[Your business name] — Business Plan

Insurance agency in [Your city] · Startup plan

Executive summary

[Your business name] is a new insurance agency in [Your city] offering home and renters insurance; auto insurance and umbrella policies; small-business insurance: general liability, property and workers' compensation; and life insurance and annual coverage reviews. The model is an independent agent who quotes several carriers, earns a commission on every policy written and every renewal kept, and grows a book through referrals and retention rather than advertising alone.

Startup budget: $18,450 across 8 items, with funding still to be decided.

Twelve months from now, success looks like this: [What success looks like twelve months from now]

Products and services

[Your business name]'s core service is home and renters insurance. Every client gets a coverage review, quotes from more than one carrier, a clear explanation of what is and isn't covered, and a real person to call when there's a claim.

- Home and renters insurance
- Auto insurance and umbrella policies
- Small-business insurance: general liability, property and workers' compensation
- Life insurance and annual coverage reviews

Market analysis

The customers are homeowners and drivers who want one agent for the house and the cars, small-business owners who need liability and workers' comp to sign a lease or a contract, and families who want their coverage reviewed by someone they can reach.

- Homeowners and renters who want one agent for the house and the cars
- Drivers shopping their auto renewal after a rate hike
- Small-business owners who need liability, property and workers' comp to sign a lease or a contract
- Families who want a coverage review and a real person to call when something goes wrong

Marketing strategy

Most customers will find [Your business name] on Google and through word of mouth — searching for an insurance agent near them, or asking a friend who was looked after when they had a claim. Reviews on the Google Business Profile, referral partners like mortgage brokers and real-estate agents, and a website with a request-a-quote form turn that into bound policies.

- Google Business Profile and Google Maps — “insurance agent near me” and “home insurance” plus your city
- Word of mouth and referrals from clients whose claim you handled well
- Referral partners: mortgage brokers, real-estate agents, car dealers and accountants
- Local networking, chambers of commerce and sponsorships that put your name in front of business owners
- A website with the coverage you write, the carriers you represent and a request-a-quote form

Operations plan

The owner sells and services every policy in year one, works from a home office with an agency-management system and a rater, re-contacts every client before renewal, and hires a customer-service rep only when the book pays for one.

- A state producer license for each line you sell, kept current with continuing education
- Carrier appointments direct or through an agency network so you can quote more than one company
- A comparative rater and an agency-management system that tracks every policy, renewal and claim
- A renewal calendar — you re-shop and re-contact every client before the policy renews
- Errors-and-omissions insurance and a documented file on every quote and coverage decision

Startup costs

What it will take to open the doors, with funding still to be decided.

Startup costs

ITEM	AMOUNT
Working capital (first three to six months)	$10,000
Agency network, cluster or aggregator fees and carrier appointments	$3,000
Errors-and-omissions insurance (first year)	$1,500
Home-office setup: computer, monitors, phone system and printer	$2,500
Pre-licensing course, state exam, fingerprinting and producer license	$650
Business registration, LLC and agency (entity) license	$300
Website and Google Business Profile	$0
Agency-management system and comparative rater (first year)	$500
Total	**$18,450**

Typical range to start an insurance agency in the US: $8,400–$32,000. Your list is what you decided to spend — replace estimates with real quotes as you get them. Website and Google Business Profile: Your Zarla plan includes the website with your coverage lines and a request-a-quote form and walks you through your Google Business Profile — a designer typically charges $1,500 or more to build one. Agency-management system and comparative rater (first year): Your Zarla plan includes quote requests, follow-up and customer management with the website — you'll still need an agency-management system and a rater for policies.

Financial plan

The numbers below come from your own startup list and typical monthly costs for an insurance agency in the US. The costs are low; the challenge is the reserve that carries you while commissions and renewals build into steady income.

Typical monthly operating costs for an insurance agency: $550–$10,450 a month, before the owner's own pay.

Add a monthly sales target and the plan will show how long it takes to recover the startup budget.

Typical monthly operating costs

COST	TYPICAL RANGE
Agency-management system, rater and e-signature (included with Zarla)	$100–$400
Errors-and-omissions and general liability insurance	$50–$250
Customer-service rep or producer (once you hire)	$0–$5,000
Marketing, leads and referral-partner lunches	$200–$1,500
Agency network or cluster monthly fee	$100–$500
Office rent and utilities (if not working from home)	$0–$2,500
Phone, internet, licensing renewals and continuing education	$100–$300

US ranges for a small operation; replace with your own figures as you learn them. Lines marked (included with Zarla) are what those tools cost separately — with Zarla they are part of one monthly plan.

Risks and honest downsides

Every insurance agency plan should say out loud what can go wrong. For [Your business name], the real risks are:

- Income lags — you write policies for months before renewals build into a living
- Carriers can pull an appointment, change commission rates or stop writing in your state with little notice
- Direct-to-consumer carriers and online quoting compete hard on price; an independent agent wins on advice and service
- One coverage mistake can become an E&O claim, and a hard market means rate hikes you have to explain to every client
- Networks and aggregators take a share of commission, and some contracts make the book hard to leave with

Licenses, permits and insurance

What [Your business name] needs before it can legally trade in the US. Rules vary by state and city — confirm each item with your local licensing office and an accountant.

- State producer license — Required in every U.S. state for each line you sell — property and casualty, life, health. Expect a pre-licensing course, a state exam, fingerprinting and a background check; sell in another state and you need a non-resident license there.
- Agency (business-entity) license — Most states license the agency itself separately from the producer; check your state department of insurance.
- Carrier appointments — You can't bind a policy until a carrier appoints you — new agencies usually get access through an agency network, cluster or aggregator rather than direct.
- Errors-and-omissions insurance — Carriers and networks require it before appointing you; it covers you when a client says the coverage you sold wasn't what they needed.
- Business registration and EIN — Most agents form an LLC; register a DBA if the agency trades under another name, and check whether your state must approve the name.
- Continuing education — Most states require a set number of hours every one or two years to keep the license active.

Milestones: the next 30 days

The first month's to-do list for [Your business name], in order:

- Pass the property-and-casualty exam and get your state producer license
- Form the LLC, get an EIN and apply for your agency entity license
- Compare three agency networks or clusters on carrier access, fees and who owns the book
- Buy errors-and-omissions insurance and set up your agency-management system
- Set up a free Google Business Profile and put your website live
- Quote every friend and family member's home and auto at renewal and ask for the referral
- Meet five mortgage brokers and real-estate agents who need a fast home-insurance quote for closings
- Write a renewal-contact script and put every policy's renewal date in the calendar

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Appendix: what a lender will ask for

This plan tells the story and shows the numbers. If you take it to a bank, expect to be asked for these documents as well:

- Two years of personal tax returns and a personal financial statement
- A month-by-month 12-month cash-flow projection that shows the commission lag and the renewal build
- Your producer license, agency license, E&O certificate and carrier or network agreements
- A book-of-business projection: policies written, average premium, commission rate and expected retention
- The network or aggregator contract, including fees and who owns the book
- Your credit report and anything you can offer as collateral

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