Insurance Agency Business Plan

Irwell Risk Partners | Manchester

DOCUMENT GUIDE

Contents

Manchester commercial insurance intermediary | 3 October 2026 | Model 1.0

Decision document for the proposed founder and lender. All commercial values are planning assumptions. The offer is qualifying commercial general insurance intermediation; permission, competence, insurer appointments and demand remain launch gates. Funding and contracts remain uncommitted.

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01 / OVERVIEW

Executive summary

Irwell Risk Partners is a proposed Manchester commercial insurance intermediary for local trades and small property owners. The decision is whether to finance a tightly scoped, directly authorised startup after obtaining regulatory permission, competent management, insurer agency agreements and actual demand evidence. No business registration, founder qualifications, FCA permission, insurer appointments or funding commitments are asserted.

The agency would arrange annual general insurance contracts and earn insurer paid placement and renewal commissions. Customers pay premiums directly to insurers; premium throughput is context, never agency sales or available cash. Insurers underwrite risks and pay insured claims. The agency does not offer premium finance, investment insurance, underwriting or standalone taxable consultancy. The funding proposal is £220,000 paid equity plus a £30,000 ordinary loan, with a separate £40,000 operating cash reserve target. Launch in January 2027 is conditional, not an authorisation timetable.

The verified Base forecast has 2027 agency revenue £207,888 and EBITDA £23,185. Minimum cash including opening is £152,433 against the £40,000 liquidity reserve. Downside minimum cash is (£92,995) and its additional reserve funding is £132,995. Base minimum conservative capital surplus is £151,786; Downside equity needed for that proxy is £71,234. These results do not validate demand or authorisation.

02 / BUSINESS

Business details

The concept is a new private limited company, provisionally named Irwell Risk Partners. It would use an appropriate Manchester office and serve eligible local commercial general insurance clients. No purchased opening book is assumed. Proposed office, incorporation, ownership evidence, UK bank account and senior management approval remain to be supplied.

Model currency is GBP and forecast dates are January 2027 to December 2029. Current researched rules are carried forward only as stated assumptions. VAT exemption is limited to qualifying domestic insurance intermediary commission. Changes to services, client money, overseas business or finance require fresh permissions and tax review.

Detail	Proposed status
Business identity	Irwell Risk Partners; incorporation pending
Location	Manchester; actual premises not selected
Regulated scope	Commercial general insurance arranging and related administration
Client premium payment	Direct to insurer; no agency custody
Trading start	January 2027 only after evidence gates
Ownership and contact	Founder details and proof of funds not supplied

03 / STRATEGY

Business concept and objectives

The offer is a named commercial broker who documents needs, approaches the proposed appointed insurer, explains cover and exclusions, and follows the contract through changes and renewal. The small initial scope avoids assuming expertise in every specialist risk. Any complex construction, overseas, investment or finance request is outside the forecast and requires a permitted referral or separate assessment.

First year priorities are permission and competence, real insurer access, complete customer records, a measurable qualified enquiry pipeline, paid team capacity and adequate capital and cash. Revenue and retention are hypotheses until actual placements and renewals occur. Years four and five are objectives only: consider additional paid advisers after validated workload, a separate updated forecast and satisfactory compliance review; no branch expansion or acquisition is forecast.

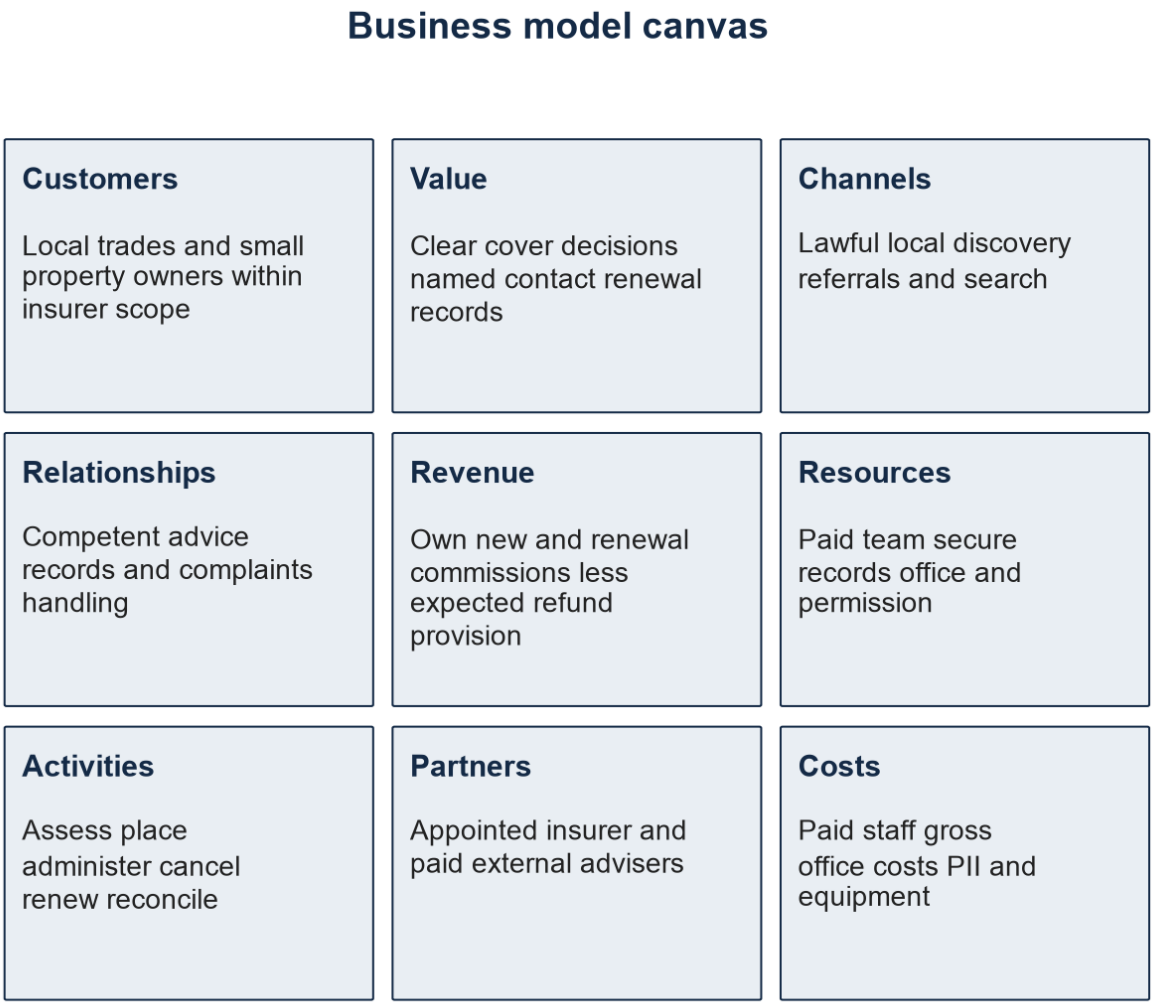
Objective	Evidence before commitment
Legal launch	Authorisation and permitted scope verified
Panel access	Signed agency, direct billing and commission terms
Service quality	Needs, recommendation and renewal records
Economics	Quoted costs and observed placement conversion
Funding	Committed cash and eligible paid capital

04 / STRATEGY

Business model canvas

Customers are local trades and small property businesses with eligible general insurance needs. The value proposal is a clear record of cover decisions, a named broker and organised renewal administration. Outreach, referrals and local search are discovery channels, subject to permissions and lawful communication. Relationships depend on understandable advice, competent administration and complaints handling.

Key activities are fact finding, placement, endorsements, cancellation recording, renewal and insurer commission reconciliation. Resources are the paid owner, qualified broker, administrator, office, secure records and insurer appointments. Partners are appointed insurers and paid legal, compliance and accounting support. Revenue is commission on completed placements, adjusted for cancellation credits. Costs are paid personnel, gross unrecoverable purchases, PII, administration and equipment. No insurer profit share or premium float finances operations.



Proposed nine block business model; every commercial relationship remains unconfirmed.

05 / STRATEGY

SWOT and longer term goals

S1 is the proposed narrow scope and S2 the planned direct insurer billing arrangement. These are design choices, not proven capabilities. W1 is the absence of an opening client book and W2 the small paid adviser team. O1 is recurring annual insurance renewal administration; no measured addressable spend or conversion is supplied. T1 is established local broker choice and T2 cancellation, slow commission settlement and regulatory failure.

The three year model tests a new book built from zero, including early cancellations, retention and finite hours. Longer term goals must follow actual customer outcomes, competence, commission economics and capital resources. The company must not treat a growing book as guaranteed renewal sales or positive accounting equity as proof of sufficient liquid cash.

SWOT planning assessment



Planning SWOT findings are referenced in the TOWS management actions.

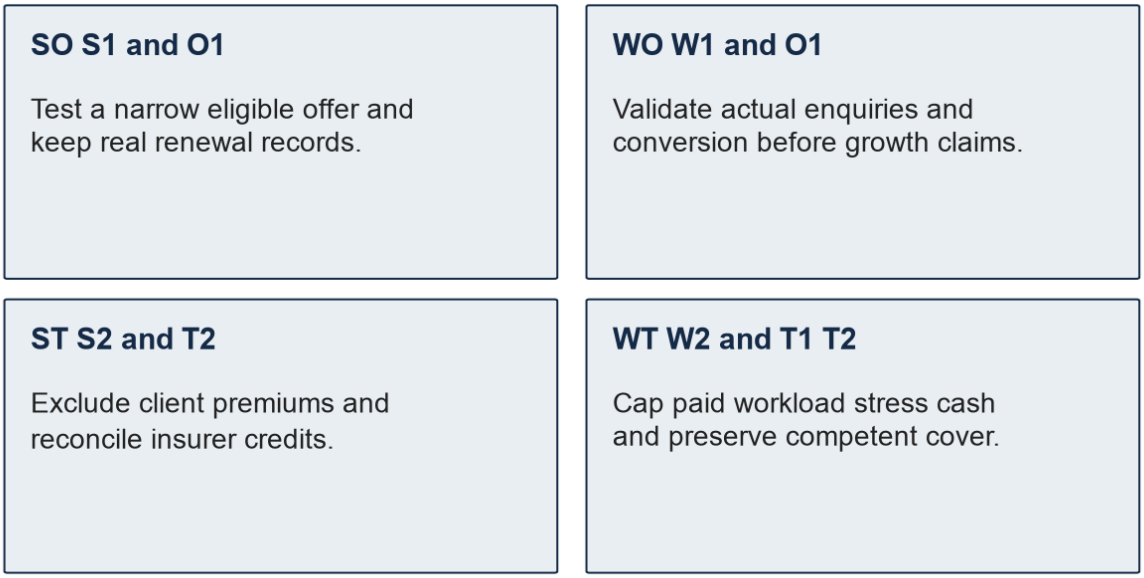
06 / STRATEGY

TOWS strategy matrix

SO uses S1 and O1: test a narrow local offer and build a documented renewal calendar. WO uses W1 and O1: interview real eligible businesses and validate the enquiries to placement process before assuming recurring income. ST uses S2 and T2: keep premiums out of agency accounts and reconcile commission invoices and cancellation credits monthly. WT uses W2 and T1/T2: stop accepting work beyond paid capacity, stress late receipts and maintain PII and permission evidence.

The owner owns these actions within paid management time and the existing research, compliance and marketing budgets. Each test should retain dates, eligible account counts, conversion, time taken and cancellation outcomes. Failure should reduce the forecast and commitments rather than trigger an automatic funding or revenue plug.

TOWS management actions



Actions connect specific SWOT findings to paid capacity, cash and operating controls.

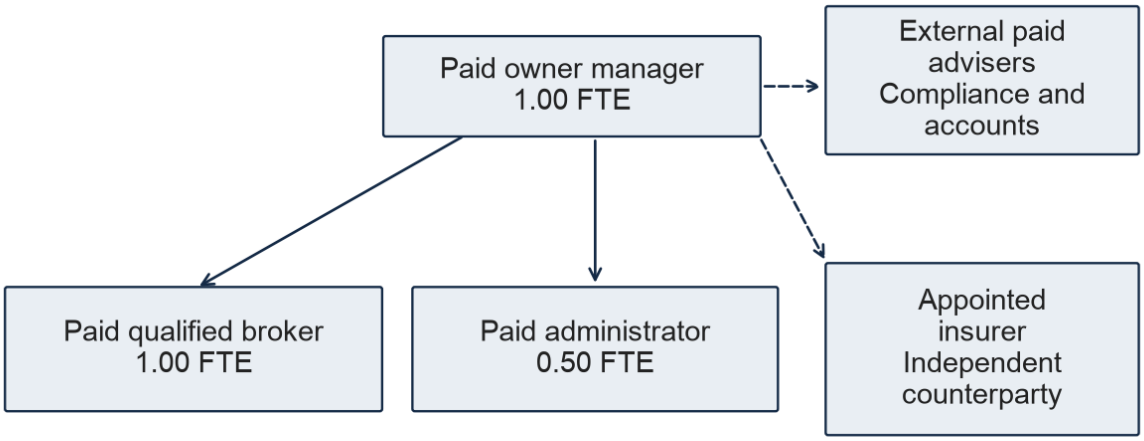
07 / PEOPLE

Owner and management

The paid owner manager is accountable for permissions, insurer relationships, conduct, complaints, financial oversight and staff competence. No founder biography or regulated management experience was supplied; a suitably experienced person must be identified and approved where required. A full time broker and half time administrator report to the owner. External compliance, accounting and legal support advise under paid scopes without replacing management accountability.

The owner receives £48,000 annual gross salary and reserves half of paid working time for management. Only the other half contributes to adviser capacity, before the common availability allowance. The initial forecast assumes one insurer settlement counterparty and same-account contractual netting; any later multi-carrier offer needs separate gross carrier receivable/payable ledgers and a revised model. The 75% availability assumption includes leave, training and routine non-client administration. It does not create free founder hours or remove the need for actual workload and absence cover.

Paid reporting and external support



Solid lines are reporting relationships. Dashed lines are external paid support; insurers remain independent counterparties.

08 / PEOPLE

Owner and key personnel profiles

The owner must supply identity, experience, regulatory history, training and conflicts declarations. The commercial broker must demonstrate competence in the actual product and client scope, insurer systems and file quality. The administrator handles records and reminders within delegated limits and does not independently make recommendations. Qualifications, memberships and past client books are not invented.

Paid people are one owner, one broker and one administrator; paid FTE is 1.0, 1.0 and 0.5. The administrator annual actual salary is £16,000 from a £32,000 full time rate. NI and pension thresholds are applied per actual person, not fractional FTE. Owner illustrative take home is a household planning assumption and is not evidence of current income.

Role	Required evidence
Owner manager	Suitable insurance experience, approved role and accountable governance
Commercial broker	Product competence, supervised file quality and insurer access
Administrator	Records, privacy and authority limits training
External advisers	Written scope, competence, fees and independence

09 / MARKET

Target customers

Priority hypotheses are Manchester trades with ordinary liability and business cover needs, and small commercial property owners whose risks fit the proposed single appointed insurer. Segment by risk complexity, location, documentation, renewal date, decision authority and service hours rather than merely by business size. An account may need several covers; the model counts annual policy placements, not unique businesses.

Exclude specialist risks beyond staff competence or panel appetite. Policy suitability, coverage limits, exclusions, claims history and affordability require actual fact finding. Model average premium is not a quote for any individual customer. No claim is made that local businesses are uninsured or dissatisfied with existing brokers.

Customer hypothesis	Occasion	Eligibility test
Local trades	New contract or annual renewal	Risk and activity within authorised panel scope
Small property owner	Acquisition, changed tenant or renewal	Property details and insurer appetite confirmed
Existing policy client	Mid term change or claim notification	Agency assistance only; insurer determines cover and payment

10 / CUSTOMER STRATEGY

Segmentation targeting and positioning

Segmentation separates ordinary local risks from complex specialist or international risks; targeting prioritises accounts the paid team can understand and service. The planned position is a named local contact with written recommendations and orderly renewal records. It is a proposed service process, not a claim of lower premiums, superior coverage or observed customer satisfaction.

Reachability and economics require interviews, eligible enquiry records, actual insurer quotes and measured paid hours. A higher commission contract must not displace a suitable lower remuneration option. Maintain customer category and vulnerability assessment appropriate to the real products; small commercial clients must not be automatically treated as wholesale clients outside relevant protections.



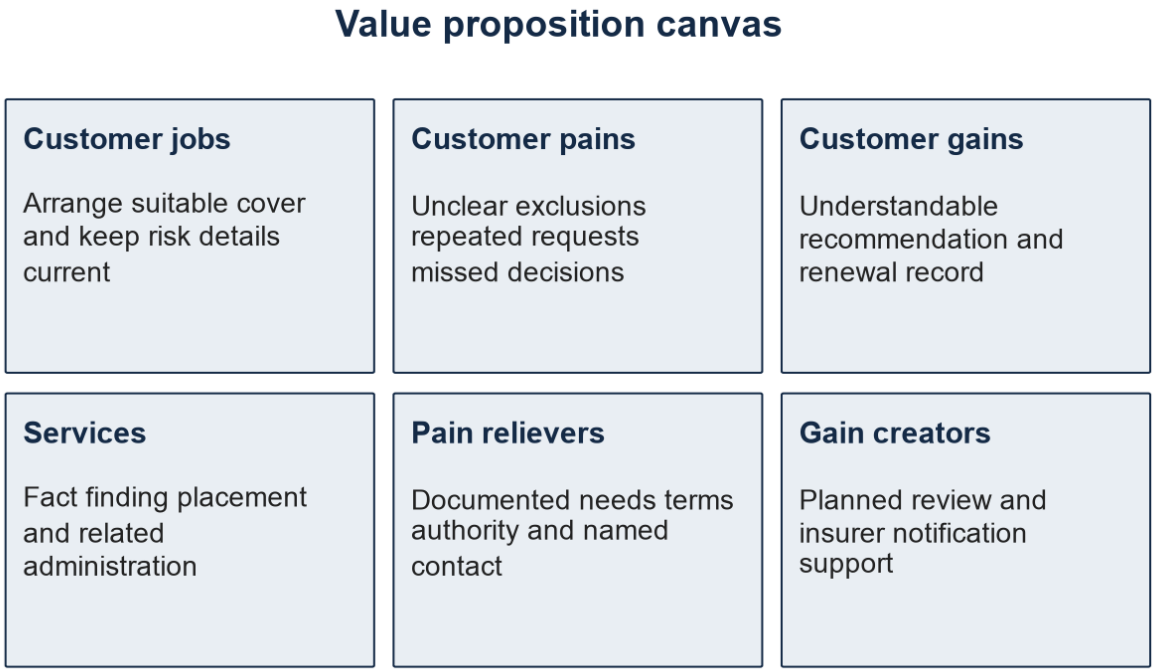
Segmentation, targeting and positioning are hypotheses to validate before advertising performance claims.

11 / CUSTOMER STRATEGY

Value proposition canvas

Customer jobs are to identify relevant business risks, obtain suitable cover and keep policy information accurate. Possible pains are opaque exclusions, repeated information requests and missed renewal decisions; their importance is unmeasured. Expected gains are an understandable recommendation, clear price and premium payment instructions, and a documented named contact.

The proposed service matches these jobs with fact finding, insurer approaches, explanations and scheduled review. Validate the match in interviews and genuine placements. Claims assistance means notification and administration within scope; it does not guarantee acceptance or a payment date, which remain insurer responsibilities.



Customer profile and proposed value map; needs and priorities have not been measured.

12 / MARKET

Market size and trends

Scope is annual domestic general insurance distribution income for eligible Manchester commercial policy needs, separately for calendar years 2027, 2028 and 2029, expressed in GBP commission excluding client premiums. TAM would require eligible local policy counts and comparable intermediary commission per policy. SAM would restrict these to the proposed appointed insurer appetite, staff competence and reachable service area. Neither population nor commission evidence has been supplied, so TAM and SAM values are unknown.

SOM would require defensible obtainable placements within SAM supported by conversion and competitive evidence. The capacity capped agency forecast is a planning output, not measured market share or validated SOM. Annual policy count is not business count and premium throughput cannot be substituted for agency market income. The scope diagram uses labelled definitions rather than invented proportional circle sizes.



Manchester 2027 to 2029 annual commission scope. TAM, SAM and obtainable market share remain unknown.

13 / MARKET CONTEXT

PESTLE analysis

Political and legal changes can alter intermediary rules; S1 to S7 define selected current requirements and proposals must not be treated as permissions. Economic conditions affect premiums, cancellations and commission timing, which are scenario assumptions. Social expectations of clear explanations and accessible service require research with eligible clients. Technology creates secure record keeping and cyber dependency rather than unlimited sales capacity.

Environmental exposures may change insurer appetite and exclusions; the agency cannot promise cover for excluded risks. Review insurer terms, staff competence and customer outcomes regularly. These external factors change the forecast through demand, commission rates, retention, cancellation, workload, costs and collection terms, not arbitrary scored macroeconomic growth.

PESTLE and operating responses

Political Insurance rule changes. Recheck final rules at launch.	**Economic** Premiums retention and receipts. Stress actual terms.	**Social** Clear accessible communication. Interview real clients.
Technological Secure records and continuity. Verify supplier controls.	**Legal** Permission competence PII capital and VAT. Obtain evidence.	**Environmental** Risk and insurer appetite. Do not promise excluded cover.

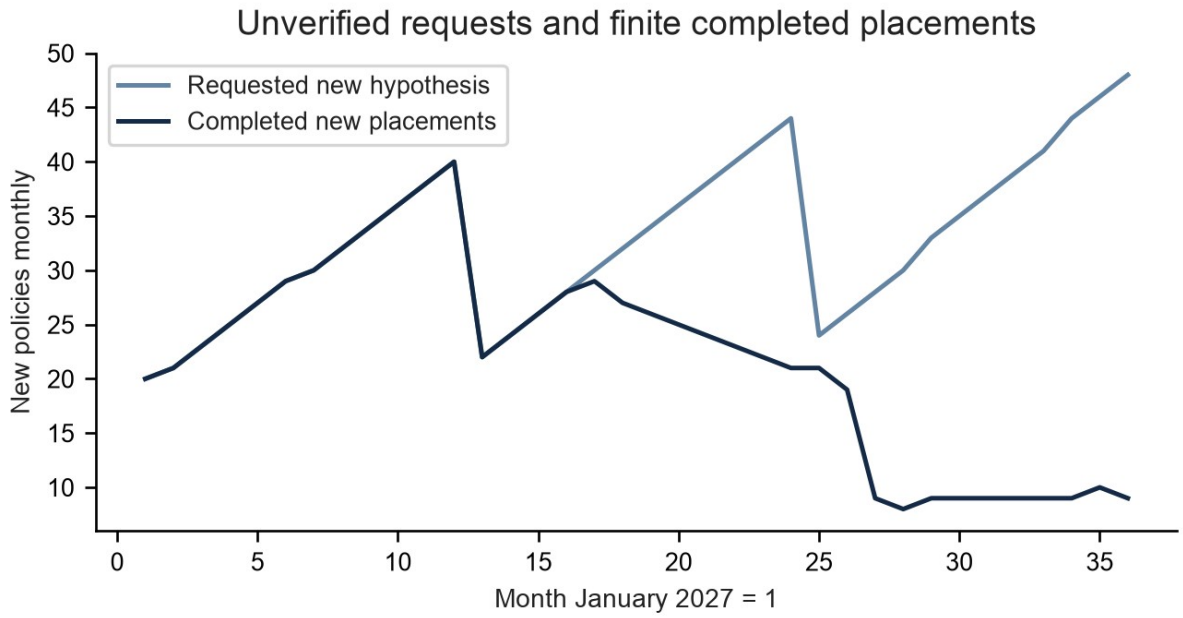
Six external factors linked to specific operating responses and editable assumptions.

14 / MARKET

Local demand and evidence

No customer interviews, enquiry logs, paid policies, renewal history or commission offers were supplied. Requested new placements rise from 20 to 40 per month across the Base launch year, with 10% annual subsequent demand growth and flat monthly seasonality. These are explicit planning assumptions, never observed local demand. The model rejects requests beyond adviser and book capacity without recording invented backlog.

Before funding commitments, conduct permission appropriate discovery with real local businesses, record needs and renewal dates with lawful consent, and test placement conversion only through a permitted operating arrangement. Demand evidence must identify sampling method, eligible accounts, dates and outcomes. An insurer quote or expression of interest is not a completed policy or assured commission.



Requested new placements and completed capacity capped forecast; no observed enquiry data.

15 / MARKET

Competitors and positioning

Howden has a primary provider page describing its Manchester branch and business insurance offer (S11). It establishes a relevant local alternative. Existing broker relationships, direct insurer channels and other authorised intermediaries also compete for eligible clients; their quality, prices and commissions were not observed. No fabricated comparative rating is used.

The startup must validate whether its narrow scope and named contact process matter enough for actual clients to switch. It cannot imply a broad panel, independence or whole market analysis before the actual single insurer agreement and advice scope are known. Record real comparisons on identical risk details, insurer terms, fees and service scope.

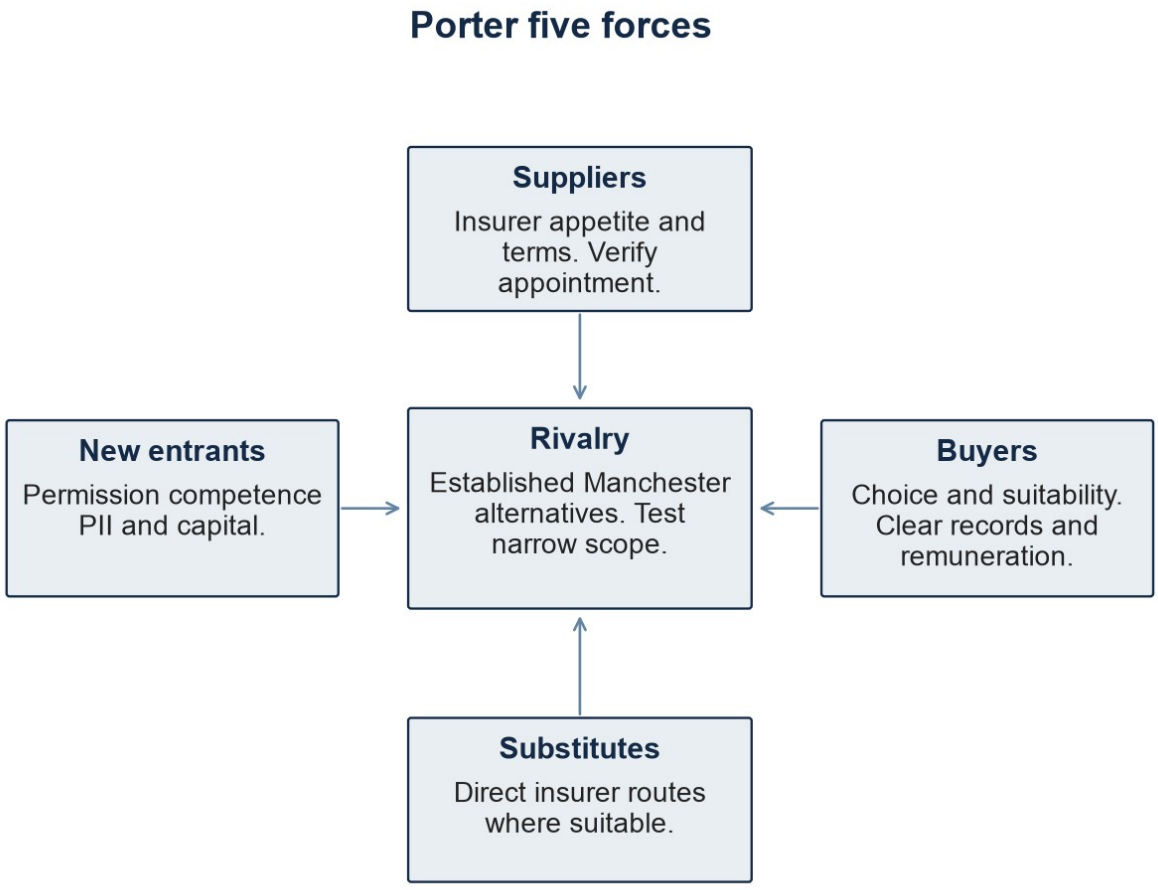
Alternative	Verified or missing evidence
Howden Manchester	Primary website confirms branch and business offer; no comparable price quote
Existing client broker	Actual scope, terms and service outcomes unknown
Direct insurer route	Product eligibility and matched quotes needed
Irwell proposed	No authorisation, panel or observed performance yet

16 / COMPETITIVE STRATEGY

Porter five forces

Rivalry includes an established Manchester broker presence (S11), so no claim of an empty market is credible. Buyer choice makes clear scope and appropriate recommendations necessary. Supplier power lies with insurers granting appointments and setting appetite and commission terms. Entry requires permission, competent management, PII and capital (S1 to S3), not merely a website. Direct insurer channels are substitutes where suitable.

These are qualitative business assessments, not measured market scores. Responses are to validate a narrow eligible offer, validate the appointed insurer scope and suitability, avoid remuneration driven recommendations, and stress loss of commission and retention. The agency has no guaranteed insurer access or negotiating power.



Rivalry at the centre with four surrounding forces; primary evidence and proposed responses are stated in the text.

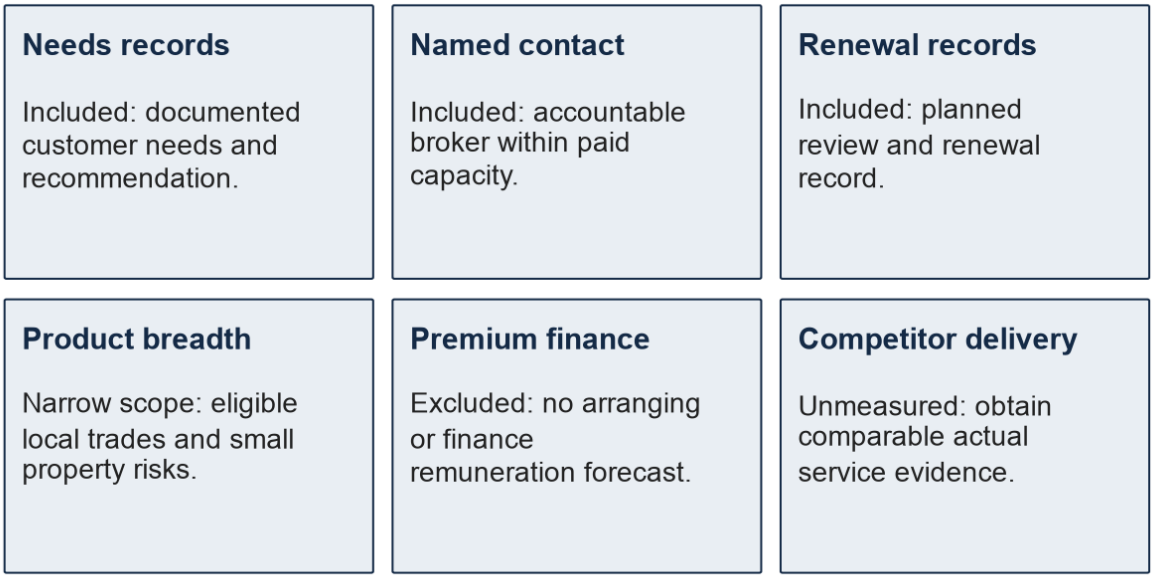
17 / COMPETITIVE STRATEGY

Strategy canvas

The canvas records categorical proposed service commitments: documented needs, named contact and renewal records are included; the product scope is narrow and premium finance is excluded. These describe the planned offer, with no numerical strength scale. Actual competitor delivery remains unmeasured.

Obtain comparable customer and provider evidence before claiming differentiation. Delivering these commitments consumes paid time and records system cost; it is not a free advantage or proof of demand. The economic model therefore limits new business when servicing and renewals use the same adviser hours.

Strategy canvas: proposed service commitments



Categorical proposed commitments only; competitor delivery and customer preferences remain unmeasured.

18 / OPERATIONS

Location and premises

An appropriate Manchester principal place of business must support confidential discussion, secure files and accountable management. S1 warns that serviced offices are generally inadequate for authorisation; the proposal therefore requires a reviewed real office arrangement, not an assumed virtual address. No premises lease, layout approval or quote has been supplied.

Base rent is £900 monthly before any VAT, within the overhead budget and provisionally VAT exempt; confirm the actual lease and option to tax. Deposit is £3,000 refundable and recorded as an asset. Other office expenses have an explicit VAT charged fraction and no recovery. Confidential meeting space, safe access, record retention, insurance and staff occupancy must be assessed before signing a lease.

Premises decision	Status
Office and confidentiality	Actual suitable office and control evidence required
Rent	£900 monthly included in overhead; unquoted, no VAT assumed
Deposit	£3,000 refundable; unconfirmed
Address and registration	No actual address or registration asserted

19 / OPERATIONS

Equipment and resource plan

Initial equipment before VAT is £12,500: secure laptops £6,000, office furniture £3,000, secure network and peripherals £2,000 and meeting equipment £1,500. New hardware and furniture are assumed standard rated 20% without recovery, producing £15,000 gross PPE. Replace £4,000 before VAT in month 25; gross replacement is £4,800. Obtain invoices and quotes before ordering.

PII premiums are separate from PPE and setup. Subscription software is an operating cost, not a capitalised intangible or purchased client book. Initial gross PPE is depreciated over 60 months and replacement over 48 months to zero residual, with no depreciation below zero for fractional lives.

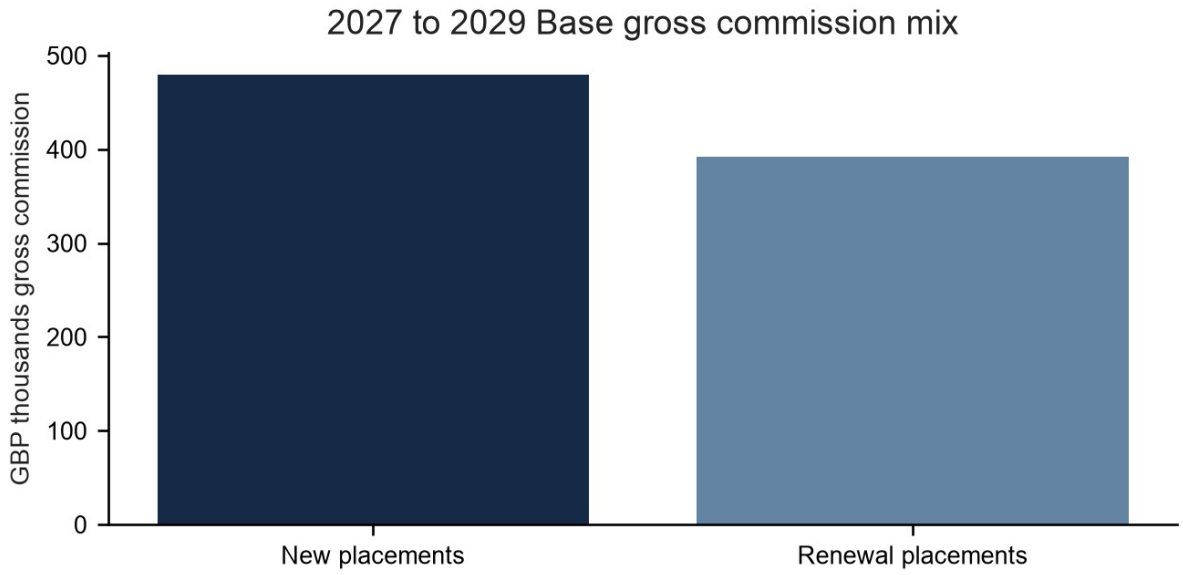
Initial equipment GBP before VAT	Amount
Secure laptops	6,000
Office furniture	3,000
Network and peripherals	2,000
Meeting equipment	1,500
Total before VAT	12,500
Irrecoverable VAT	2,500
Gross PPE	15,000

20 / OFFER

Product and service strategy

Launch services are arranging eligible annual commercial general insurance policies, related endorsements and renewal administration. The proposed single appointed insurer determines available products and appetite. No insurance risk is accepted by the agency; claim payments and insurer technical reserves are excluded. There is no contingent loss ratio commission, separately billed consultancy, premium finance referral fee or client administration fee in the model.

New and renewed policy commissions use different assumed rates. A renewal is a new placement event at the twelve month anniversary of a surviving policy cohort, subject to retention and finite workload. Clients who cancel early leave the live book and cannot later renew from an invented historical cohort.



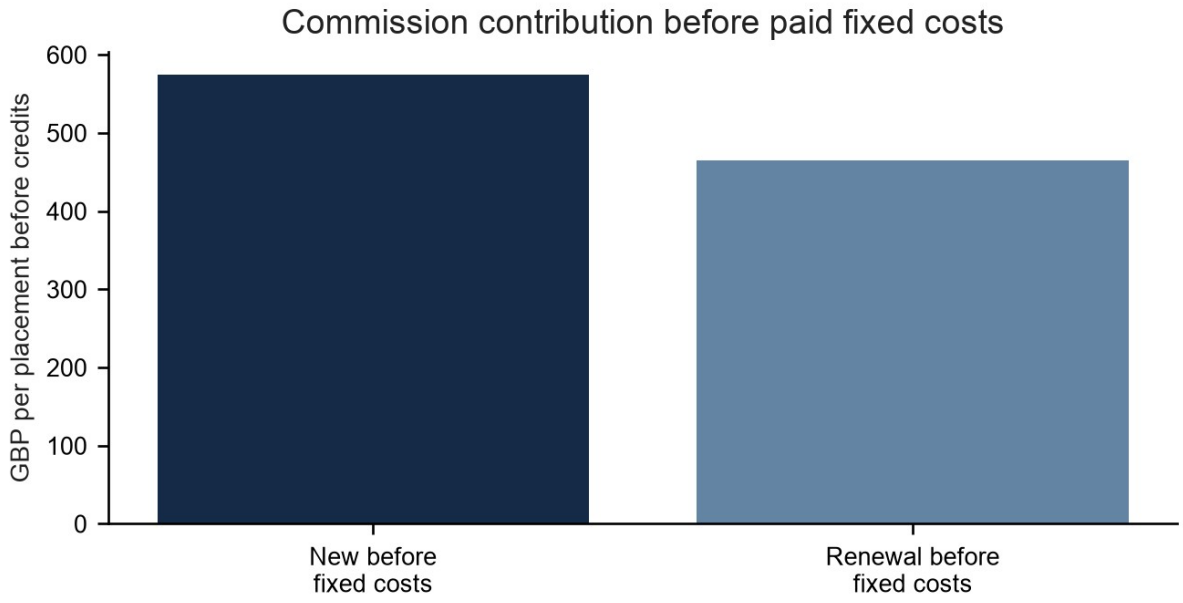
Base agency gross commission from new and renewal placements; cancellation credits are accounted separately.

21 / OFFER

Pricing and policy economics

Base average annual premium excluding IPT is £4,000, an unquoted context amount paid directly to the insurer. New commission is assumed 15%, or £600 per placement, and renewal commission 12%, or £480. Variable gross administration is £25 for new and £15 for renewal placements. Gross new contribution before payroll, overhead and cancellation credits is £575; renewal is £465.

Early cancellation is 3% of prior month placements in Base; 80% of the associated prior gross commission is reversed in the following month. Net agency revenue recognises gross current commissions less the expected next-month refund provision. Actual following-month credits release the prior provision and reduce insurer invoices; they are not expensed twice. Actual commission entitlement, accounting recognition, credit/refund terms and return premium treatment require enforceable insurer contracts. No premium or IPT is agency income.



Per placement economics from the same verified inputs; cancellation effects and paid fixed costs are separate.

Base policy economics GBP	Amount
Annual premium excluding IPT context only	4,000.00
New placement gross commission	600.00
New gross administration cost	25.00
New contribution before fixed costs and clawbacks	575.00
Renewal gross commission	480.00
Renewal gross administration cost	15.00
Renewal contribution before fixed costs and clawbacks	465.00

22 / OFFER

Competitor price comparison

No matched commercial insurance quotations or competing brokerage fee schedules were supplied. Premiums depend on individual risk, cover, limits, exclusions and insurer assessment. The £4,000 average premium and commission rates are hypotheses, not a published customer price or an observed competitor quote. Howden S11 does not establish comparable rates or quality.

To compare prices, submit identical permitted risk information, record dates, insurer identity, policy limits, exclusions, IPT, separate fees and remuneration disclosures, then assess suitability. Do not compare a premium with agency revenue or advertise savings based on an unquoted planning average.

Comparison	Evidence status
Irwell average premium	£4,000 excluding IPT hypothesis, no customer quote
Howden matched cover	Not obtained
Direct insurer matched cover	Not obtained
Commission and fee terms	Actual insurer schedule and customer disclosures required

23 / OFFER

Brand and customer experience

The proposed brand promises a named contact, clear explanation and organised records within a stated scope. It must show the real legal identity and permissions only after approval. Communications should explain who arranges the insurance, who provides it, how premiums are paid and how remuneration and complaints are handled. No claim of independent whole market advice, guaranteed claims or cheapest cover is made.

The journey is eligibility, needs assessment, insurer terms, recommendation and documented consent, direct insurer premium payment, then changes and renewal. Confirm policy issue and commission entitlement before revenue recognition. Accessible communication and vulnerability assessment follow the actual client and product scope; commercial status alone does not eliminate protections.

Proposed customer journey

1 Eligibility	2 Needs	3 Terms	4 Placement	5 Review
Scope and authority	Fact finding	Insurer decision	Issue and consent	Changes and renewal

Proposed customer journey; binding and policy issuance depend on actual delegated authority and insurer terms.

24 / GROWTH

Sales channels and process

Discovery channels are permission appropriate local outreach, lawful referrals and local search. No paid introducer arrangement, external commission-only producer or platform sales is assumed. Marketing must not commence regulated activities before permission or imply authorisation. Keep eligibility, needs, recommendations, insurer decision and policy issue as distinct steps.

The paid owner and broker complete the client work. Requested new placements are forecast demand, not online leads. Capacity and panel restrictions determine completed new policies; unserved requests are not invoiced or retained as backlog. Insurer commission is settled separately from the customer premium. Referrals involving regulated activities need adviser review and are outside projected income.

Channel	Scope and control
Local discovery	Lawful account research and permitted communication
Referrals	No paid regulated introducer income assumed
Local search	Accurate legal scope and clear disclosure
Renewals	Existing surviving cohort, documented recommendation and insurer issue

25 / GROWTH

Launch marketing

Setup contains a provisional £3,000 before VAT for identity, website and discovery research, within the £20,000 setup expense rather than an additional cost. Ongoing marketing is £450 before VAT per month within £3,300 other overhead. The overall charged VAT fractions require invoice classification; no input VAT recovery is forecast. There is no promised lead cost or conversion.

The owner should test eligible account interviews, appropriate communication and actual permitted placements. Record spend, eligibility, time and completion. Stop campaigns that produce unsuitable risks or poor outcomes. These activities do not substitute for authorisation, panel access, competence or actual proof of funding.

Activity	Included budget GBP before VAT	Decision rule
Identity and discovery setup	3,000	Included in setup; not additional spending
Ongoing eligible account marketing monthly	450	Included in monthly other overhead
Measured enquiry and placement record	No observed conversion yet	Reduce forecast if actual evidence is weaker

Retention and ongoing sales

Base retention is 85% of surviving annual cohorts; Downside is 70% and Upside 90%. Early cancellations are separately removed first. No opening book or purchased customer list is assumed, so renewals start in January 2028 from completed January 2027 placements that survived early cancellation. A renewed policy then forms its own future annual cohort.

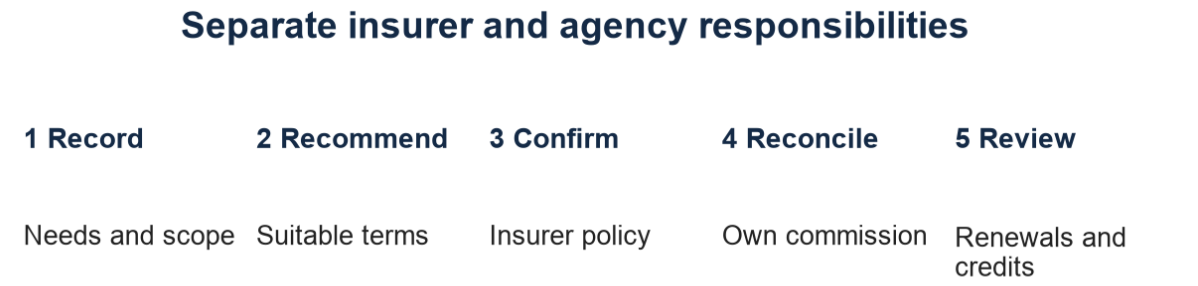
Renewal work takes two paid adviser hours per expected policy, before recurring live book service and new placements. Capacity constrained renewals lapse rather than earning fictitious commissions. Consent, changed risk, insurer appetite, fair value and suitability must be reassessed; renewal is not guaranteed. Track actual retention by cohort and reasons for cancellation without disguising failed renewals as new business.

27 / OPERATIONS

Daily operations and suppliers

The morning review covers due renewals, changes, complaints and outstanding insurer confirmations. The broker records needs and issues recommendations within competence; the administrator maintains agreed records. The owner reviews difficult cases, conflicts, remuneration, capital, overdue commission and workload. Reconcile the appointed insurer invoice, cancellation credit and settlement against signed terms.

Premiums are paid directly to insurers and no agency bank details are used for premium collection. Any accidental receipt must be escalated and dealt with under a lawful procedure; it cannot become operating cash. Changing to client money would require new permissions, controls and a revised capital model. Suppliers of records software, office services, PII and advice are unappointed and unquoted.



Daily process retains separate customer, insurer and agency financial responsibilities.

Counterparty	Paid or contractual requirement
Insurer panel	Agency appointment, direct billing, commission and cancellation terms
PII provider	Qualifying cover, excess, defence and continuity terms
Records software	Security, access, retention and continuity agreement
Compliance and accountant	Paid scope, permission and actual tax/capital review

28 / OPERATIONS

Sustainability practices

Use secure digital records where appropriate, measure office energy and avoid unnecessary travel without excluding clients who need accessible communication. Maintain lawful disposal of equipment and confidential records. These are operating practices, not quantified carbon savings or certification claims.

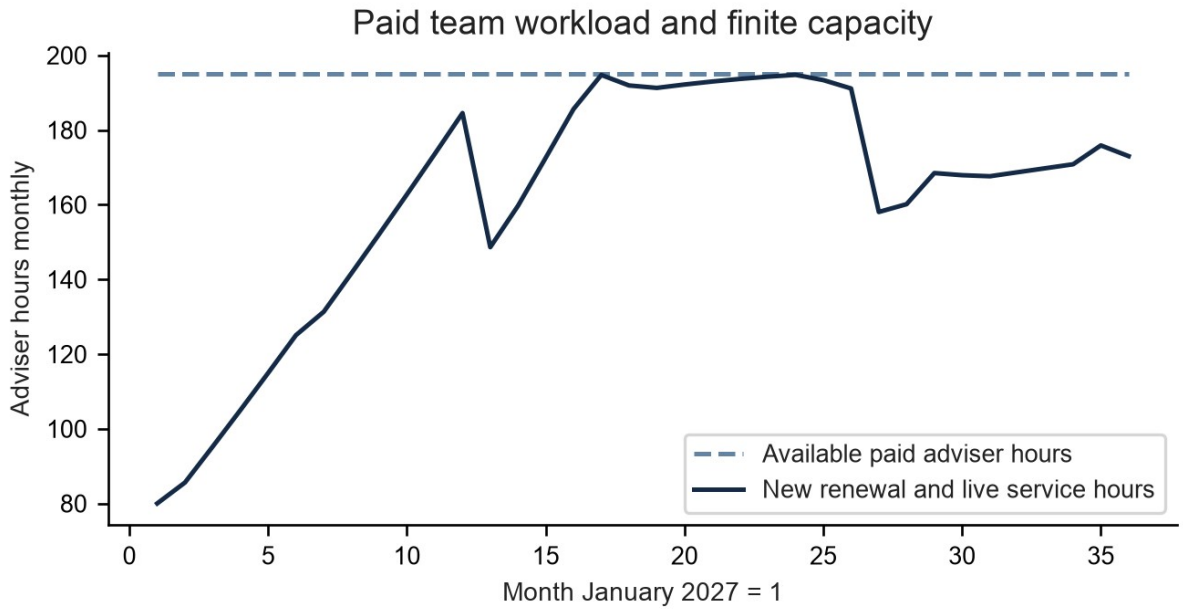
Insurance recommendations must reflect actual insured exposures and exclusions, including flood or other environmental risks where relevant. The agency cannot invent risk scores or promise cover. Obtain the necessary property and insurer evidence rather than representing environmental screening as underwriting authority.

29 / PEOPLE

Staffing and training

The full paid team is one owner at £48,000 annual gross, one qualified broker at £42,000 and one half time administrator at £16,000 actual annual gross. NI is budgeted at 15% above £5,000 per actual person; pension at 3% of qualifying earnings between £6,240 and £50,270, subject to actual eligibility. Current values are provisional future assumptions. No Employment Allowance or free producer labour is claimed.

Adviser hours are (one broker FTE plus one owner FTE times 50%) times 40 hours times 52/12 times 75% availability, giving 195 monthly hours. Opening live policies use 0.08 hour each monthly, renewals two hours, new placements four. A service reserve caps live policies by available hours and a 600 policy commercial ceiling. Renewals receive priority; workload cannot exceed paid available hours.



Paid adviser time includes finite servicing, renewal and new placement work; actual absence cover remains required.

Paid role	People	FTE	Annual actual gross GBP
Owner manager	1	1	48,000
Commercial broker	1	1	42,000
Administrator	1	0.50	16,000

30 / PEOPLE

Staff skills and fair work

S1 requires appropriate experienced management and actual competence for the intended regulated roles. S6 removed the prescribed 15 hour minimum for relevant non-investment insurance roles in December 2025 while retaining suitable continuing training and competence requirements. The business must assess and document role specific training rather than assert a superseded statutory hour rule. No professional memberships are claimed.

Budget two full paid team months before launch for preparation, recruitment familiarisation, records and training. The availability assumption includes ongoing paid training and leave; it is not a free overtime source. Issue lawful contracts, allocate authority clearly, assess individual pension eligibility and supervise recommendations. External advisers do not replace qualified staff or accountable management.

31 / OPERATIONS

Legal and insurance requirements

Direct FCA authorisation for the exact distribution scope is a launch gate (S1); no application approval is claimed. The no client asset capital rule is higher of £5,000 or 2.5% annual distribution income (S2), but actual eligible capital and income calculation need review. The model uses a clearly labelled conservative proxy, not a compliance certificate. Ordinary debt does not count as eligible capital.

S3 retrieved PII minima of €1,300,380 per claim and aggregate higher of €1,924,560 or 10% annual income subject to the £30 million cap; verify currency equivalent, required terms and permissible excess at inception and renewal. The £10,000 gross annual premium is unquoted and not proof of cover. CP26/22 sterling denomination proposals are not treated as final rules. Obtain current permission, PII, client category, conduct, complaints, data and employment advice before launch.

32 / OPERATIONS

Opening roadmap

Start with a suitable founder and senior management profile, exact permission perimeter, insurer appetite and a real principal office. Prepare the regulatory business plan, customer journey, conflicts and vulnerability controls and complete projected financials. Secure paid capital, UK banking, appropriate PII and the necessary insurer appointments. The regulator determines application timing; January 2027 is conditional.

The two paid preopening months are a cost assumption, not a claim that authorisation will finish in eight weeks. Do not commit to opening if permission, competent staff, PII, panel access or finance remains unresolved. A delay requires refreshed payroll, rent, PII, launch date and funding forecasts rather than trading before approval.

Conditional opening sequence

1 People	2 Permission	3 Insurer	4 Funding	5 Launch
Real competence	FCA and PII	Signed terms	Paid capital cash	Evidence gates

Opening sequence depends on evidence; dates are not guaranteed regulatory processing times.

Gate	Evidence
Management and perimeter	Real experience, responsibilities and permission scope
FCA and PII	Approval, required cover and current terms
Insurer appointments	Signed rates, cancellations, direct premium billing and settlements
Paid capital and liquidity	Committed equity, loan and actual eligible capital
Operations and demand	Office, hired competence, systems and measured eligible pipeline

33 / GOVERNANCE

Risks and management actions

Weak demand leaves the full paid team and gross office costs uncovered. Lower retention reduces future renewal income; early cancellations remove policies and generate commission credits. Slow insurer settlements consume cash despite earned revenue. A small team risks poor records or unsustainable service when the book grows. Missing permission, insurer appointment or PII prevents launch.

Review actual workload, cancellations, commissions, due renewals, eligible capital and liquid cash monthly. Stop new acceptance before service quality deteriorates. A capital proxy shortfall calls for eligible equity or a revised lawful plan; a cash shortfall calls for real financing or reduced commitments. The model never borrows automatically or uses client premiums to cover deficits.

Risk	Control and trigger
Authorisation or PII missing	No regulated launch
Weak demand or unsuitable enquiries	Lower forecast and spending before further commitments
Cancellation credits	Reconcile contract terms and maintain cash
Late insurer settlement	Review overdue own invoices and stress collection lag
Workload exceeds paid hours	Cap new business and arrange competent paid cover
Capital or liquidity shortfall	Secure valid funding or postpone commitments

Research and evidence

Primary sources checked 3 October 2026 establish selected FCA, VAT, payroll, pension and tax context. They do not validate this founder, authorisation, insurer access, demand or supplier prices. S11 is a provider self description supporting only an existing Manchester alternative. S6 and S7 distinguish final 2025 changes from 2026 proposals.

No actual business or client evidence was supplied. The model uses future assumptions and a management tax/capital budget proxy. Retrieve current final rules and professional advice before application, contracts and hiring. Retained research records identify URLs, findings and access limitations; official 2026 to 2027 employer detailed rate page access failed, so the NI change publication was used alongside current TPR thresholds.

S1 https://www.fca.org.uk/firms/authorisation/general-insurance-intermediaries

S2 https://handbook.fca.org.uk/handbook/mipru4

S3 https://handbook.fca.org.uk/handbook/mipru3

S4 https://www.gov.uk/guidance/insurance-notice-70136

S5 https://www.fca.org.uk/firms/general-insurance-brokers-commercial-customers

S6 https://www.fca.org.uk/publication/policy/ps25-21.pdf

S7 https://www.fca.org.uk/publications/consultation-papers/cp26-22-simplifying-insurance-rules

S8 https://www.gov.uk/government/publications/changes-to-the-class-1-national-insurance-contributions-secondary-threshold-the-secondary-class-1-national-insurance-contributions-rate-and-the-empl/changes-to-the-class-1-national-insurance-contributions-secondary-threshold-the-secondary-class-1-national-insurance-contributions-rate-and-the-empl

S9 https://www.thepensionsregulator.gov.uk/en/employers/new-employers/im-an-employer-who-has-to-provide-a-pension/declare-your-compliance/ongoing-duties-for-employers/earnings-thresholds

S10 https://www.gov.uk/corporation-tax-rates

S11 https://www.howdeninsurance.co.uk/common-pages/branch-finder/manchester

35 / GOVERNANCE

Quotes and assumptions

Obtain written insurer commission schedules, return commission and direct billing terms, actual payment timing and cancellation treatment. Confirm policy recognition with the accountant, including whether obligations require deferred income or different clawback provision. The 3% early cancellation and 80% reversal assumption is a sensitivity budget; no such clause is asserted as agreed.

Obtain PII quote and full cover terms, eligible capital advice, actual office lease, software/security service, wages, employment and pension eligibility, equipment/setup invoices and funding proof. Gross unrecoverable VAT treatment applies only to the assumed qualifying domestic service and charged expense classes. New services, client money, underwriting, finance or overseas business require a revised model and legal assessment.

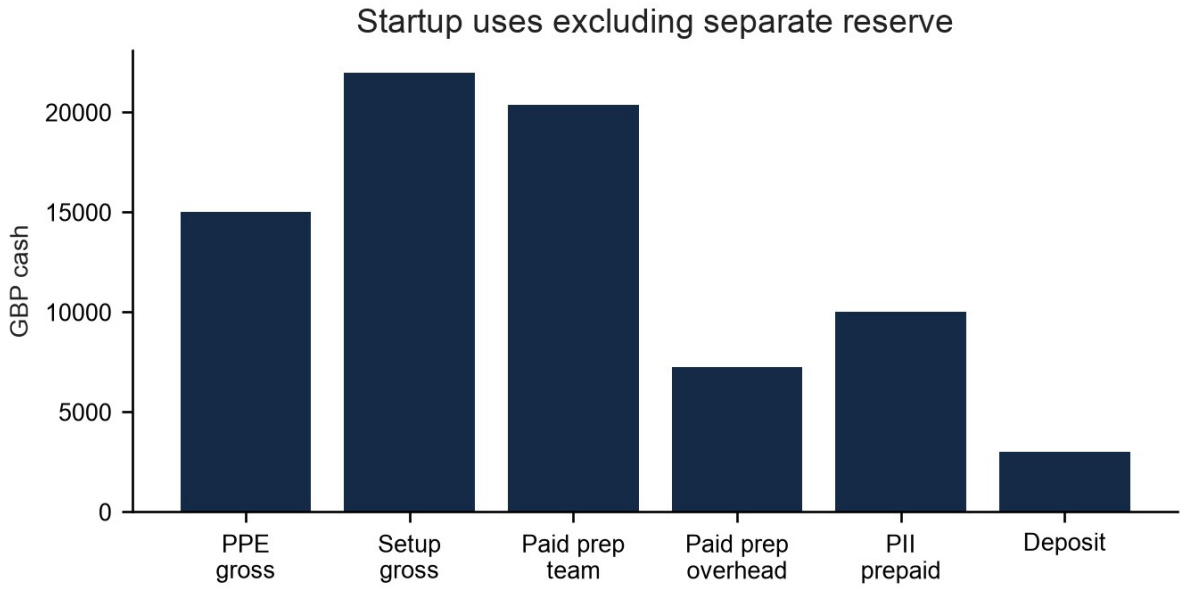
Assumption needing evidence	Current planning treatment
Premium and commission	£4,000 average context, 15% new and 12% renewal
Cancellation and settlement	3% next month, 80% reversal, 10% immediate and rest one month
Demand and retention	Unobserved new requests and 85% surviving cohort retention
PII and office	£10,000 annual gross PII and appropriate unquoted office
Funding	£220,000 paid equity and £30,000 ordinary loan proposed

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Startup costs and funding

The fixed proposal is £220,000 paid equity plus £30,000 ordinary loan. Startup uses include gross equipment, gross setup expenses, two full paid team and gross overhead months, a refundable deposit and the first annual PII premium prepaid. The £40,000 liquidity reserve is a target for remaining cash, not an expense or automatically restricted account. Funding is uncommitted in every case.

Capital resources and liquid cash are separate. Ordinary loan proceeds add cash and debt, not eligible paid capital. Client premiums never enter available agency cash. Negative forecast balances and equity shortfalls remain visible without new borrowing, client float, speculative donations or balancing plugs.



Startup cash spending from the verified model; the separate liquidity reserve is not an expense.

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Itemized startup costs

PPE £12,500 before VAT is assumed all new standard rated hardware/furniture, with £2,500 irrecoverable VAT capitalised. Setup £20,000 before VAT has a provisional 50% VAT charged share, giving £2,000 VAT and £22,000 gross expense. The other half has no VAT charged; replace these classes with invoices. Setup before VAT comprises £9,000 regulatory/legal preparation, £2,000 formation, £3,000 training, £3,000 launch marketing, £1,500 preopening professional cover and £1,500 other launch preparation. These are unquoted budgets; it covers one-off preparation rather than a capitalised licence.

Payroll has no VAT. Two preopening months also carry the full gross recurring office, software, compliance and marketing overhead. This is separate from one-off setup preparation. The setup budget includes £1,500 for appropriate preopening professional cover; actual terms and insurer quote are a launch requirement. The annual trading PII cover is assumed to commence at trading inception. The first £10,000 annual gross PII premium is prepaid, includes applicable insurance tax within its budget and is expensed over twelve months; it is not charged again as an opening expense. A £3,000 refundable premises deposit remains an asset.

Startup item GBP	Base planning
Initial PPE before VAT	12,500
Initial irrecoverable PPE VAT	2,500
Setup before VAT	20,000
Setup irrecoverable VAT	2,000
Paid preopening payroll	20,378
Gross preopening overhead	7,260
Annual PII premium prepaid	10,000
Refundable premises deposit	3,000
Total startup cash uses	**77,638**
Proposed funding total	**250,000**
Opening cash	**172,362**
Liquidity reserve target	40,000
Initial conservative eligible capital	170,362

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Owner personal survival budget

Illustrative household costs are rent £1,200, utilities £250, food £450, transport £200, insurance £150, other £350 and savings £200, totalling £2,800 monthly. No actual founder household information, other income or current salary was supplied. A 70% net retention assumption on £4,000 monthly gross owner salary gives £2,800 take home and zero planned household surplus.

This is not a personal tax calculation or proof of affordability. Supply actual household obligations, tax and pension deductions before a funding decision. Salary is already included in the paid team expense and cash flow; no additional owner drawings or dividends are forecast.

Illustrative monthly household GBP	Amount
Rent	1,200
Utilities	250
Food	450
Transport	200
Insurance	150
Other	350
Savings	200
Required take home	**2,800**
Illustrative owner take home	2,800
Estimated surplus	**–**

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Financing terms and security

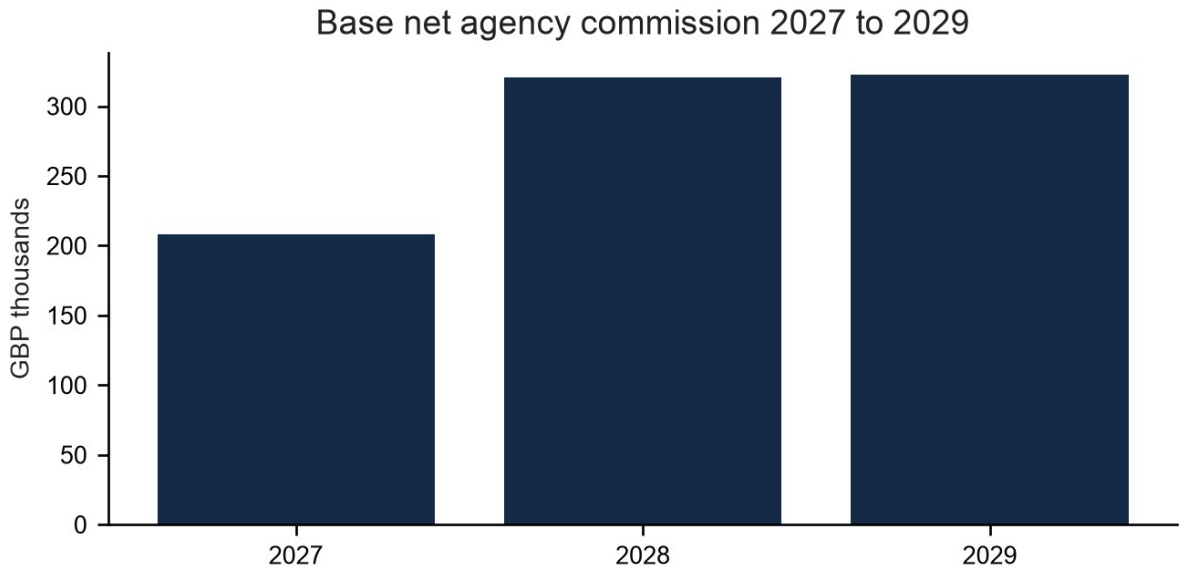
The ordinary proposed £30,000 loan carries 8% annual interest in Base, three months principal grace and sixty equal principal instalments thereafter. Paid equity is assumed available before preparation and funds preopening payroll, overhead, setup and equipment. The loan is assumed drawn at trading inception in January 2027, so there is no preopening debt or interest. Interest is charged on opening trading debt and paid monthly. Principal is financing cash, not an operating expense. No refinancing, grants, excess cash sweeps, dividends or terminal book sale is forecast.

Actual lender security, covenants, fees, guarantees, availability and repayment terms have not been agreed. The ordinary loan is excluded from eligible capital; no claim of qualifying subordinated debt is made. Eligible equity must be actually paid before it is available for regulatory purposes. The liquidity reserve and capital requirement must both remain adequate without treating PII prepayments or client premiums as liquid funding.

Revenue forecast and capacity

Revenue is new placements times current premium and new commission rate plus completed renewals times current premium and renewal rate, less the expected next-month refund provision on current gross commission. Premium throughput excluding IPT is context only and never agency income. No client fee or insurer contingent bonus is assumed. Surviving cohorts expire after twelve months; renewal demand applies retention to those cohorts and then finite capacity.

Opening policy servicing uses 0.08 adviser hour each monthly. Available paid adviser hours are 195 in Base. Renewal work receives priority, then new placements use remaining hours and live book capacity. A 35% service hour reserve and 600 policy ceiling bound the live book. New requests that cannot be served earn nothing and are not fictitious backlog.



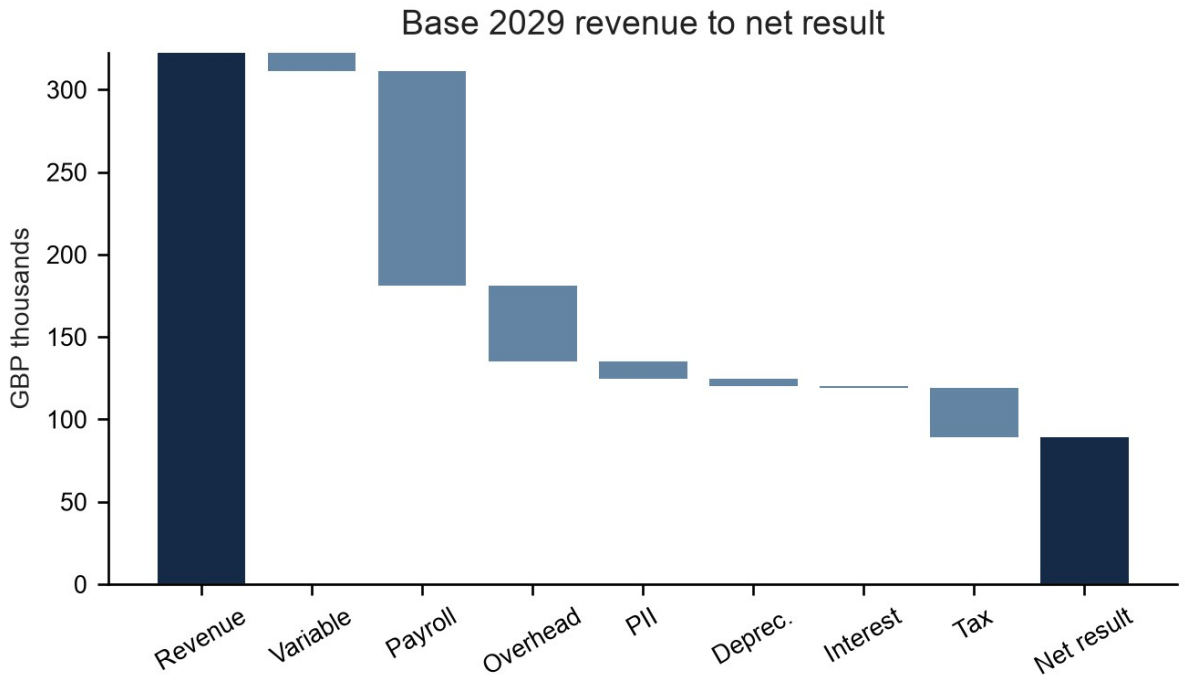
Annual Base agency net commission revenue 2027 to 2029 from verified placements and expected refund provisions.

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Costs and projected profit

Variable administration is £25 gross per new policy and £15 per renewal in Base. Fixed paid personnel include NI and pension. Other overhead £3,300 before VAT comprises rent £900, records software £800, compliance/accounting £700, marketing £450, utilities £250 and other insurance £200. Only the overall assumed 50% charged VAT share attracts 20% unrecoverable VAT, giving £3,630 gross; rent and insurance are provisionally not VAT charged and actual invoice mix must be confirmed. PII is separate £10,000 annual gross, prepaid and expensed monthly.

Costs inflate 3% annually independently of premium growth. Depreciation uses gross unrecoverable PPE and stops at zero. The 25% corporation tax provision is a book-profit planning proxy with loss carryforward and £2,000 formation addback; it does not implement actual capital allowances, marginal relief or all statutory deductions. Setup and preopening payroll deductibility require adviser review. No actual return or guaranteed conservative tax result is claimed.



Base 2029 net commission revenue to net result includes paid owner, PII, gross purchases and tax proxy.

Profit and loss forecast

Three annual summaries aggregate 36 linked months in GBP. Gross contribution is after variable administration and before full payroll, gross overhead and PII. Expected refund provisions reduce current earned revenue; actual insurer credits release the prior provision without a second expense. Insurer-underwritten risks, insured claims and client premium payments are outside the agency statements. Interest is an expense while principal reduces financing cash and debt.

The tax provision uses annual cumulative book profit after a loss proxy, permitting trueups as losses emerge. Tax cash is budgeted in the following October for a December year end. Confirm actual accounting periods, bank timing, deduction rules and payment deadline with the accountant. There is no terminal release of outstanding receivables, debt or tax.

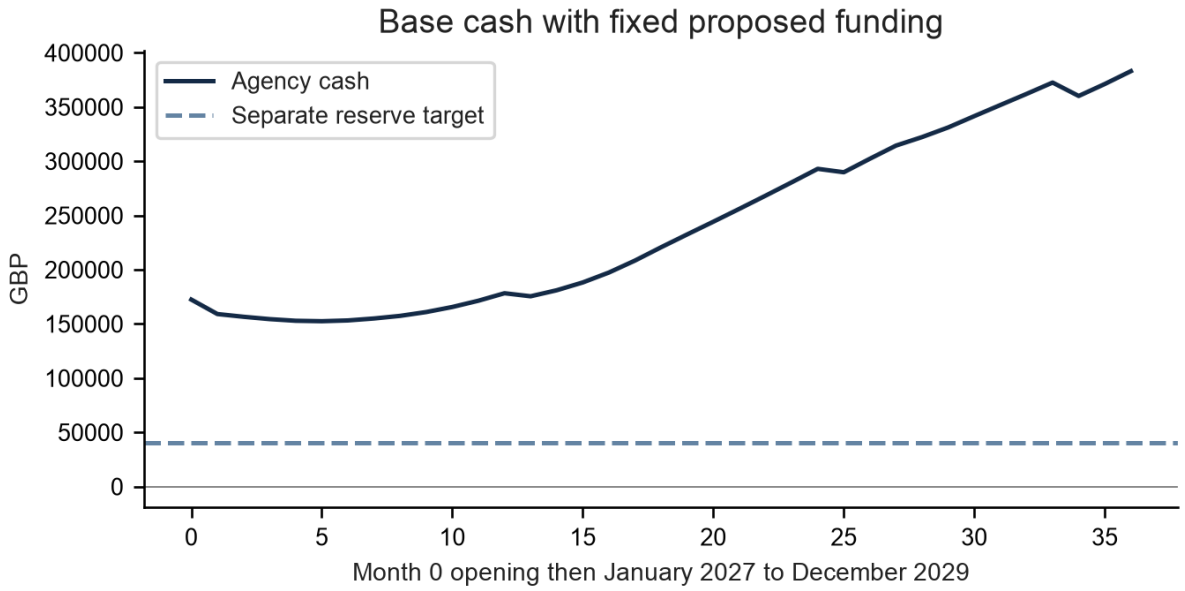
GBP	2027	2028	2029
Revenue	**207,888**	**320,378**	**322,413**
Variable administration cost	8,875	12,170	11,185
Gross contribution before payroll	**199,013**	**308,208**	**311,228**
Paid payroll including owner	**122,268**	**126,021**	**129,866**
Other overhead gross	43,560	44,867	46,213
PII expense	10,000	10,300	10,609
EBITDA	**23,185**	**127,020**	**124,540**
Depreciation	3,000	3,000	4,200
Interest	2,280	1,820	1,340
Profit before tax	17,905	122,200	119,000
Corporation tax expense	–	23,117	29,750
Net profit or loss	**17,905**	**99,083**	**89,250**

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Cash flow and financial position

Ten percent of net commission invoices/credits settles immediately and the remainder after one month in Base. The forecast is one proposed insurer settlement account only. It assumes enforceable same-counterparty netting or refunds; negative credit settlements reduce agency cash. Signed balances are shown as own commission receivable when positive or carrier cancellation credit payable when negative. Neither balance is a client premium asset.

The annual PII premium is paid before launch and again in January 2028 and January 2029, with monthly expense and a prepaid asset until earned. Gross equipment purchases consume cash because no domestic input VAT is recovered. Tax, loan principal and replacement equipment are separate from operating profit. Capital and liquid cash may differ and both must be reviewed.



Agency cash includes fixed proposed funding and genuine insurer settlement, with no premium float or financing plug.

Cash flow forecast months one to six

The opening balance follows all startup spending and the first annual PII prepayment. Operating cash includes signed own commission settlements, variable administration, paid staff, gross other overhead, PII premiums when due, interest and tax. Current month revenue may differ materially from receipts.

Negative commission credits are actual agency liabilities or refunds under the assumed settlement terms. Fixed salaries remain paid in zero activity and poor demand cases. Additional eligible capital or liquidity is a decision requirement, never automatically drawn.

GBP	Jan27	Feb27	Mar27	Apr27	May27	Jun27
Opening cash	**172,362**	**159,043**	**156,530**	**154,367**	**152,837**	**152,433**
Own commission cash settlement	1,200	12,031	12,431	13,615	14,786	15,957
Variable administration cash	500	525	575	625	675	725
Paid payroll cash	10,189	10,189	10,189	10,189	10,189	10,189
Other overhead cash gross	3,630	3,630	3,630	3,630	3,630	3,630
PII premium cash	–	–	–	–	–	–
Interest cash	200	200	200	200	197	193
Corporation tax cash	–	–	–	–	–	–
Operating cash flow	(13,319)	(2,513)	(2,163)	(1,029)	95	1,220
Investing cash flow gross	–	–	–	–	–	–
Debt principal financing cash	–	–	–	(500)	(500)	(500)
Closing cash	**159,043**	**156,530**	**154,367**	**152,837**	**152,433**	**153,152**

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Cash flow forecast months seven to twelve

The second half uses the same linked cash logic and carries forward the prior closing balance. Monthly PII expense continues against the prepaid asset without a second cash charge. Tax liabilities are retained until their assumed next year payment date, and ordinary loan principal reduces both cash and debt.

The companion workbook continues monthly through December 2029, including twelve month policy renewal cohorts, PII renewal premiums, replacement PPE and later tax cash. No annual cash stock is summed into an ending balance.

GBP	Jul27	Aug27	Sep27	Oct27	Nov27	Dec27
Opening cash	**153,152**	**154,962**	**157,357**	**160,890**	**165,547**	**171,329**
Own commission cash settlement	17,068	17,701	18,885	20,056	21,228	22,399
Variable administration cash	750	800	850	900	950	1,000
Paid payroll cash	10,189	10,189	10,189	10,189	10,189	10,189
Other overhead cash gross	3,630	3,630	3,630	3,630	3,630	3,630
PII premium cash	–	–	–	–	–	–
Interest cash	190	187	183	180	177	173
Corporation tax cash	–	–	–	–	–	–
Operating cash flow	2,309	2,895	4,033	5,157	6,282	7,406
Investing cash flow gross	–	–	–	–	–	–
Debt principal financing cash	(500)	(500)	(500)	(500)	(500)	(500)
Closing cash	**154,962**	**157,357**	**160,890**	**165,547**	**171,329**	**178,235**

Financial position summary

Assets comprise actual forecast cash, own commission receivables, prepaid PII, the refundable premises deposit and net gross equipment. A separate expected refund provision covers the next-month credit on current gross commissions, including December 2029 obligations payable after the forecast. Actual credit recognition releases the prior provision without a second expense. Carrier credits awaiting settlement are separately liabilities when the signed settlement balance is negative. Tax payable and ordinary loan debt remain liabilities. Retained earnings begin with gross setup, actual paid preopening payroll and gross overhead losses.

Book equity is not automatically regulatory capital. Recheck rules at launch and annually; the current MIPRU 4.4 timeline includes a future version dated 25 October 2027. The conservative proxy uses paid shares less opening losses and all negative monthly net results, excluding every positive interim result by conservative planning choice and excluding ordinary loan. This is more restrictive than simply using book equity but not a certified MIPRU computation; actual eligible assets, deductions, PII excess and required annual income must be reviewed. Liquidity reserve is separately compared with available agency cash.

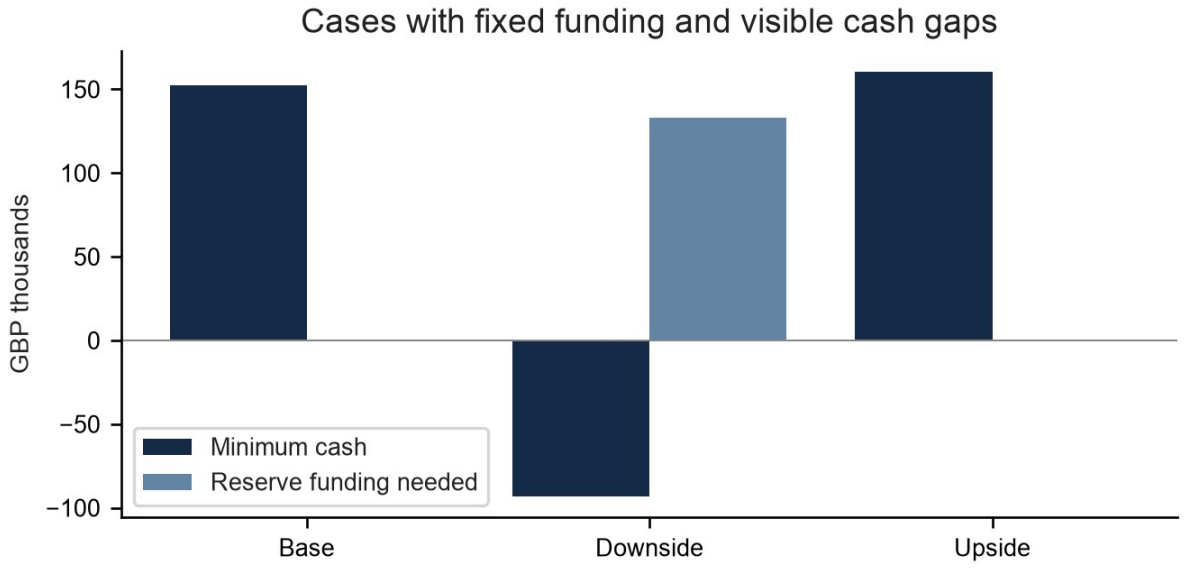
GBP	2027	2028	2029
Closing cash	**178,235**	**292,943**	**382,999**
Own commission receivables	21,108	25,727	24,933
Prepaid PII asset	–	–	–
Refundable premises deposit	3,000	3,000	3,000
Net equipment PPE	12,000	9,000	9,600
Total assets	**214,343**	**330,669**	**420,532**
Commission refund provision	576	703	681
Carrier cancellation credit payable	–	–	–
Corporation tax payable	–	23,117	29,750
Loan debt	25,500	19,500	13,500
Total liabilities	**26,076**	**43,319**	**43,932**
Contributed equity	**220,000**	**220,000**	**220,000**
Retained earnings	(31,733)	67,350	156,600
Total equity	**188,267**	**287,350**	**376,600**
Liabilities and equity	**214,343**	**330,669**	**420,532**

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Break even and scenarios

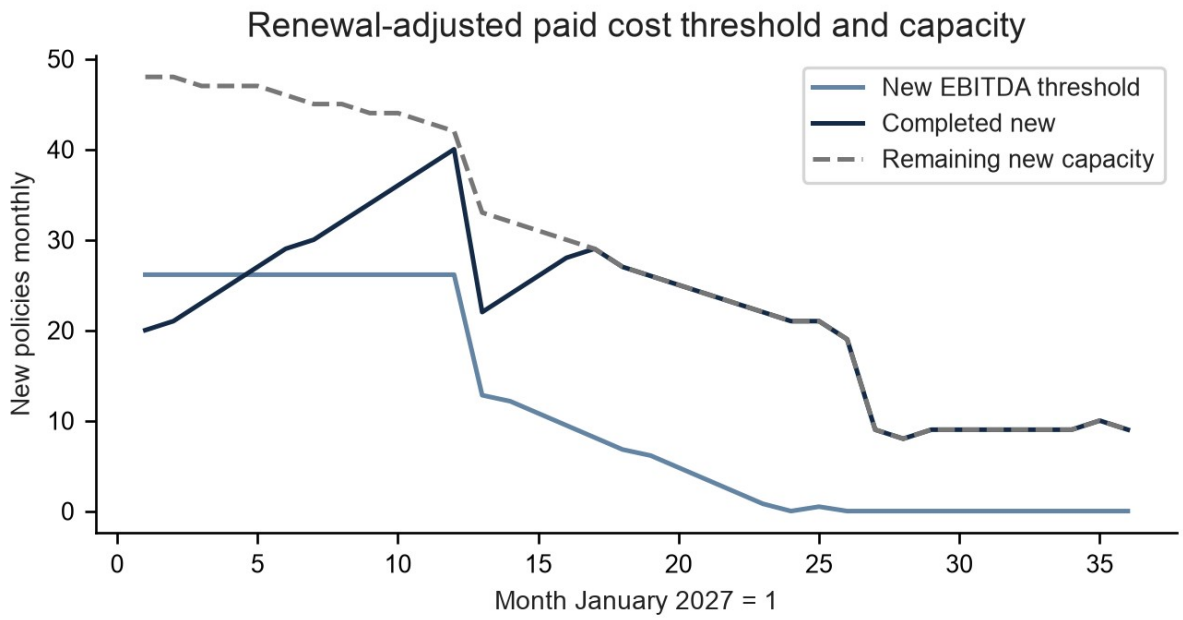
The new policy EBITDA threshold deducts actual renewal contribution after its expected refund provision from paid fixed costs, then divides by new policy contribution after its expected refund provision. If new contribution is zero or negative the model reports NOT VIABLE. The displayed threshold is a continuous expected-policy calculation shown to two decimals. For a whole-policy requirement, round it up: the Downside December 2029 threshold of 24.27 requires at least 25 completed new policies, subject to capacity. This threshold changes with the live book and renewals; compare it with remaining new placement capacity and unverified demand. It excludes debt principal, capex, tax and capital requirements.

Base, Downside and Upside are saved results from separately evaluated cases. Every editable case, staff and seasonality input is captured; any change marks STALE CAPTURE. The selected active build and range backed Excel charts recalculate, but saved comparisons require a source rebuild. Both cash reserve gaps and conservative capital gaps remain visible with fixed funding.



Saved case liquidity and capital results from the same verified model; no scenario is a probability.

GBP except policy threshold	Base	Downside	Upside
2027 revenue	207,888	93,348	293,138
2029 EBITDA	124,540	(55,722)	168,970
2029 closing cash	382,999	(92,995)	536,086
Minimum cash including opening	152,433	(92,995)	160,401
Additional funds for reserve	–	132,995	–
Minimum conservative capital surplus	151,786	(71,234)	160,961
Additional equity capital proxy	–	71,234	–
2029 new policy EBITDA threshold	–	24.27	–



Base new policy EBITDA threshold compared with completed new placements and remaining paid capacity. From verified model 1.0.

Model guide and completion

Select 1 Base, 2 Downside or 3 Upside on Inputs. Blue typed values are editable. Policies calculates surviving cohorts, cancellations, completed placements, workload and own commission balances. Costs separates paid staff, gross expenses and prepaid PII. AssetsDebt and Statements produce linked monthly profit, cash and balance sheets. Summary links annual results and native chart ranges. Cases stores snapshots with a full stale input capture.

The retained source rebuilds all three cases and exports model results for Word figures. Native recalculation must clear every cached formula before testing Base and mutations. Reference principles were rebuilt from the inspected insurance agency workbook; no US workbook or valuation was imported. Commercial evidence, competent founder, actual permission, insurer appointments, PII, quoted costs and committed funding remain open before launch.