Agent-Owned Insurance Company

5-Year Simple Pro Forma | 85% Client Retention | Expenses Grow 18% Per Year

15 Agent Owners Each agent buys 10 units.	**$8,000 Each** 10 units x $800.	**50% Agent Ownership** The insurance partner owns the other 50%.
36 Clients Per Agent About 1 captured client every 10 days.	**$5,000 Premium** Average annual household premium.	**15% Revenue** About $750 of agency revenue per active household.

The idea in one sentence

Every year, the 15 agents bring in about **540 new households**. We assume **85% of existing clients stay**, so the insurance book gets bigger each year. Expenses also rise **18% every year** as the company adds salaries and support.

5-Year Projection

	Year 1	Year 2	Year 3	Year 4	Year 5
Active households	540	999	1,389	1,721	2,003
Written premium	$2.70M	$5.00M	$6.95M	$8.60M	$10.01M
Agency revenue (15%)	$405,000	$749,250	$1,041,862	$1,290,583	$1,501,996
Expenses	$95,000	$112,100	$132,278	$156,088	$184,184
Company profit	**$310,000**	**$637,150**	**$909,584**	**$1,134,495**	**$1,317,812**
Agents' 50% share	**$155,000**	**$318,575**	**$454,792**	**$567,248**	**$658,906**
Profit per agent*	**$10,333**	**$21,238**	**$30,319**	**$37,817**	**$43,927**

*Profit per agent means each agent's share of company profit if all profit were distributed. Actual cash distributions could be lower if the company keeps money for reserves, growth, taxes, or other needs.

What This Could Mean for One Agent

Each agent invests $8,000 and indirectly owns 3.33% of the whole company (1/15 of the agents' 50% ownership).

Year	Agent's share of annual profit
Year 1	$10,333
Year 2	$21,238
Year 3	$30,319
Year 4	$37,817
Year 5	$43,927
5-year total	**$143,635**

By Year 5, the simple picture is:

~2,003 **active households**	**$10.0M** **annual premium**	**$1.50M** **agency revenue**
$1.32M **company profit**	**$659K** **agents' 50% share**	**$43,927** **profit per agent***

Why the numbers grow

Think of the business like filling a bucket. Every year we pour in **540 new households**. Some clients leave, but we assume **85 out of every 100 stay**. That means the bucket keeps getting fuller, creating more recurring premium and more recurring agency revenue.

Important: This is a planning model, not a promise

This pro forma uses the assumptions supplied by the owners. It does not yet include taxes, carrier-specific commission differences, profit-sharing/contingent commissions, financing costs, extraordinary claims-related expenses, regulatory/legal costs beyond the assumed expense budget, or a separate reserve policy. It also assumes the average $5,000 household premium and 15% agency revenue remain constant for five years.

Ownership: 150 agent units represent 50% of the company. The insurance operating partner owns the other 50%. The $120,000 raised from the agents is initial capital and is not counted as operating revenue.