BUSINESS PLAN · INDIA

Motor-Insurance Desk (Dealer-tied)

Point-of-sale motor insurance, add-ons & renewals at dealers/workshops

INSURANCE

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1. Executive Summary

This plan sets out a **Motor-Insurance Desk (Dealer/Workshop-tied)** in India — a point-of-sale insurance operation embedded at vehicle dealerships, workshops and service centres, selling and renewing motor insurance (new-vehicle, own-damage, third-party, add-ons) and assisting with claims at the moment of purchase or service. It operates as a POSP/agent/corporate-agent channel under an insurer/broker principal.

Motor insurance is mandatory and renewable, and the point of vehicle purchase or servicing is a high-conversion moment. A well-run motor desk captures new-vehicle insurance, own-damage renewals and add-ons with strong attach rates, plus claims facilitation that builds loyalty. It is a low-capital, high-footfall, recurring business tied to dealer/workshop traffic.

The promoter — operating under an insurer/broker 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 **₹56 lakh** by Year 3.

2. Business Description, Vision & Legal Structure

Concept: An embedded motor-insurance desk that makes buying and renewing vehicle insurance effortless at the dealership/workshop — right cover, instant issuance, and real claims help.

Vision: To be the trusted motor-insurance partner across a network of dealer/workshop points.

Mission: Ensure every customer drives away correctly insured, renews on time, and gets fast claims support.

Legal structure options

- **Proprietorship / LLP** — operating as a POSP/agent channel under an insurer/broker principal.
- **Multi-point company** — for scaling across several dealer/workshop desks.

> **Regulatory anchor:** motor-insurance sale is regulated by IRDAI; the desk operates under a licensed principal (insurer/broker/corporate agent) via POSP/agent authorisation, selling specified motor products. Suitability, disclosure and no mis-selling apply; dealer tie-up terms govern the point-of-sale arrangement.

3. Promoter & Ownership

Led by a promoter with insurance-distribution and dealer-relationship experience. Delivery uses desk executives (POSP-certified) at each point plus a renewals/claims coordinator. Year-one ownership rests with the promoter; ownership and profit-sharing are editable inputs, aligned to the principal and dealer arrangements.

4. Market Analysis — India

India's large and growing vehicle parc means a huge, renewable motor-insurance market, and mandatory cover ensures baseline demand. The point of sale/service is where conversion is highest. Dealers and workshops value an embedded desk that adds convenience and a small revenue share, making tie-ups mutually beneficial.

Demand drivers

- **Mandatory, renewable motor insurance** — baseline demand.
- **New-vehicle sales** requiring insurance at purchase.
- **Own-damage renewals** at service touchpoints.

- **Add-ons** (zero-dep, RSA, engine protect) with high attach.
- **Claims-at-workshop** synergy building loyalty.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Motor-insurance policies & renewals in India	Very large
SAM	Footfall at tied dealer/workshop points	High volume
SOM (Yr 1–3)	Policies sold/renewed via desk(s)	1,500 → 4,500

Target segments

- New-vehicle buyers at dealerships.
- Service customers at workshops (renewals, add-ons).
- Used-vehicle buyers and transfers.
- Fleet/commercial customers via dealer relationships.

5. Competition & Competitive Advantage

Landscape: insurer/dealer in-house arrangements, other agents, and online channels. The desk competes on point-of-sale convenience, attach rates, claims-at-workshop synergy, and dealer relationships.

The firm's edge

- **Point-of-sale conversion** at the purchase/service moment.
- **High add-on attach** through advice.
- **Claims-at-workshop synergy** — fast, cashless, loyal.
- **Dealer relationships** and revenue-share alignment.
- **Renewal capture** via service touchpoints.

6. Services & Pricing (commission-based)

Product	Income model	Basis
New-vehicle motor insurance	Commission	% of premium (IRDAI)
Own-damage renewals	Commission + renewal	% of premium
Third-party (standalone)	Commission	% of premium
Add-ons (zero-dep, RSA, etc.)	Commission	% of premium
Claims facilitation	Service (loyalty)	Retention value
Cross-sell (health/PA)	Commission	Add-on income

> Commission on motor policies and renewals (within IRDAI norms) plus high add-on attach drives income; footfall × conversion × attach × renewals compounds the book.

7. Go-to-Market — Marketing & Sales

- **Dealer/workshop tie-ups** — the core channel (with revenue share).
- **Point-of-sale conversion** at purchase and service.
- **Renewal reminders** via service and CRM.
- **Add-on advisory** to raise attach and value.
- **Cross-sell** health/PA to existing customers.

Growth model

Secure dealer/workshop tie-ups → convert footfall → maximise add-ons → capture renewals → cross-sell. Add more points to scale; renewals build a recurring base.

8. Operations Plan

- **Location:** desks embedded at dealer/workshop points; a small back office for coordination.
- **Process:** customer at point → needs & quote → issuance → add-ons → renewal capture → claims facilitation.
- **Technology:** insurer portals, quick-issuance tools, and a renewals/claims CRM.
- **Compliance:** POSP certification, suitability, disclosure, and dealer-arrangement terms.
- **Capacity:** desk executives per point plus coordination; scale by adding points/executives.

Desk economics

Lever	Driver	Impact
Footfall	Dealer/workshop traffic	Volume
Conversion	Point-of-sale advice	Policies
Add-on attach	Advisory	Value/policy
Renewals	Service capture	Annuity
Cross-sell	Health/PA	Extra income

9. Regulatory, Licences & Compliance (India)

- **POSP/agent authorisation** under an insurer/broker/corporate-agent principal per IRDAI norms; certified desk executives.
- **Business registration:** proprietorship/LLP; PAN; GST if applicable; Shops & Establishments.
- **Conduct:** suitability, disclosure, no mis-selling; dealer-arrangement compliance.
- **Data protection** aligned to the DPDP Act; secure handling of customer/vehicle data.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / Desk Head	1	1	1

Desk Executive (POSP)	2	4	6
Renewals & Claims Coordinator	1	2	3
Admin	0	1	1
Total	**4**	**8**	**11**
Tied dealer/workshop points	2	4	6

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–1	Principal tie-up, dealer agreements, POSP certification, desks
Launch	Month 1–3	Desks live; conversion & add-on process set
Traction	Month 4–9	Renewals build; more points; break-even nears
Scale	Year 2	4 points; cross-sell; renewal annuity
Growth	Year 3	6 points; recurring renewal 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. Commission follows IRDAI norms. They are not projections of guaranteed results.

12.1 Project cost & means of finance

Capital requirement	₹
Desk setup at points & office	90,000
Computers & IT (4)	1,40,000
CRM & issuance tools	45,000
Branding & marketing	40,000
Deposits & pre-operative	35,000
Working-capital buffer	50,000
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
New-business commission	14,00,000	24,00,000	30,00,000
Renewal commission	5,00,000	12,00,000	18,00,000

Add-ons & cross-sell	3,00,000	6,00,000	8,00,000
Total income	**22,00,000**	**42,00,000**	**56,00,000**
Salaries & desk executives	10,80,000	20,00,000	26,40,000
Dealer/workshop revenue share	2,20,000	4,20,000	5,60,000
Rent, tools & IT	2,00,000	2,80,000	3,40,000
Marketing & admin	1,60,000	2,40,000	3,00,000
Misc	1,00,000	1,40,000	1,80,000
Interest on term loan	27,000	20,000	11,000
Total expenses	**17,87,000**	**31,00,000**	**40,31,000**
Net profit (before tax)	**4,13,000**	**11,00,000**	**15,69,000**
Net margin	18.8%	26.2%	28.0%

12.3 Unit economics & break-even

- **Per policy:** commission + add-on attach; renewals compound the base.
- **Footfall & attach** at each point drive economics; more points scale revenue.
- **Break-even:** a base of points with steady footfall — reached around month 7–9.

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	50,000	45,000	75,000	1,40,000
Collections	4,20,000	5,20,000	6,20,000	6,40,000
Operating outflows	4,05,000	4,70,000	5,35,000	5,70,000
Loan EMI	20,000	20,000	20,000	20,000
Closing balance	**45,000**	**75,000**	**1,40,000**	**1,90,000**

> Point-of-sale commissions provide steady inflows from launch; renewals strengthen later-year cash. The buffer covers desk setup and the initial ramp.

12.5 Key Performance Indicators to Monitor

- **Conversion:** policies per point; conversion of footfall.
- **Attach:** add-on attach rate; value per policy.
- **Retention:** renewal capture; cross-sell.
- **Points:** active desks; per-point productivity.

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 ~₹4.13 lakh against annual debt service of ~₹0.7 lakh gives a **DSCR above 3.0** —

comfortably bankable, strengthening with renewals and more points.

13.1 Funding utilisation

Use of funds	₹	% of total
IT, CRM & issuance tools	1,85,000	46%
Desk & office setup, deposits	1,25,000	31%
Branding & marketing	40,000	10%
Working-capital buffer	50,000	13%
Total	**4,00,000**	**100%**

14. Risk Analysis & Mitigation

Risk	Mitigation
Dealer-relationship dependence	Multiple points; fair revenue share; performance value
Mis-selling / conduct	Suitability, disclosure, POSP training and monitoring
Renewal leakage	Service-touchpoint capture; reminders; CRM
Commission-norm changes	Add-ons, cross-sell and more points for resilience
Competition at point	Convenience, attach and claims synergy

15. SWOT Analysis

Strengths Mandatory, renewable line; point-of-sale conversion; high attach; low capital; claims synergy.	**Weaknesses** Dealer dependence; footfall-linked; commission-norm exposure.
Opportunities Vehicle-parc growth; more points; add-ons & cross-sell; renewal annuity.	**Threats** Insurer/dealer in-housing; online channels; commission changes.

16. Recommended AiSevak Tools for This Business

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

- **Sales & advisory:** motor cover-comparison, add-on and needs-analysis tools; renewal & cross-sell trackers.
- **Service:** claims-support and grievance tools.
- **Practice:** Business Plan, Break-even and Unit-Economics tools to model the desk(s).

17. Key Assumptions & Notes

- Operates under an insurer/broker principal via POSP/agent authorisation; desk executives certified.

- ~1,500 policies in Year 1 growing to ~4,500 by Year 3 across 2→6 points; renewals compound.
- Commission follows IRDAI norms; dealer revenue share per arrangement; term-loan interest ~11% p.a.
- Figures exclude GST where applicable; promoter remuneration is an editable input.

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