000	20,000	20,000	20,000
Closing balance	**70,000**	**1,10,000**	**1,55,000**	**2,00,000**

> Cash peaks in enrolment seasons (Kharif/Rabi); livestock and allied income plus the buffer smooth the leaner quarters.

12.5 Key Performance Indicators to Monitor

- **Volume:** enrolments/season; livestock policies; partnerships.
- **Quality:** enrolment accuracy; rejection rate; claims-support success.
- **Trust:** repeat enrolment; referral rate; complaint rate (low).
- **Economics:** income per enrolment; agent productivity.

13. Funding Requirement & Bankability

Total ask: **₹2.75 lakh term loan** against ₹1.75 lakh promoter contribution — eligible under **PMMY (Mudra)** and coverable under **CGTMSE**. Year-1 net profit ~₹3.5 lakh against annual debt service of ~₹0.75 lakh gives a **DSCR above 3.0** — comfortably bankable, strengthening with volume and partnerships.

13.1 Funding utilisation

Use of funds	₹	% of total
IT, tablets, app & tools	1,95,000	43%
Office setup & deposits	1,10,000	24%
Camps, branding & marketing	55,000	12%
Working-capital buffer	90,000	20%
Total	**4,50,000**	**100%**

14. Risk Analysis & Mitigation

Risk	Mitigation
Scheme/policy changes (PMFBY etc.)	Diversify lines (livestock, allied); adapt to guidelines
Seasonality	Livestock & allied income; buffer; year-round claims support
Enrolment errors / rejections	Correct documentation; training; verification
Claims disputes (farmer trust)	Strong claims support; transparency; grievance handling
Data/KYC security	Secure handling; DPDP alignment

15. SWOT Analysis

Strengths Large farmer base; scheme-driven volume; local trust; low capital; multi-line potential.	**Weaknesses** Seasonality; scheme/policy dependence; thin per-enrolment income.
Opportunities Expanding agri-insurance; livestock & allied; FPO/bank partnerships; digital enrolment.	**Threats** Scheme changes; bank/CSC competition; claim-dispute trust risk.

16. Recommended AiSevak Tools for This Business

This facilitator would use AiSevak's Insurance vertical tools in delivery:

- **Enrolment & advisory:** scheme-eligibility, cover-comparison and needs tools; enrolment & renewal trackers.
- **Claims:** claims-support and grievance tools for farmers.
- **Practice:** Business Plan, Break-even and Unit-Economics tools to model the facilitation business.

17. Key Assumptions & Notes

- Operates under an insurer/broker principal and scheme framework (PMFBY etc.).
- ~3,000 enrolments in Year 1 growing to ~9,000 by Year 3 across crop, livestock and allied.
- Commissions/fees follow scheme & IRDAI norms; term-loan interest ~11% p.a., 5-year tenure.
- Figures exclude GST where applicable; crop income is seasonal.

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