BUSINESS PLAN · INDIA

Insurance Broking Firm

IRDAI-licensed client-side risk broking & claims advocacy

INSURANCE

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

August 2026

1. Executive Summary

This plan sets out an **Insurance Broking Firm** in India — an IRDAI-licensed broker that represents the *client* (not the insurer), placing and managing risk across multiple insurers: risk assessment, programme design, competitive placement, policy management, claims advocacy and renewals for corporates, SMEs and, where licensed, retail clients. Revenue comes from brokerage (commission from insurers) plus, where permitted, fees for risk-advisory services.

Corporates and growing businesses increasingly want independent, whole-of-market advice on complex risk — property, liability, marine, group health, D&O and more — rather than a single-insurer agent. Broking, being client-side and multi-insurer, wins on advice quality, competitive placement and claims advocacy. It is a relationship- and expertise-driven business with high-value, renewing accounts.

The promoter — an insurance professional forming a licensed broking entity — seeks total funding of **₹9.0 lakh** (₹4.0 lakh promoter + ₹5.0 lakh term loan for setup/opex; note IRDAI net-worth and deposit requirements for broker licensing are additional and must be met separately), targeting **₹36 lakh** income in Year 1 and **₹95 lakh** by Year 3.

2. Business Description, Vision & Legal Structure

Concept: An independent, client-side risk advisor and broker that designs the right insurance programme, places it competitively across insurers, and fights the client's corner at claim time.

Vision: To be the trusted risk & insurance broker for businesses in the region.

Mission: Understand each client's risk, place optimal cover across the market, and deliver superior claims outcomes.

Legal structure

- **Private Limited / LLP** — required form for an IRDAI-licensed broker, meeting net-worth, deposit and personnel requirements.

> **Regulatory anchor:** insurance broking requires an IRDAI broker licence, with prescribed minimum net worth (higher for direct/composite/reinsurance brokers), security deposit, qualified Principal Officer, professional-indemnity cover and compliance infrastructure. The broker acts for the client, disclosing brokerage. These capital/compliance requirements are a key barrier and must be planned for beyond the setup funding above.

3. Promoter & Ownership

Led by a promoter with insurance/risk expertise and a qualified Principal Officer as required by IRDAI. Delivery uses account managers, placement specialists and claims advocates. Year-one ownership rests with the founder(s)/company; ownership and profit-sharing are editable inputs, subject to IRDAI shareholding and fit-and-proper norms.

4. Market Analysis — India

India's commercial-insurance market is large and growing, and businesses increasingly value independent broking for complex, multi-line risk. Broker-intermediated business is expanding as corporates seek whole-of-market advice, competitive placement and professional claims handling. Group health, liability, marine, property and specialty lines all drive demand.

Demand drivers

- **Complex commercial risk** needing expert, multi-insurer placement.
- **Corporate preference** for independent, client-side advice.
- **Group health & benefits** growth for employers.
- **Liability, D&O, cyber & specialty** lines rising.
- **Claims advocacy** value in complex settlements.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Businesses needing broked commercial insurance in India	Very large
SAM	Reachable corporates & SMEs in the firm's region/sectors	Large
SOM (Yr 1–3)	Active client accounts	30 → 100 accounts

Target segments

- Corporates and mid-market firms with multi-line risk.
- SMEs needing property, liability and group health.
- Manufacturers, exporters and project businesses (marine, engineering).
- Employers needing group benefits programmes.

5. Competition & Competitive Advantage

Landscape: large national/global brokers, other regional brokers, agents and bancassurance. The firm differentiates on risk expertise, service intensity, competitive placement and claims outcomes for the mid-market.

The firm's edge

- **Independent, whole-of-market placement.**
- **Risk-advisory depth** — programme design, not just price.
- **Claims advocacy** — the decisive value at claim time.
- **Service intensity** for underserved mid-market clients.
- **Sector specialisation** for sharper solutions.

6. Services & Pricing (brokerage-based)

Service	Income model	Basis
Commercial insurance placement (property, liability, marine, engineering)	Brokerage	% of premium (IRDAI)
Group health & benefits programmes	Brokerage	% of premium
Specialty lines (D&O, cyber, PI)	Brokerage	% of premium
Risk advisory / programme design	Fee (where permitted) / brokerage	Engagement

Claims advocacy & management	Included / service	Retention value
Renewals & account management	Renewal brokerage	Recurring

> Brokerage on placed and renewed premium is the core income; renewals and multi-line accounts compound into a high-value, recurring book.

7. Go-to-Market — Marketing & Sales

- **Corporate & SME direct outreach** — CFO/admin/HR decision-makers.
- **Referrals:** CAs, bankers, consultants and existing clients.
- **Sector focus** for credibility and repeatable solutions.
- **Group-benefits entry** converting into full risk programmes.
- **Claims-outcome reputation** driving referrals.

Sales approach

Risk review → programme proposal → competitive placement → onboarding → claims & renewals. Land-and-expand across a client's risk lines; retain via service and claims outcomes.

8. Operations Plan

- **Location:** a professional office suitable for corporate clients.
- **Process:** risk assessment → programme design → RFQ & placement across insurers → policy management → claims advocacy → renewal & review.
- **Technology:** broking/CRM system, placement and comparison tools, and claims tracking.
- **Compliance:** IRDAI broking regulations, disclosures, Principal Officer oversight, PI cover, and audit/compliance systems.
- **Capacity:** account managers and placement/claims specialists service a growing account base; scale by adding staff and sectors.

Core commercial lines

Line	Covers	Client
Property / fire	Assets, BI	All businesses
Liability / D&O	Legal exposure	Corporates
Group health	Employee benefits	Employers
Marine / engineering	Trade, projects	Mfg/exporters
Specialty (cyber/PI)	Emerging risk	Tech/services

9. Regulatory, Licences & Compliance (India)

- **IRDAI broker licence** (direct/composite as applicable) with prescribed **minimum net worth, security deposit, qualified Principal Officer and PI cover.**

- **Company/LLP** incorporation; PAN/TAN; GST (brokerage attracts GST); professional tax and Shops & Establishments as applicable.
- **Conduct:** client-side duty, brokerage disclosure, suitability, KYC/AML, and grievance-redressal; periodic IRDAI compliance and audit.
- **Data protection** aligned to the DPDP Act; secure handling of client and employee data.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / Director	1	1	1
Principal Officer / Placement Lead	1	1	2
Account Manager / Advisor	1	3	5
Claims & Servicing / Admin	1	2	3
Total	**4**	**7**	**11**

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Licensing	Month 0–3	IRDAI broker licence, net-worth/deposit, PO, systems
Launch	Month 3–6	First accounts placed; claims process set
Traction	Month 6–12	Account base & renewals build; break-even nears
Scale	Year 2	Sector specialisation; larger corporates
Growth	Year 3	100 accounts; recurring brokerage 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. Brokerage follows IRDAI norms. IRDAI net-worth/deposit requirements are additional to the setup funding. They are not projections of guaranteed results.

12.1 Project cost & means of finance (setup/opex)

Capital requirement	₹
Office & fit-out	1,80,000
Computers & IT (5)	2,20,000
Broking/CRM systems & PI cover (initial)	1,40,000
Branding, website & BD	70,000
Deposits & pre-operative	90,000
Working-capital buffer	2,00,000

Total setup cost	9,00,000
Promoter contribution	4,00,000
Term loan (setup/opex)	5,00,000

Note: IRDAI-prescribed minimum net worth and security deposit for a broker licence are separate capital requirements to be met by the promoters/company independently of this facility.

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Placement brokerage (new)	22,00,000	40,00,000	52,00,000
Renewal brokerage (recurring)	10,00,000	24,00,000	35,00,000
Advisory / other income	4,00,000	8,00,000	8,00,000
Total income	**36,00,000**	**72,00,000**	**95,00,000**
Salaries & team	18,00,000	35,00,000	46,00,000
Rent & utilities	2,80,000	3,40,000	4,00,000
Systems, PI cover & compliance	3,00,000	4,20,000	5,20,000
Marketing & BD	2,20,000	3,20,000	4,00,000
Admin, travel & misc	2,80,000	4,00,000	5,20,000
Interest on term loan	55,000	40,000	22,000
Total expenses	**29,35,000**	**50,20,000**	**64,62,000**
Net profit (before tax)	**6,65,000**	**21,80,000**	**30,38,000**
Net margin	18.5%	30.3%	32.0%

12.3 Unit economics & break-even

- **Per account:** mid-market accounts generate recurring brokerage that renews annually — the core annuity.
- **Renewal compounding:** retained accounts build a growing recurring base.
- **Break-even:** a base of placed accounts plus renewals — reached around month 10–12 (post-licensing ramp).

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	2,00,000	1,25,000	1,45,000	2,70,000
Collections (brokerage)	5,50,000	8,50,000	11,00,000	12,50,000
Operating outflows	6,10,000	8,00,000	9,45,000	10,80,000
Loan EMI	45,000	40,000	30,000	30,000
Closing balance	**1,25,000**	**1,45,000**	**2,70,000**	**4,10,000**

> Brokerage builds through the year as accounts are placed; renewals in later years strengthen recurring cash and margins. Licensing period precedes revenue — the buffer bridges it.

12.5 Key Performance Indicators to Monitor

- **Book:** accounts placed; premium under management; renewal retention.
- **Value:** brokerage per account; multi-line ratio; specialty share.
- **Claims:** claims-advocacy outcomes; client satisfaction.
- **Compliance:** IRDAI compliance; PI cover; audit outcomes.

13. Funding Requirement & Bankability

Setup ask: **₹5.0 lakh term loan** against ₹4.0 lakh promoter contribution — eligible under **PMMY (Mudra)** and coverable under **CGTMSE**. Year-1 net profit ~₹6.65 lakh against annual debt service of ~₹1.7 lakh gives a **DSCR above 3.0**. Note: IRDAI net-worth/deposit is separate promoter/company capital and is not funded by this facility.

13.1 Funding utilisation (setup/opex)

Use of funds	₹	% of total
IT, broking systems, PI & compliance	3,60,000	40%
Office setup & deposits	2,70,000	30%
Branding & business development	70,000	8%
Working-capital buffer	2,00,000	22%
Total	**9,00,000**	**100%**

14. Risk Analysis & Mitigation

Risk	Mitigation
Licensing & net-worth requirements	Plan capital early; meet IRDAI norms; qualified PO
Account concentration	Diversify sectors & lines; broad account base
E&O / advice liability	Professional-indemnity cover; documented advice; compliance
Brokerage-norm changes	Advisory value; renewals; multi-line depth
Competition from large brokers	Mid-market focus; service & claims outcomes

15. SWOT Analysis

Strengths	Weaknesses
Client-side independence; recurring brokerage annuity; advisory & claims value; high-value accounts.	Licensing & capital barriers; slow ramp; E&O exposure.

Opportunities	Threats
Growing broked market; group benefits; specialty lines; sector focus; mid-market gap.	Large/global brokers; regulatory & brokerage changes; price competition.

16. Recommended AiSevak Tools for This Business

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

- **Risk & placement:** risk-assessment, cover-comparison and programme-design tools; renewal trackers.
- **Benefits & claims:** group-benefits benchmarking, coverage-adequacy and claims-advocacy tools.
- **Practice:** Business Plan, Break-even and Unit-Economics tools to model the broking book.

17. Key Assumptions & Notes

- IRDAI broker licence obtained; net-worth/deposit/PI/PO requirements met separately from this facility.
- ~30 accounts in Year 1 growing to ~100 by Year 3; renewals compound the book.
- Brokerage follows IRDAI norms; term-loan interest ~11% p.a., 5-year tenure.
- Brokerage attracts GST; figures exclude GST; licensing period precedes revenue.

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