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**EXECUTIVE SUMMARY**

[Primo Insurance Agency] is the newest independent insurance agency in Fort Lauderdale, Florida that will answer the city's inevitable need for property and business insurance services. With a mission of providing comprehensive insurance solutions, the agency will partner with well-reputed insurance carriers in South Florida and provide reasonably-priced policies that are tailor-fit to the specific needs of each client.

In order to reach its target clientele, the business will market itself as the insurance agency that truly understands its clients and can simplify even the most complicated concepts of insurance. Business income will come from commissions from each secured policy. Projections indicate that the business is profitable, and will be able to break even in as early as the middle of the second year of operations.

**COMPANY OVERVIEW**

**Mission Statement: [**Providing protection], security, and recovery capacities through comprehensive insurance solutions in Fort Lauderdale.

**Philosophy: [**Primo Insurance Agency] is built around the value of brevity. By simplifying the means through which one can understand how crucial property-casualty insurance is in owning a property or running a business, the company will be able to help Fort Lauderdale's real estate and business owners protect their valuables, secure their finances, and recover from any loss in case of any unfortunate event.

**Vision:** The agency sees a more educated Fort Lauderdale regarding the importance of finding the best-suited insurance premiums for an individual's property or business. Primo Insurance also aims to be among the leading independent insurance agencies in South Florida with a reputation for excellent client support and reasonable insurance packages.

**Outlook:** Primo Insurance sees new homeowners and real estate investors in Fort Lauderdale as incoming purchasers of new types of insurance packages. In its first fiscal year, the agency aims to bring in at least 30 individual homeowners and 10 commercial property owners into its client list, amounting to an estimated total net revenue of $85,000.00.

**Type of Industry:** Insurance Industry / Service Industry

**Business Structure and Ownership:** The agency is a limited liability company (LLC) formed in the state of Florida. The following are the 5 members (owners), who also have specific functions in the business' operations: John Messer, Kerry Primo, Marco Primo, Dean Riley, and Gene Atkins.

**Start-Up Summary**: Start-up costs are estimated at $170,000.00, which will cover expenses for rent, licenses and permits, IT infrastructure, salary/wages, marketing and promotion, office equipment and furnishings, and professional liability insurance.

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| --- | --- |
| **Start-Up Funding** | |
| Start-Up Expenses | $85,000.00 |
| Start-Up Assets | $85,000.00 |
| **Total Funding Required** | **$170,000.00** |
|  | |
| **Assets** |  |
| Non-Cash Assets from Start-Up | $10,000.00 |
| Cash Requirements from Start-up | $50,000.00 |
| Additional Cash Raised | $5,000.00 |
| Cash Balance on Starting Date | $20,000.00 |
| **Total Assets** | **$85,000.00** |
|  | |
| **Capital** |  |
| Planned Investment |  |
| Owners | $105,000.00 |
| Additional Investment Requirement | $0.00 |
| **Total Planned Investment** | **$105,000.00** |
| Loss at Start-Up (Start-Up Expenses) | -$85,000.00 |
| **Total Capital** | **$20,000.00** |
| **Total Capital and Liabilities** | **$20,000.00** |
|  |  |
| **Start-Up** | |
| Requirements |  |
| Start-Up Expenses |  |
| Rent and Utilities | $35,000.00 |
| Maintenance and Supplies | $25,000.00 |
| Insurance, Permits and Licenses | $3,000.00 |
| Payroll | $20,000.00 |
| Marketing and Promotion | $2,000.00 |
| **Total Start-Up Expenses** | **$85,000.00** |
|  | |
| **Start-Up Assets** |  |
| Cash Required | $75,000.00 |
| Other Current Assets | $5,000.00 |
| Long-Term Assets | $5,000.00 |
| **Total Assets** | **$85,000.00** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$170,000.00** |

**Management Team:**

|  |  |  |
| --- | --- | --- |
| **Management Team** | **Role/Function** | **Skills** |
| John Messer | Chief Operating Officer | leadership, operations and resource management, interpersonal communication |
| Kerry Primo | Principal/Financial Adviser | networking, research and development, project management |
| Marco Primo | Principal/Financial Adviser |
| Dean Riley | Office and Finance Manager | policy underwriting, office organization, scheduling |
| Gene Atkins | Marketing/Client Support | commercial awareness, strategic planning, creativity |

**Short- and Long-Term Goals and Milestones:**

|  |  |
| --- | --- |
| **Short-Term Goals** | **Milestones** |
| Acquire resident insurance agency license (21-05) | a. Complete and submit application online (December 7, 2018)  b. Fingerprinting of agency managers, directors, etc. (December 21, 2018) |
| Hire and train office staff | a. Interview with clerical assistant candidate (January 14, 2019)  b. Orient marketing and client support specialist (January 16, 2019) |
| **Long-Term Goals** | **Milestones** |
| Tie up with major insurance companies/carriers in South Florida | Presented rough business plan to State Farm, AllState Property and Casualty Insurance Company IL, and Citizens Property Insurance Corp. (1st week of January) Signed agency agreements with CPIC and ASPCI (3rd week of January) |
| Increase revenue by 10% every year | Create 3-year sales plan (December to present)  Align sales plan with marketing plan and terms stipulated in agency agreements (January to present) |

**PRODUCTS AND SERVICES**

**Product Offerings: [**Primo Insurance Agency] will be offering personal and business lines of insurance covering property and casualty.

|  |  |  |  |
| --- | --- | --- | --- |
| **Personal Insurance** | | **Business Insurance** | |
| Home Insurance  Condo Insurance  Flood Insurance  Umbrella Insurance | Primary Residence  Rental Dwelling  Vacation Homes | Property Liability  General Liability  Commercial Flood  Self Storage | Commercial Vehicle  Trucking  Workers Compensation  Bond |

All product offerings will be secured through direct appointments, indirect markets, and market aggregators.

**Pricing Strategy:** Following insurance industry standards, Primo Insurance will price its offerings based on competitor's prices.

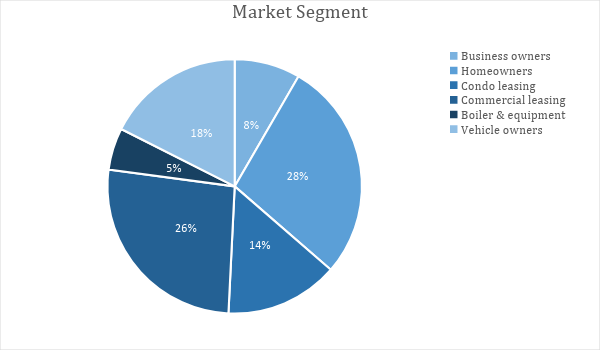
|  |  |  |  |
| --- | --- | --- | --- |
| **Insurance Line** | **PER YEAR PRICE RANGE (in USD)** | | |
| **Primo Insurance** | **JKL Insurance** | **M Insurance** |
| Personal | 437.00 - 724.00 | 428.00 - 720.00 | 457.00 - 738.00 |
| Business | 600.00 - 1,157.00 | 679.00 - 1,205.00 | 587.00 - 1,107.00 |

**Value Proposition:** "Protect. Secure. Recover." [Primo Insurance Agency's] philosophy of brevity follows through even in how it conducts its business. Primo Insurance optimizes customer experience by making them feel important and secure knowing that they are well taken care of.

**EXECUTION**

**Marketing Plan:** The branding for [Primo Insurance Agency] is centered on its value proposition of "Protect. Secure. Recover." Simplicity will be the core of every marketing strategy formulated to sell [Primo Insurance Agency] as the independent agent in Fort Lauderdale. To cover its huge target market, the agency will focus on online marketing and networking through customer referrals.

**Market Research:** Fort Lauderdale has a homeownership rate of [56%]. The insurance market in Fort Lauderdale generates an annual revenue of [$10.8] million. The city's real estate development continues to boom every year as it brings in investors from in and out of the country. Despite the near-saturation of south Florida's insurance market, the owners are confident that the agency will be able to provide the best client support and median-priced premiums. With a goal of capturing a [5%] market share, Primo Insurance will target the following market segments:



**SWOT Analysis:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Company** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| Primo Insurance | Median price offerings  Customer/client support optimization | Zero customer base  Understaffed | Increasing demand for better customer experience | Market saturation |
| JKL Insurance | Strategic and accessible business location in downtown  Good credit reputation | Large workforce with fixed salaries, more expenses  Less focus on customer support | More prospective partner carriers | High risk of environmental disasters |
| M Insurance | Most trusted independent agency in south Florida  Has a major market share in Fort Lauderdale | Captive agent (exclusive to State Farm only)  Inaccessible business address | Continuing population growth | Possibility of changing tax rates for insurance agencies in Florida |

**Marketing Strategy:** Traditional marketing activities will be utilized in selling the business brand, such as:

|  |  |  |  |
| --- | --- | --- | --- |
| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| Content and social media | Build online presence thru website and social media platforms | 1st to 3rd week of January 2019 | Achieve 500 visits per day average on website and 1000 followers on every social media account on Q1 |
| Automate emails, newsletters, social media content | 4th week of January 2019 onwards | Inquiries on insurance products coursed through email or personal messaging on social media |
| Tie up with creative team for engaging online content posted regularly | Upon commencement of operations (April or May 2019) | Regular post likes/reactions, comments, shares |
| Customer referral | Create customer referral program | December 2019 to present | Customer referral program is implemented within Q2-Q3 of FY1 |
| Provide customized incentives to first 15 clients | As soon as clients are secured | Each customer provides prospective client list with at least 5 names |

**Organizational Structure:**

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**OPERATIONAL PLAN**

**Location and Facilities:** Primo Insurance will operate in a rented commercial space in Pointe Lane in District 3 of the city, which is located in central Fort Lauderdale. The office space covers a total of 1,000 sq. ft. floor space. It will be divided into a reception area, semi-private areas for each financial adviser, workstations for the managers and their assistant staff, a pantry, and a comfort room.

**Tools and Equipment:**

|  |  |
| --- | --- |
| **Software** | **Quantity** |
| **Vertafore AMS360** | **1** |
| **Office 360** | **5** |
| **Hardware** | **Quantity** |
| **Personal computers/laptops** | **5** |
| **Multi-function printer** | **2** |

**IT Infrastructure:** Primo Insurance will hire a professional IT service provider to manage all of the IT-related aspects of the business, including systems monitoring, data and information storage and backup, network security, hardware and software support, web development, and mobile device management.

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| --- | --- | --- |
| **Infrastructure** | **Existing (Y/N)** | **Description** |
| Website | Y | www.primoinsurance.com  This is hosted by HostGator  (Not yet live). |
| Social Media | Y | Facebook and Instagram |
| Agency Management System | N | Vertafore AMS360 Solutions  This is for automated marketing and accounting, communication with insurance carriers, high-performance client data storage and backup. |

**FINANCIAL PLAN**

**Assumptions:** The financial plan for [Primo Insurance Agency] is based on the following assumptions:

1. Income growth rate of [1.5%] every month beginning [Q2 of FY1].

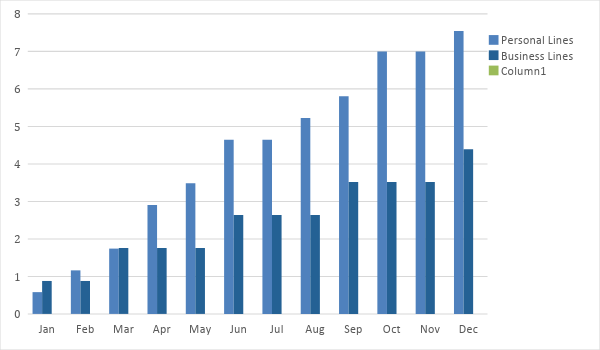
2. Revenue and income streams will come from the following primary sources:

|  |  |
| --- | --- |
| 2.1. Homeowners and flood insurance | 13% to 15% commission |
| 2.2. Property and general liability insurance | 12% to 16% commission |
| 2.3. Commercial flood insurance | 8% to 10% commission |

3. Monthly expenses will not exceed $10,000.00 from Q1 to Q2 of FY1, and will increase quarterly by a mere 0.65% beginning Q1 of FY2.

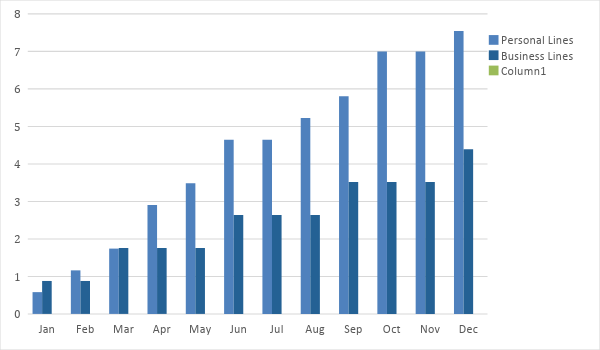
**Monthly Expenses:**

The agency's fixed expenses include rent, utilities, salaries, and IT maintenance and are set within the $5,000.00 range. Variable expenses include office supplies, equipment maintenance, direct labor, commissions, and incidentals.



**Monthly Revenue:**

The estimates below are based on Primo Insurance's median pricing for both personal and business insurance lines. The median price for personal lines is $580.50, while the median price for business lines is $878.50. The projected monthly income growth rate is not less than 1.5%.



**Business Financing:** Each member contributes $21,000.00 for the initial capital. If expenses increase by Q1 of FY2 as assumed, the LLC will consider acquiring a business loan of $35,000.00 in order to continue operations. The loan will be payable within 5 years from the date of acquisition and will be charged with an interest rate of 1.67% per annum.

**Financial Statements:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Profit and Loss Projection** | | | |
|  | **FY2019** | **FY2020** | **FY2021** |
| Sales | $81,593.50 | $148,564.75 | $178,546.35 |
| Direct Cost of Sale | $40,796.75 | $52,005.78 | $67,548.25 |
| Other Cost of Sale | $1,000.00 | $1,300.00 | $1,500.00 |
| **Total Cost of Goods Sold or COGS (Sales - Direct Cost of Sale - Other Cost of Sale)** | $41,796.75 | $53,305.78 | $69,048.25 |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | $39,796.75 | $95,258.97 | $109,498.10 |
| **Gross Margin % (Gross Profit/Sales)** | **48.77%** | **64.12%** | **61.33%** |
|  |  |  |  |
| **Operating Expenses** |  |  |  |
| Rent and Utilities | $35,000.00 | $35,910.00 | $36,987.30 |
| Insurance, Permits, Licenses | $3,000.00 | $3,078.00 | $3,170.34 |
| Marketing and Promotion | $2,000.00 | $2,052.00 | $2,113.56 |
| Payroll | $20,000.00 | $20,520.00 | $21,135.60 |
| Maintenance & Supplies | $25,000.00 | $25,650.00 | $26,419.50 |
| **Total Operating Expenses** | **$85,000.00** | **$87,210.00** | **$89,826.30** |
|  |  |  |  |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | -$43,203.25 | -$33,904.22 | -$20,778.05 |
| Depreciation | $1,000.00 | $1,000.00 | $1,000.00 |
| Interest Expense | $0.00 | $0.00 | $0.00 |
| Taxes Paid | $0.00 | $0.00 | $0.00 |
| **Net Profit (Gross Profit - Operating Expenses - Taxes - Interest)** | **-$45,203.25** | **$8,048.97** | **$19,671.80** |

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| --- | --- | --- | --- |
| **Balance Sheet Projection** | | | |
|  | **FY2019** | **FY2020** | **FY2021** |
| Cash | $75,000.00 | $100,000.00 | $125,000.00 |
| Accounts Receivable | $0.00 | $7,500.00 | $9,000.00 |
| Inventory | $0.00 | $0.00 | $0.00 |
| Other Current Assets | $5,000.00 | $7,500.00 | $11,000.00 |
| Total Current Assets | **$80,000.00** | **$115,000.00** | **$145,000.00** |
|  |  |  |  |
| Long-Term Assets | $5,000.00 | $10,000.00 | $15,000.00 |
| Accumulated Depreciation | $0.00 | $1,000.00 | $1,000.00 |
| **Total Long-Term Assets (Long-Term Assets-Accumulated Depreciation)** | $5,000.00 | $9,000.00 | $14,000.00 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$85,000.00** | **$124,000.00** | **$159,000.00** |
|  |  |  |  |
| Accounts Payable | $0.00 | $7,000.00 | $7,000.00 |
| Notes Payable | $3,000.00 | $5,000.00 | $6,000.00 |
| Other | $3,000.00 | $5,000.00 | $7,000.00 |
| Total Liabilities | **$6,000.00** | **$17,000.00** | **$20,000.00** |
|  |  |  |  |
| Paid-in Capital | $105,000.00 | $105,000.00 | $105,000.00 |
| Retained Earnings | $30,000.00 | $60,000.00 | $70,000.00 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$79,000.00** | **$107,000.00** | **$139,000.00** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **7.59%** | **15.89%** | **14.39%** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Cash Flow Projection** | | | |
|  | **FY2019** | **FY2020** | **FY2022** |
| Operating Cash Beginning | **$75,000.00** | **$100,000.00** | **$125,000.00** |
|  |  |  |  |
| **Sources of Cash** |  |  |  |
| Receivables | $0.00 | $7,500.00 | $9,000.00 |
| Sales | $81,593.50 | $148,564.75 | $178,546.35 |
| Others | $5,000.00 | $7,500.00 | $8,000.00 |
| **Total Cash** | **$161,593.50** | **$263,564.75** | **$320,546.35** |
|  |  |  |  |
| **Expenditures** |  |  |  |
| Rent and Utilities | $35,000.00 | $35,910.00 | $36,987.30 |
| Insurance, Permits, Licenses | $3,000.00 | $3,078.00 | $3,170.34 |
| Marketing and Promotion | $2,000.00 | $2,052.00 | $2,113.56 |
| Payroll | $20,000.00 | $20,520.00 | $21,135.60 |
| Maintenance & Supplies | $25,000.00 | $25,650.00 | $26,419.50 |
| **Total Expenditures** | **$85,000.00** | **$87,210.00** | **$89,826.30** |
| **Net Income/Loss (Total Cash - Total Expenditures)** | **$76,593.50** | **$176,354.75** | **$230,720.05** |