# Insurance Agency Business Plan Sample — Canada

This **insurance agency business plan template and sample** presents **Cedar Arc Insurance Services Inc.**, a fictional Canadian company proposed for Hamilton, Ontario. It is clearly labelled a **SAMPLE**: no real business, client engagement, operating result or investment offer is depicted. Use this example to understand how ten connected sections turn an operating idea into an evidence-based financing discussion. Return to the sample business plan hub to compare other models.

**All company details, commercial prices, demand, capacity, costs and financial projections are illustrative assumptions.** They are not observed market statistics, professional advice or promises of revenue, profit, occupancy or financing approval. The appendix distinguishes the fictional operating choices from official research starting points. Confirm current rules for the actual application and premises.

## Table of contents


1. Sample executive summary
2. Sample company overview
3. Sample services and revenue model
4. Sample market analysis
5. Sample operations plan
6. Sample marketing and sales plan
7. Sample management and staffing
8. Illustrative financial projections
9. Sample funding request
10. Sample appendix and official-source register

Five frequently asked questions


## 1. Sample executive summary

Cedar Arc Insurance Services Inc. proposes a proposed licensed property and casualty insurance brokerage for small service businesses in Hamilton, Ontario. Launch is conditional on applicable brokerage and individual licensing, supervision, insurer agreements and professional liability cover. No licence or carrier appointment is represented as obtained. The company, founder, location choice and every commercial input are fictional and illustrative. No premises, supplier or customer contract is secured.

Opening capitalization is CAD $180,000: owner equity of $130,000 and requested borrowing of $50,000. Equipment uses $30,000, inventory $0 and opening cash $150,000. Funding remains conditional on quotations, permissions and underwriting.

Year 1 assumes 900 earned policy placements or renewals at CAD $400 each. Growth requires verified demand and paid delivery capacity. The plan models earned sales, not enquiries or promised contracts.

> *What a reviewer reads for: a specific offer, an achievable delivery model, a traceable funding requirement and clear conditions before spending. A polished narrative cannot replace verified demand or sufficient cash.*

## 2. Sample company overview

Cedar Arc Insurance Services Inc. is a fictional Ontario corporation owned by Leah Fen, an invented founder with eight years of relevant operating and supervisory experience. The biography implies no real credential or authorization. The name is an unchecked teaching identifier.

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The founder will document ownership, signing authority, equity contributions and business banking before entering contracts. The fictional name is a teaching identifier and has not been checked for availability. Business receipts, customer obligations and owner funds must remain distinguishable in the accounting records. A founder's experience is relevant to execution but does not establish demand or replace competent help where the actual activity requires it.

Premises and major purchasing commitments follow due diligence rather than an unsupported opening date. A letter of intent should identify conditions, permitted use, landlord responsibilities and what happens if a necessary approval is refused. Installation, access, insurance, repairs and restoration terms affect the budget as well as the lease. The owner will obtain qualified advice on the actual structure and agreements before committing the reserve.

## 3. Sample services and revenue model

The unit sold is one of the earned policy placements or renewals. Annual units are 900, 1200, 1500; net CAD prices are $400, $410, $420. These are illustrative prices, not market rates. There is no separately counted secondary revenue.

Purchased inputs and channel costs equal 8 per cent of revenue. Employee delivery and owner work are in payroll, separately from direct purchases. Launch is conditional on applicable brokerage and individual licensing, supervision, insurer agreements and professional liability cover. No licence or carrier appointment is represented as obtained.

Written customer terms will identify the unit sold, what is included, what costs extra, when delivery occurs and how a complaint or change is handled. A large sales total is useful only if the company retains enough contribution to cover paid work and overhead. Management will maintain a cost sheet for each offer showing net selling price, purchased inputs, staff time and the constraint that limits delivery. Included products are not counted again as add-on revenue.

The forecasts describe completed, earned sales rather than every enquiry received. Refunds, discounts, credits and uncollectible balances require explicit treatment. Growth in a secondary channel needs its own demand evidence, staffing and cash; it is not an automatic reward for primary sales. Before adding an offer, management will revisit training, insurance, stock, permissions and working capital so the new line does not weaken delivery of the original promise.

The CAD $400, $410 and $420 unit amounts represent average retained earned commission per policy event, not premiums paid by insured customers. Assume a mix of new placements and renewals within the stated unit totals; renewals are not counted twice. Returned commissions and cancellations reduce earned revenue. Contingent profit-sharing and premium trust receipts are excluded. Carrier terms must support the timing of commission recognition and collection in the actual model.

## 4. Sample market analysis

Interview small-business owners about renewal friction, coverage questions and service expectations. Compare licensed brokers, direct insurers and existing advisers. Neither customer interviews nor insurer appointments have

occurred in this fictional scenario.

The proposed Hamilton catchment is a research boundary, not an exclusive territory. The positioning is clearly scoped delivery and reliable communication. Record dated evidence, objections and alternative offers before committing to a lease or staffing expansion.

The evidence register will separate observed information from management assumptions. A supplier quotation supports purchase cost; it cannot prove customer demand. An interview describes that respondent's circumstances; it is not a representative market survey without a suitable method. Competitor prices require a date, scope and tax basis. National industry revenue cannot establish how many customers this particular operation can reach and serve profitably.

Use the TAM, SAM and SOM glossary to distinguish broad opportunity, reachable customers and the smaller share that practical launch capacity supports. Build the obtainable case from units, service time, buying frequency and net price. For each material forecast input, the owner will record its definition, evidence, uncertainty and next review date. Evidence that contradicts the concept should change the plan rather than be discarded to preserve the original revenue target.

> *Adaptation note: support the chosen customer, geography and delivery capacity with dated evidence. Keep fictional demand assumptions separate from researched facts.*

## 5. Sample operations plan

Three paid service equivalents including the founder provide 3,360 productive hours in Year 1. Nine hundred policy events at three hours require 2,700 hours, leaving a buffer for follow-up. Four and five equivalents support later volumes. This is a workload assumption, not an authorization to advise. Document needs, quotations, disclosures, binding authority and renewal follow-up. For this model customers pay insurers directly; premium collections, trust accounts and claims payments are absent.

Secure workstations, office fit-out and brokerage workflow systems form the installed-asset allowance. Actual supplier terms, permitted use, insurance, maintenance and a tested delivery process must be resolved before opening.

Launch is conditional on applicable brokerage and individual licensing, supervision, insurer agreements and professional liability cover. No licence or carrier appointment is represented as obtained.

Opening follows named readiness gates: a viable operating site, acceptable contractual terms, required authorization, installed and tested systems, trained staff and a funded cash calendar. Each unresolved condition has an owner and a decision point. Rent, payroll preparation and finance charges can continue while a gate is delayed. A commercial launch announcement does not make an unresolved permission or supplier commitment disappear.

The operating workbook will translate annual capacity into weeks and months, allowing for training, absence, downtime and cancellations. At least one trial of the full delivery process will test the assumptions before volume commitments expand. The manager will keep a continuity file with supplier contacts, backup responsibilities, system recovery and customer communication procedures. Alternatives count as usable capacity only when their availability, cost and scope are confirmed.

## 6. Sample marketing and sales plan

Test educational renewal checklists and business-owner introductions with $10,000 inside Year 1 overhead. No insurer logos, referral partnership or guaranteed coverage claim is used.

Track qualified enquiries, accepted orders, completed delivery and collected cash separately. Review repeat purchases and contribution after direct costs; a campaign that produces volume below sustainable margin must be revised.

The sales register distinguishes an enquiry, a qualified prospect, an agreed order or booking, completed delivery and collected cash. Forecasting every enquiry as a sale hides both conversion risk and the collection delay. Management reviews the cost of acquiring customers against contribution after delivery costs, not against gross receipts alone. Repeat business is tracked separately from new acquisition so existing accounts do not make an unproven advertising campaign look effective.

Campaigns have spending limits and review points. If an offer attracts demand for a time, product or service the team cannot deliver, that demand is not usable revenue. The owner will record the reason for lost business, customer credits and cancellations and adjust scope or scheduling accordingly. Proposed partnerships remain prospects until their obligations are agreed. Published claims must reflect actual service and evidence rather than invented reviews or endorsements.

## 7. Sample management and staffing

Leah Fen controls scope acceptance, staffing, quality and weekly cash planning. Payroll envelopes of CAD $210,000, $275,000, $340,000 include paid founder work and employer costs. Year 1 includes an illustrative $65,000 owner compensation envelope; it is not an extra distribution.

Assign a delivery lead and backup approver. External accounting, legal and regulatory advisers are proposed support, not named retained partners. Check competence and authority before delegating regulated work.

The payroll envelope must become a roster of paid positions, hours, wages, employer costs, leave and relief coverage before the plan is used. Contractor status requires an assessment of the real working relationship. The model does not assume that giving someone a contractor label removes employment responsibilities. Sensitive staff and customer records have role-based access, a retention policy and a response procedure appropriate to the actual operation.

A weekly management review compares delivered units, net price, direct cost, paid hours, overdue balances, cash and upcoming commitments. Each material variance receives a cause, an action and a responsible person. Increasing sales cannot repair a persistent collection failure, and cutting maintenance can make a capacity problem worse. The founder will delegate routine authority and identify who can approve urgent decisions during an absence rather than assume the owner is always available.

Errors in coverage, privacy incidents, commission clawbacks and dependence on a carrier can impair earnings. Confirm regulator rules, insurer authority, complaint handling and secure records. Exclude contingent bonuses and unearned commissions from the base case.

## 8. Illustrative financial projections

All amounts are illustrative CAD assumptions, excluding collected sales taxes. Years 1–3 are the first three operating years. They are not benchmarks, approved terms or profit promises. Annual totals do not establish monthly liquidity. Opening capitalization is at financing close before further legal work, training, deposits and launch expenses; itemize and classify those uses before committing funds.

## Illustrative opening sources and uses

| Use | Amount | Source | Amount |
|---|---|---|---|
| **Fit-out and equipment** | $30,000 | Owner equity | $130,000 |
| **Opening inventory at cost** | $0 | Requested borrowing | $50,000 |
| **Opening cash and reserves** | $150,000 | Grants assumed | $0 |
| **Total uses** | $180,000 | Total sources | $180,000 |

Illustrative financing-close capitalization, CAD

## Illustrative revenue drivers

| Line | Year 1 | Year 2 | Year 3 |
|---|---|---|---|
| **Primary annual units** | 900 | 1,200 | 1,500 |
| **Net revenue per primary unit** | $400 | $410 | $420 |
| **Primary revenue** | $360,000 | $492,000 | $630,000 |
| **Secondary revenue** | $0 | $0 | $0 |
| **Total revenue** | $360,000 | $492,000 | $630,000 |

Illustrative earned sales, CAD; annual units defined in section 3

## Illustrative three-year pro-forma income statement

| Line | Year 1 | Year 2 | Year 3 |
|---|---|---|---|
| **Revenue** | $360,000 | $492,000 | $630,000 |
| **Direct supplies, merchandise and channel costs** | $28,800 | $39,360 | $50,400 |
| **Gross contribution before employee payroll** | $331,200 | $452,640 | $579,600 |
| **Employee payroll including owner and employer costs** | $210,000 | $275,000 | $340,000 |
| **Other operating overhead** | $85,000 | $95,000 | $105,000 |

| Line | Year 1 | Year 2 | Year 3 |
|---|---|---|---|
| **EBITDA** | $36,200 | $82,640 | $134,600 |
| **Depreciation** | $3,000 | $3,000 | $3,000 |
| **Interest** | $3,500 | $3,150 | $2,800 |
| **Pretax income / (loss)** | $29,700 | $76,490 | $128,800 |
| **Illustrative tax provision** | $5,940 | $15,298 | $25,760 |
| **Net income / (loss)** | $23,760 | $61,192 | $103,040 |

Illustrative annual income statement, CAD

Depreciation is ten per cent of original installed assets annually, a teaching convention rather than a statutory allowance. Replacements equal three per cent of original assets in Years 2 and 3. Interest is seven per cent of opening annual debt, with ten per cent of original debt repaid annually. Actual amortization, fees and monthly interest require lender terms. A hypothetical twenty per cent provision applies only to positive pretax income, with no loss carryforward. It is not a statutory tax rate. Interest and tax are paid in the year charged; no dividends, new loans or grants are assumed.

## Illustrative working capital and cash flow

Receivables equal eight per cent of annual earned sales; supplier payables equal ten per cent of direct purchases. Inventory stays at its opening cost balance in Year 1 and rises fifteen and thirty per cent above that balance in Years 2 and 3. Opening receivables and payables are zero. Working-capital movement is the increase in payables less increases in receivables and stock. These are fictional timing assumptions. Customer advances, premium trust balances and construction-in-progress are excluded; actual transactions need separate restricted-cash, deposit, holdback and job schedules as applicable.

| Line | Year 1 | Year 2 | Year 3 |
|---|---|---|---|
| **Opening cash** | $150,000 | $145,840 | $194,628 |
| **Net income / (loss)** | $23,760 | $61,192 | $103,040 |
| **Add back depreciation** | $3,000 | $3,000 | $3,000 |
| **Working-capital cash movement** | ($25,920) | ($9,504) | ($9,936) |
| **Operating cash flow** | $840 | $54,688 | $96,104 |
| **Capital replacements paid** | $0 | $900 | $900 |
| **Loan principal paid** | $5,000 | $5,000 | $5,000 |

| Line | Year 1 | Year 2 | Year 3 |
|---|---|---|---|
| **Closing operating cash** | $145,840 | $194,628 | $284,832 |

Illustrative annual cash flow, CAD; capital and principal rows are outflows

## Illustrative year-end balance sheets

| Line | Year 1 | Year 2 | Year 3 |
|---|---|---|---|
| **Cash** | $145,840 | $194,628 | $284,832 |
| **Accounts receivable** | $28,800 | $39,360 | $50,400 |
| **Inventory at cost** | $0 | $0 | $0 |
| **Fit-out and equipment, net** | $27,000 | $24,900 | $22,800 |
| **Total assets** | $201,640 | $258,888 | $358,032 |
| **Supplier payables** | $2,880 | $3,936 | $5,040 |
| **Loan outstanding, total** | $45,000 | $40,000 | $35,000 |
| **Owner share capital / contributed equity** | $130,000 | $130,000 | $130,000 |
| **Cumulative retained earnings / (deficit)** | $23,760 | $84,952 | $187,992 |
| **Total liabilities and equity** | $201,640 | $258,888 | $358,032 |

Illustrative pro-forma balance sheets, CAD

Cash rolls forward from the cash-flow statement; net assets equal opening installed cost plus replacements less cumulative depreciation. Retained earnings accumulate net income with no distributions. The debt line combines current and longer-term portions; classify these using actual repayment dates. Prepare a monthly model showing the lowest cash point, launch delay, supplier terms, payroll and tax before judging repayment capacity.

## Illustrative break-even, repayment and combined downside

Year 2 contribution before payroll is 92 per cent. Fixed payroll and overhead of $370,000 imply EBITDA break-even sales of about $402,174. Adding interest and principal gives a simplified sales threshold of $411,033, before tax, replacements and working-capital changes. Operating cash flow plus interest, divided by principal plus interest, gives illustrative debt-service coverage of 7.10 times before replacement capital; this is not a lender requirement.

A combined ten per cent Year 2 sales reduction at the same mix and ten per cent payroll overrun leaves EBITDA of $9,876. Direct costs vary with sales while scheduled payroll and overhead stay fixed. Test slower collections, opening delays and the risks in section 7 in a monthly cash workbook. If cash becomes negative, revise scope or commit additional funding before accepting obligations.

## 9. Sample funding request

The fictional request is CAD $50,000 borrowing plus $130,000 owner equity. Secure workstations, office fit-out and brokerage workflow systems use $30,000; stock uses $0; $150,000 remains opening cash before additional launch expenses. No unapproved grant or unsigned contract fills a gap.

The lender will review actual borrower evidence, site and operating conditions, supplier terms, payroll assumptions, equity sources and monthly cash forecasts. The seven per cent interest convention is purely illustrative; actual amortization, fees, security and guarantees require written terms. No future grant or unsigned contract fills a repayment gap. If the real costs exceed the envelope, management must revise scope or commit additional equity before accepting obligations.

Funding release should follow the actual readiness gates and dated invoices. Do not buy equipment that cannot be installed, promise service before qualified coverage exists or consume the reserve while an essential condition remains unresolved. If a lender offers less than the requested amount, the owner must reconcile the revised sources and uses and prove the smaller launch can work before accepting the facility.

A business plan cannot guarantee approval. The lender evaluates the actual borrower, evidence, repayment, security and its current requirements. The requested route and the owner's commercial ambition do not establish program eligibility. For help connecting your verified operating evidence and financial schedules, explore our business plan writing services; scope and deliverables need to be agreed for the real project.

## 10. Sample appendix and official-source register

The appendix makes the operating and financial case reviewable. Organize ownership and signing records, relevant resumes, premises terms, itemized supplier quotations, insurance, applicable permissions, staffing and training records, customer terms and the monthly workbook. Reference each attachment from the section it supports. Keep sensitive personal and commercially confidential documents in the receiving institution's designated secure channel rather than publishing them with a sample plan.

Maintain an assumptions index recording the input, unit, source, date, owner, uncertainty and review trigger. Mark each item as verified evidence, provisional quotation or management estimate. When a price, volume or payment term changes, update the narrative, financial statements and funding request together. A quote can expire, a premises condition can change and a prospective customer can decline; the evidence register should make those changes visible.

The official links below are research starting points for the stated topics, not a claim that this fictional operation has been licensed or that every current requirement has been verified. No regulatory fee, approval timeline, statutory tax rate or entitlement is reproduced. Confirm the current rules for the actual location, activities and transaction with the responsible authority and qualified advisers before relying on the plan.

- Registered Insurance Brokers of Ontario — Research current requirements for the actual activity; no fictional licence or approval is asserted.

Details deliberately left for verification include the actual site, product or service permissions, employment treatment, transaction taxes, financing conditions and the current official requirements. This sample quotes no regulatory rate or automatic approval entitlement. Use the related planning guide to frame further research, while keeping the company's assumptions separate from rules governing the actual application.

Final adaptation checks: confirm the exact scope and premises, verify demand, cost the roster, obtain current supplier terms, classify opening expenses and deposits, reconcile all three statements and test the lowest monthly cash point. Resolve any condition preventing lawful delivery before taking unconditional commitments. The PDF reproduces this sample; a real submission requires the business's own evidence and the receiving lender's current checklist.

## Frequently asked questions

### What does this insurance agency business plan sample include?

It presents Cedar Arc Insurance Services Inc., a fictional company in Hamilton, Ontario, ten connected sections, operating assumptions, linked three-year CAD statements, a conditional funding request and an appendix. All business details and people are invented.

### How much funding does the fictional business need?

The illustrative opening capitalization is CAD $180,000, with $130,000 owner equity and $50,000 requested borrowing. This is a teaching scenario, not a typical startup cost.

### What is the scope of this insurance agency example?

Launch is conditional on applicable brokerage and individual licensing, supervision, insurer agreements and professional liability cover. No licence or carrier appointment is represented as obtained.

### Are the financials a forecast or profit promise?

No. All commercial inputs are illustrative. Replace them with evidence, reconcile all statements and test monthly cash. Neither profit nor financing approval is assured.

### Can I download and adapt this insurance agency example?

Yes. The PDF reproduces the online sample. Replace every fictional detail, verify current requirements and obtain actual quotations before using a plan for a real decision.


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