



BUSINESS PLAN · INDIA

Insurance Agency (Life & General)

IRDAI-licensed insurance distribution, renewals & claims support

INSURANCE

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

1. Executive Summary

This plan sets out an **Insurance Agency (Life & General)** in India — an IRDAI-licensed agency distributing insurance products (life, health, motor, property, and other general lines) to individuals and businesses, advising on cover, facilitating purchase and renewals, and supporting claims. Revenue comes from insurer commissions plus renewal income and advisory value.

India remains significantly under-insured across life, health and general lines, and rising awareness, digital enablement and regulatory push are expanding the market rapidly. An insurance agency is a low-capital, high-persistency business: renewals compound into a growing annuity book, and trusted advisors earn steady referral-driven growth.

The promoter — a licensed insurance agent/agency principal — seeks total funding of **₹4.0 lakh** (₹1.5 lakh promoter + ₹2.5 lakh term loan, eligible under PMMY-Mudra / CGTMSE), targeting **₹22 lakh** income in Year 1 and **₹58 lakh** by Year 3 as the renewal book builds.

2. Business Description, Vision & Legal Structure

Concept: A trusted insurance advisor that gets clients the right cover at the right price and stands by them at claim time — building a loyal, renewing client base.

Vision: To be the most trusted insurance agency in the community, protecting families and businesses.

Mission: Advise honestly, place the right cover, ensure renewals, and support every claim — never mis-sell.

Legal structure options

- **Individual agency / proprietorship** — standard entry for a licensed agent.
- **Corporate agency (company/LLP)** — for multi-insurer, multi-line scale (subject to IRDAI norms).

Regulatory anchor: insurance distribution is regulated by IRDAI. Agents are licensed (typically tied per category), while corporate agents and brokers have separate registrations and can represent multiple insurers within limits. Transparent, suitability-based selling and no mis-selling are mandatory. Renewal persistency is both a regulatory and business priority.

3. Promoter & Ownership

Led by a licensed insurance agent/agency principal with product knowledge and client relationships. Delivery uses advisors/sub-agents (where permitted) and support staff for servicing and renewals. Year-one ownership rests with the promoter; ownership and profit-sharing are editable inputs.

4. Market Analysis — India

India's insurance penetration remains below global averages across life and especially general/health lines, leaving a large protection gap. Rising incomes, health-cost awareness, mandatory motor insurance, digital distribution and regulatory expansion are growing the market steadily. Trust-based advisory retains strong relevance even as digital channels expand.

Demand drivers

- **Under-insurance:** a large life/health/general protection gap.

- **Health-cost awareness:** rising medical costs drive health cover.
- **Mandatory motor insurance** and asset protection.
- **Renewals:** persistency builds an annuity income base.
- **Digital + advisory hybrid:** tools plus trusted advice.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Individuals & businesses needing insurance in India	Very large
SAM	Reachable clients in the agency's community/region	Large
SOM (Yr 1–3)	Active policies serviced (book)	400 → 1,500 policies

Target segments

- Families needing life and health cover.
- Vehicle owners needing motor insurance.
- Small businesses needing property, liability and group cover.
- Individuals needing savings/investment-linked and term products.

5. Competition & Competitive Advantage

Landscape: other agents, banks (bancassurance), online aggregators, and brokers. The agency competes on trusted advice, service, claims support and persistency — areas where pure-digital channels are weaker.

The firm's edge

- **Suitability-based advice** — right cover, not just a sale.
- **Claims support** — the true moment of value.
- **Service & renewals** — proactive persistency management.
- **Local trust & relationships.**
- **Multi-line coverage** for one-stop protection.

6. Services & Pricing (commission-based)

Line	Income model	Indicative commission
Life (term/traditional/ULIP)	First-year + renewal commission	Per IRDAI norms
Health insurance	Commission + renewals	Per IRDAI norms
Motor insurance	Commission per policy	Per IRDAI norms
Property / fire / business	Commission	Per IRDAI norms
Group / SME cover	Commission	Per IRDAI norms
Advisory / financial planning	Value-add (retention)	Relationship value

Commissions (within IRDAI limits) plus compounding renewal income build a growing annuity book; persistency is the key economic driver.

7. Go-to-Market — Marketing & Sales

- **Referrals & community:** the primary channel — trust-driven insurance sales.
- **Existing-client cross-sell:** multi-line coverage per household/business.
- **Local presence & digital:** Google Business Profile and social for awareness and leads.
- **Business tie-ups:** employers and associations for group and individual cover.
- **Renewal & review campaigns** that retain and upsell.

Sales funnel

Lead → needs analysis → suitable recommendation → policy issuance → servicing & claims → renewal & cross-sell. Persistency and cross-sell compound the book; referrals lower acquisition cost.

8. Operations Plan

- **Location:** a small accessible office; much work is field and digital.
- **Process:** lead → advisory & quote → KYC & issuance → policy delivery → servicing → renewal reminders → claims assistance.
- **Technology:** insurer portals, a CRM for policies/renewals, and quote/comparison tools.
- **Compliance & ethics:** licensing, suitability, disclosure, no mis-selling, and grievance handling.
- **Capacity:** the principal plus advisors/support service a growing book; scale by adding advisors and lines.

Book economics (persistency)

Element	Driver	Impact
New policies	Acquisition	Growth
Renewals	Persistency	Annuity
Cross-sell	Multi-line	Value/client
Claims support	Trust	Retention
Referrals	Satisfaction	Low CAC

9. Regulatory, Licences & Compliance (India)

- **IRDAI licensing:** agent/corporate-agent registration; adherence to distribution and commission norms.
- **Business registration:** proprietorship or company/LLP (for corporate agency); PAN/TAN; GST if applicable.
- **Conduct:** suitability, disclosure, anti-mis-selling, KYC/AML, and grievance-redressal.
- **Data protection** aligned to the DPDP Act; secure handling of client and health data.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / Principal Advisor	1	1	1
Insurance Advisor / Sales	1	3	5
Servicing / Renewals & Claims Support	1	2	3
Admin	0	1	1
Total	3	7	10

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0-1	Licensing, insurer tie-ups, office, CRM
Launch	Month 1-3	First policies; servicing process set
Traction	Month 4-9	Book grows; renewals begin; break-even nears
Scale	Year 2	More advisors & lines; renewal annuity builds
Growth	Year 3	1,500-policy book; strong persistency

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 follow IRDAI norms. They are not projections of guaranteed results.

12.1 Project cost & means of finance

Capital requirement	₹
Office & fit-out	80,000
Computers & IT (3)	1,20,000
CRM & tools	50,000
Branding, website & marketing	50,000
Deposits & pre-operative	40,000
Working-capital buffer	60,000
Total project cost	4,00,000
Promoter contribution	1,50,000
Term loan (Mudra / CGTMSE)	2,50,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
First-year commissions (new business)	14,00,000	24,00,000	32,00,000
Renewal commissions (annuity)	6,00,000	15,00,000	22,00,000
Group/SME & other income	2,00,000	5,00,000	4,00,000
Total income	22,00,000	44,00,000	58,00,000
Salaries & advisor payouts	10,80,000	21,00,000	28,00,000
Rent & utilities	1,60,000	2,00,000	2,40,000
CRM, tools & IT	1,20,000	1,80,000	2,30,000
Marketing	1,40,000	2,10,000	2,60,000
Admin, travel & misc	1,80,000	2,60,000	3,40,000
Interest on term loan	27,000	20,000	11,000
Total expenses	17,07,000	29,70,000	38,81,000
Net profit (before tax)	4,93,000	14,30,000	19,19,000
Net margin	22.4%	32.5%	33.1%

12.3 Unit economics & break-even

- **Renewal annuity:** renewals compound as the book grows — the key to rising margins.
- **Persistency** is the critical driver; high persistency turns a policy into a multi-year income stream.
- **Break-even:** a base of new business plus early renewals — reached around month 8–10.

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	60,000	50,000	90,000	1,65,000
Collections (commissions)	3,80,000	5,10,000	6,30,000	6,80,000
Operating outflows	3,70,000	4,50,000	5,35,000	5,95,000
Loan EMI	20,000	20,000	20,000	20,000
Closing balance	50,000	90,000	1,65,000	2,30,000

Commission inflows steadily grow as the book builds; renewals in later years dramatically strengthen cash and margins.

12.5 Key Performance Indicators to Monitor

- **Growth:** new policies; premium sourced; active book size.
- **Persistency:** renewal/retention rate (the key driver).
- **Cross-sell:** policies per client; multi-line ratio.
- **Service:** claim-support success; client satisfaction; grievance rate (low).

13. Funding Requirement & Bankability

Total ask: **₹2.5 lakh term loan** against ₹1.5 lakh promoter contribution — eligible under **PMMY (Mudra)** and coverable under **CGTMSE**. Year-1 net profit ~₹4.93 lakh against annual debt service of ~₹0.85 lakh gives a **DSCR above 3.0** — comfortably bankable, strengthening as renewal income compounds.

13.1 Funding utilisation

Use of funds	₹	% of total
IT, CRM & tools	1,70,000	43%
Office setup & deposits	1,20,000	30%
Branding & marketing	50,000	12%
Working-capital buffer	60,000	15%
Total	4,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Low persistency / lapses	Proactive renewals; suitability selling; service & claims support
Mis-selling / conduct risk	Suitability, disclosure, no mis-selling; grievance handling
Commission-norm changes	Diversify lines; grow renewal book; advisory value
Digital/aggregator competition	Trust, service and claims support as differentiators
Data/health-data security	Secure handling; DPDP alignment; KYC/AML

15. SWOT Analysis

Strengths Low capital; compounding renewal annuity; trust-driven; multi-line; referral-rich.	Weaknesses Persistency-dependent; commission-norm exposure; slow early income.
Opportunities Under-insurance gap; health & SME cover; cross-sell; digital-plus-advisory.	Threats Aggregators & bancassurance; regulatory changes; price focus.

16. Recommended AiSevak Tools for This Business

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

- **Advisory & sales:** needs-analysis, cover-comparison and suitability tools; renewal and cross-sell trackers.
- **Claims & service:** claims-support and grievance tools.
- **Practice:** Business Plan, Break-even and Unit-Economics tools to model the agency and its renewal book.

17. Key Assumptions & Notes

- ~400 policies in Year 1 growing to ~1,500 by Year 3; persistency is the key driver.
- Commissions follow IRDAI norms; renewal income compounds over years.
- Term-loan interest ~11% p.a., 5-year tenure; adjust to sanctioned terms.
- Figures exclude GST where applicable; promoter remuneration is an editable input.

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