This program business plan template is designed for MGAs, program admninstrators, Lloyd’s coverholders, management teams, InsurTechs, affinities, tied agencies, binder brokers and professional advisors who are seeking capacity from risk carriers for a delegated authority arrangement such as a binder, line slip, prior submit or master policy facility.

Your business plan is one the first documents that a risk carrier, typically an underwriter, will review to assess whether your program meets its risk appetite and would be of interest to pursue further. Risk carriers are constantly reviewing opportunities for deploying their capacity; of which your program could be one. Capacity, like investment capital, continues to be in short supply and entering into a new delegated authority arrangement is typically subject to far greater scrutiny than using capacity internally or supporting existing delegated authority arrangements.

This business plan template includes several sections that Capacity Providers would normally expect to see in a program business plan. You will want to add and delete sections to fit with the specifics of your program.

We hope that you find this template of use in your capacity pursuit. If you have any questions or suggestions regarding this template, please send us an email at [support@capacityplace.com](mailto:support@capacityplace.com) or use the chat facility on our website.

A close up of a sign

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[Replace above with your own logo and company details]

Business Plan

[Program]

[Date]

[Contact Details]

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# Document Control

This section provides information related to the creation and control of the program business plan.

### ****Key Document Summary****

|  |  |
| --- | --- |
| Document Status | DRAFT |
| Document Owner | TBA |
| Approved By | TBA |
| Date Approved |  |
| Document Location | <filepath, including filename> |

### ****Document History****

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Version | Status | Reviewer(s) | Action/Comment |
|  | 0.1 | Draft |  | First draft |
|  |  |  |  |  |
|  |  |  |  |  |

# About Us

This section provides an introduction of your business or team.

[Provide a business profile of your business or team:

* Legal name and trading names
* company and regulatory reference numbers
* company ownership
* vision and mission
* brief history
* class of business and territories active
* memberships, certifications and awards]

# Executive Summary

This section provides an executive summary of your business plan.

Opportunity description

Market summary

Products

Underwriting and Claims

Key Personnel

Systems

Past performance

Financial projections

# Delegated Authorities Sought

This section covers underwriting and claims delegated authorities sought under this program as well as outline commercial terms.

## Underwriting Authorities

Underwriting authorities sought under this business plan are as follows:

Named Authorities

* Bind risks - name
* Issue policies - name

Territorial Permissions

Lloyd’s Risk Codes (if applicable)

Maximum Line Sizes

* [Class]: GBP / USD / EUR m [TSI, MFL, PML, LOI]
* [Class]: GBP / USD / EUR m [TSI, MFL, PML, LOI]

Referral Process

* Referral conditions

## Claims Authorities

Claims authorities sought under this business plan are as follows:

Named Authorities and Limits

[Are any TPAs involved?]

## Commercial Terms

Proposed outline commercial terms:

* Proposed type of agreement
* X years agreement duration
* X% coverholder commissions
* X% broker commissions
* Administrative / policy fees
* Allowable expenses
* X% profit commission
* Profit commission calculation
* Ability to purchase reinsurance protection

# Market Commentary

This section provides a snapshot of the current market, recent changes and expected developments.

Provide an overview of the current state of the market in which the program operates

* Changes in demand (customers, distribution, etc.)
* Changes in supply (competitors, products, etc.)
* Changes in terms, pricing trends, rate movements
* Changes in rating environment and regulation
* Changes in claims inflation
* Large market losses

## Past Performance

This section provides a profile of the book of business – policies, exposures and claims with splits by distribution, segment, territory, product, line band as well as summary profitability.

## Recent Background

## Summary Performance

Underwriting performance over the last X years is summarised below.

* GWP, NWP, Paid, OS, IBNR, GLR, NLR
* If underwriting results have been achieved in a different company, indicate this

## Segment Analysis

Breakdown by trade, class, layer, etc.

* GWP, NWP, Paid, OS, IBNR, GLR, NLR

## Territory Analysis

Breakdown by territory.

* GWP, NWP, Paid, OS, IBNR, GLR, NLR

## Risks By Line Band

Breakdown of risks by line band is as follows (which is expected to be similar for the portable book):

* Line band, policy count, TSI / LOI, %

## Underwriting Performance Comparables

Loss Ratio comparison relative to peers, industry averages, etc.

## Claims Analysis

Triangulations, large losses, attritional losses, commentary, etc.

# Underwriting

This section provides an overview of risk selection, pricing, wordings and terms and conditions.

## Underwriting Methodology / Strategy / Philosophy

## Underwriting Guidelines

## Target Risks, Countries, Segments & Trades

## Underwriting Processes

Key Underwriting Processes

## Policy Wordings

Copies of all wordings, market clauses and a range of endorsements can be supplied on request.

## Rating / Pricing / Modelling

## Declined Risks

The following risks will not be considered (or fall outside scope):

# Marketing

This section provides an analysis of customers, distributors, competitors and products, then goes into marketing strategy and plan across several dimensions of the business.

## Customer Analysis

### End Customers

Market segments – size and growth

Demands and needs

Behaviours

### Distribution Channels

Market segments – size and growth

B2B vs B2C

Broker channels, agents, online aggregator platforms, third party retailers, direct sales, etc

Roles and responsibilities

## Competitor and Product Analysis

### Competitors and Products

Direct competitors – insurers, coverholders, distributors

Where they compete (segments, geographies, etc.)

Strengths and weaknesses

Substitutes

|  |  |  |  |
| --- | --- | --- | --- |
| **Competitor** | **Product** | **Where Compete** | **Policy Sales / EPI** |
|  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Competing Product** | **Features** | **Strengths** | **Weaknesses** |
|  |  |  |  |

## Our Product Range

### Product 1

Features, coverages, limits

### Product 2

Features, coverages, limits

## Marketing Strategy and Plan

### Marketing Strategy & Objectives

### Customer and Policy Projections

Build-up of customers, submissions, quotations, retentions / renewals, new business

### Competitive Advantage and Unique Selling Proposition

### Targeted Business / Customers / Distributors

### Distribution Plan

New acquisition vs. penetration

Relationship building objectives / activities

### Digital Marketing Plan

### E-Commerce Plan

Quote-to-bind

Aggregator sites

### Advertising & Promotion Plan

### Events and Conferences

### Publications

Articles

Case studies

Thought leadership

Marketing collateral

# Claims Management

This section covers how claims will be handled if claims authority is being sought under this program.

## Claims Oversight & TPA

[How will claims be handled?]

## Claims Handling Process

Claims management as follows:

* TBD

# Management Team and Program Executives

This section provides an overview of the key personnel involved in the program including management team and key program executives.

## Organisation Chart

## Key Personnel

Key personnel involved in this program are detailed below. CVs available upon request.

### Name, Job Title

Bio – relevant experience, qualifications

Current employment - years employed

Previous employments, job titles, underwriting authorities held, accomplishments

### Name, Job Title

Bio – relevant experience, qualifications

Current employment - years employed

Previous employments, job titles, underwriting authorities held, accomplishments

### Name, Job Title

Bio – relevant experience, qualifications

Current employment - years employed

Previous employments, job titles, underwriting authorities held, accomplishments

# Operations, Systems and Controls

This section covers components of your operating model, human resources, systems, key processes and controls

## Office Locations

List of office locations, staffing, office roles

## IT Systems

Quote-to-bind, underwriting, exposure management, claims, finance, general ledger platforms

Email, document and office applications

### Information security

## Operations and Finance

### Risk Recording

### Credit control

### Bordereaux reporting

### Management reporting

## Underwriting Controls

### Approvals and authority levels

Underwriters

Managers

Underwriting Committee

Lead Underwriter

Reinsurer

### Peer review

### Exposure management

### Monitoring and reporting

## Compliance

### Broker / Agent / Producer approval processes

### Product risk

### Audit

Internal

External

### Complaints

# Financial Projections

This section covers operational KPIs, financial projections and financial assumptions.

## Premium Income and KPIs

Projections for the business are as follows:

## Key Business Assumptions

Key assumptions here include:

### Premium Growth

* A
* B
* C

### Business Origination and Production

* A
* B
* C

### Rating and Pricing

* A
* B
* C

### Losses and Loss Adjustment Expenses

* A
* B
* C

# Business Risk Management

This section provides an assessment of key business risks which may in turn impact the program and actions being taken to mitigating these risks.

Key risks to our business and to the program include:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Risk Description** | **Likelihood** | **Severity** | **Priority** | **Mitigating Actions** |
|  | H / M / L | H / M / L | H / M / L |  |
|  |  |  |  |  |
|  |  |  |  |  |

# Appendices

This section provides space include any underwriting and claims delegated authorities sought under this program as well as outline commercial terms.

A close up of a sign

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*Source markets for your programs quickly and securely*

**Features and Benefits of Capacity Place**

|  |  |  |
| --- | --- | --- |
| **Smart Market Matching**  Your program is relevance-scored against Capacity Providers’ risk appetite to source markets with best fit | **Program Data Room**  Share commercially-sensitive documents through our secure repository where you control who has access | **Capacity Tracker**  Keep track of all interested Capacity Providers in one place from initial enquiry though to conclusion |

|  |  |  |
| --- | --- | --- |
| **Wide Range of Carriers**  Reach a broader set of risk carriers including insurers, reinsurers, Lloyd’s underwriters, ILS funds and fronting carriers | **Global Reach**  Expand your prospective markets beyond local contacts with Capacity Providers from across the globe in countries both near and far | **Faster Program Placement**  Comprehensive program listings direct to Capacity Providers generates competitive interest and enables quick decision making |

**Five Steps to Securing Capacity for your Program**

|  |  |  |
| --- | --- | --- |
| **1** | **Create Your Program Listing**   * Complete questionnaire for company profile and program details * Add documents to your Program Data Room and public repository * Specify capacity, financial strength rating and licensing requirements | |
|  | **Get Matched to Capacity Providers**   * Set anonymity options (i.e. hide your identity) * Set confidentiality options (i.e. hide from specific risk carriers) * Your program is matched with relevant Capacity Providers * Interested Capacity Providers contact you to discuss | **2** |
| **3** | **Build Interest with Capacity Providers**   * Discuss your program with prospective Capacity Providers * Participate in Capacity Providers’ due diligence processes | |
|  | **Negotiate and Conclude Contracts**   * Negotiate authorities and limits, wordings, operational processes and commercial terms * Conclude capacity support agreements | **4** |
| **5** | **Start Trading with Capacity Provider(s)**   * Invite risks, issue quotes and policies, collect premiums * Remit premiums and bordereaux to Capacity Providers | |

**Go to CapacityPlace.com to get started**