**Grassroots Guard Ltd** t/a **Grassroots Insurance**

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| Executive summaryThis document serves as a comprehensive business plan a new Financial Lines Managing General Agent (MGA). Its primary purpose is to outline the founder's vision, operational strategy, market analysis, competitive advantages, and robust risk management framework. It aims to demonstrate the viability and unique value proposition to potential stakeholders by detailing our mission to address unmet market needs and provide superior, principled financial lines insurance services. |  |

*15th of September 2025 update*

* *Since the production of this document, there have been some updates. We have set up a limited company for our operations: Grassroots Guard Ltd. Our trading name will be Grassroots insurance™. Our logo is shown as above and described as: <svg width="200" height="200" viewBox="0 0 100 100" xmlns="http://www.w3.org/2000/svg"> <path d="M50 0Q25 25 0 0q0 80 50 100 50-20 50-100-25 25-50 0" fill="green"/></svg>*
* *We created a website to document our journey: Shobuz.co.uk.*
* *Though we are not trading yet, we decided to make a start in our main goal: to help the community. We therefore created a website free of charge for a local Cafe:* [*https://batley.shobuz.co.uk/BigJoesCafe.*](https://batley.shobuz.co.uk/BigJoesCafe.) *This job was a surprise an well received. Big Joe’s Cafe is named after the founder’s grandad. The founder, Danni, is a local who has had an exciting life in Batley. What made me decide this cafe is seeing the importance they had to the community and understanding that they could not afford a website.*
* *We have adjusted how we intend to launch and are looking to bring on a talented individual. We will reveal who they are once they sign their documents! This means that perhaps in the first year, trading might be slower. However afterwards progress will skyrocket with the combined skills and efforts of this individual and myself.*
* *Some details in this document may be out of date therefore contact us by email for information: Hello@Shobuz.co.uk.*

**What is the problem we are looking to solve?**

Insurance companies are essential to society. This has made insurers and facilitators extremely powerful. The majority of which are owned by private equity and traded publicly. This means these entities have the end goal of maximising shareholder value.

## Vision

We are a grassroots Financial Lines Managing General Agent (MGA) founded on the principle of sustainable growth and community benefit. Our long-term ambition is to evolve into a full-fledged grassroots insurance company, redefining service and value in the sector.

## Founder's Background & Drive

I, Abdul Alim, studied Accountancy and Finance at the University of Liverpool and have over a decade of experience in financial sector. My professional career includes significant roles as a Financial Lines Underwriter at a major UK insurer and Professional Indemnity Underwriter at specialist UK MGA. My journey, marked by a deep appreciation for financial literacy and a personal commitment to helping others, revealed a substantial gap in the insurance market: unfulfilled demand and client dissatisfaction. This venture is driven by my passion for financial law and a desire to build a more principled, impactful business.

## Core Proposition

We will offer specialised Financial Lines underwriting services to insurers via insurance brokers. Our focus is on protecting UK businesses and individuals from financial risks such as Director and Officer's Liability and Professional Indemnity. We aim to bridge the complexity gap in this highly profitable sector by educating the market and providing essential coverage that safeguards against financial ruin.

## Market findings and Issues

* Unfulfilled Demand & Dissatisfaction in Financial Lines Insurance: The founder's industry experience reveals a significant gap where clients and brokers are either underserved or dissatisfied with existing offerings. This is compounded by the inherent complexity of Financial Lines insurance, which often leads to it being overlooked.
* High Overheads & Inefficiency in Competitors: Larger, more established MGAs and insurers often carry significant overheads (high executive salaries, bloated management, past losses) which impact their pricing and profitability, making them less agile and cost-effective.

## Strategic Advantages & Operations:

* Lean & Efficient Model: Operating as a single-executive MGA with strategically outsourced functions (accounts, claims, legal), we minimise overheads. This allows for direct client communication, offering immediate, expert engagement and fostering strong relationships.
* Cost-Effectiveness: Our grassroots approach and minimal fixed costs provide a significant competitive advantage, enabling us to offer highly competitive terms while maintaining healthy margins.
* Underwriting Expertise: Leveraging the founder's extensive underwriting experience, we will implement an optimised process focusing on upfront, comprehensive questioning and transparent quoting ("subject to" terms, VRIs) to mitigate information gaps, a common industry challenge.
* Credibility & Network: Built on the founder's established market relationships and credibility, our initial strategy focuses on direct engagement with known brokers and active participation in industry events (MGAA, BIBA) to quickly build a strong brand presence. Future plans include thought leadership through white papers and expert interviews.
* Robust Security: We are committed to industry-leading data security, prioritising offline operations and strict system separation to exceed UK data protection regulations.

Risk Management & Resilience: Our business is designed for stability. We face minimal market or credit risk, and our operational risk is low due to our lean structure. We implement comprehensive risk mitigation strategies, including **diversifying our product offerings**, **long-term technological investments** to reduce future costs, and maintaining a **flexible portfolio** to adapt to market changes. A significant **5% of our revenue is ring-fenced for comprehensive business insurance**, providing a crucial safety net against professional errors and disputes. Our financial model allows for **flexible spending adjustments** in economic downturns, including scaling back on non-essential expenditures like actuary fees, bespoke software development, and marketing.

Market Opportunity: The UK insurance market is vast (£122 billion), with 5.5 million businesses representing significant untapped potential, particularly in the complex yet vital Financial Lines sector. Our strong Principal Firm relationship ensures regulatory compliance, enabling us to effectively serve this demand.

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# Background

The world is becoming a lot more litigious, and the UK is no different. Our clients face uncertainties from all angles and need protection. Greater exposure to risk is followed by stricter regulations.

The 2017 Grenfell tragedy highlighted the dangers of poor fire cladding, leading to stricter regulations and heightened public awareness around fire safety. We became for conscious of all things related to fire safety as we did not want the same tragedy to occur. Companies related to the property sector faced increased scrutiny and greater exposure to fire safety claims.

Previously, a construction company may have handled various fire safety tasks without issue. However, insurers facing claims and litigation began adjusting their approach at renewal: either excluding certain work, modifying cover, or increasing premiums. Companies then had to decide whether to stop high-risk work or adjust pricing to reflect the risk. This shift led to the rise of specialised fire safety experts, offering deeper industry knowledge and helping to compartmentalise fire risks.

Insurance coverage also holds regulatory and client-driven value. Property developers managing multi-million-pound projects rely on specialists like architects. Would they risk hiring one without professional indemnity insurance, knowing a costly mistake cannot be recouped?

Regulators like the ICAEW, ACCA, and RICS require companies to hold insurance that meets strict standards, ensuring greater security and accountability across industries.

## Understanding Finacial Lines Insurance

Financial lines are a category of insurance coverage designed to protect businesses and individuals against specific financial risks. Coverage include Directors and Officer’s liability; Professional Indemnity; Corporate practices liability and employment practices liability. Converge sometimes include financial crime, Employer liability, Public Liability and Cybercrime.

Directors and Officers Insurance (sometimes referred to as D&O, management liability protection, MLP) protects company "officers” from personal financial loss if they are sued for decisions made in their roles. “Officers” are a defined term within the policy wording, it usually covers directors, executives and managers. Coverage usually covers legal fees, settlements, discovery, and damages related to claims of mismanagement, breach of duty, or regulatory violations.

Businesses often have an “Articles of Association” to protect directors against personal litigation for performing in their role. As a result, they are liable for related claims.

A scenario of where directors and officers insurance could indemnify a client. A construction company had a contract with a client. They hire and make purchases based off this contract. The client has financial issues and are forced to liquidate before payment is made to our insured. As a result, the insured is forced to close the business down. The employees who have been laid off decide to sue the directors of the company personally for their loss of earnings. In this scenario, the insured’s articles of association protects the directors and this triggers the protection of their directors and officers insurance.

In the above scenario, say the company being sued did not have directors and officers liability. They are hypothetically liable for the claim in it’s entirety. We’ve established that this company was liquidated however, so actually the directors will need to defend the claim themselves.

As a result of not having directors and officers insurance, a director may choose not to join a company. A potential client may decide not to work with said company.

Professional Indemnity Insurance (sometimes referred to as PII)protects businesses and professionals from financial losses arising from claims of negligence, errors, omissions, or inadequate services provided to clients. It covers legal fees, settlements, discovery and damages if a client alleges financial loss due to the insured’s professional advice or services.

A scenario where Professional Indemnity Insurance could indemnify a client. A marketing consultant advises a retail business on an advertising campaign. They are paid £30,000 for this contract. Due to an error in compliance, the campaign violates advertising regulations, resulting in fines and advert can no longer be used. The customer suffers a loss of earnings and decides to sue the consultant for professional negligence, claiming financial loss due to the incorrect advice. The claim is for £1m plus defence costs. The consultant has Professional Indemnity Insurance covers the legal defence costs, settlements, and any awarded damages. This prevents the consultant from paying out of pocket and ensures their business remains financially stable.

Without PII, the consultant would need to cover all legal expenses and any compensation awarded to the client. In the above scenario, it is likely the consultant does not have £1m even if they lose the litigation. Therefore, the customer will have to front some of the losses as well as the consultant. Both the customer and consultant may go out of business.

Therefore, it is common for customers to require those they work with to have professional indemnity insurance. A lot of regulators require companies and individuals to have this protection under minimum wording to obtain licensing.

Corporate Practices Liability Insurance (sometimes referred to as CPL) protects businesses from claims related to wrongful corporate activities, including regulatory breaches, compliance failures, unfair competition, and shareholder disputes. It is designed to safeguard companies against financial loss due to legal action taken by stakeholders, regulators, or third parties. This policy is often an extension of Directors and Officers Insurance.

Employment Practices Liability Insurance (sometimes referred to as EPL) protects businesses from claims related to workplace disputes and employment-related wrongful acts, including wrongful termination, discrimination, harassment, retaliation, and wage disputes. Claimants can include employees, former employees, unions or job applicants. This policy is often an extension of Directors and Officers Insurance.

**Financial Crime** Insurance and **Cyber Crime** Insurance can be expansive and their own categories. Though there are times where a limited coverage version could be purchased as part of a package with Directors and Officers insurance.

Employer Liability Insurance (sometimes referred to as EL) protects businesses from claims related to workplace injuries, occupational illnesses, or negligence in employee safety. It is designed to safeguard companies against financial loss due to lawsuits filed by employees who suffer harm while performing their duties. This coverage is often a legal requirement in the UK. Sometime this cover can come with Professional Indemnity, though it is much more common for this cover to be part of a different package or purchased as a stand-alone cover.

Financial Lines insurance offers comprehensive protection, making it essential for nearly all businesses in the UK. As one of the most profitable and high-growth sectors in the industry, it presents significant untapped potential. However, its complexity often leads to it being overlooked by clients and brokers alike. Our mission is to bridge this gap by educating the market and providing businesses with the coverage they need to safeguard against claims that could otherwise lead to financial ruin.

## Understanding what a Managing General Agent (MGA) and insurance broker is

**Underwriting** is the process of writing a risk for a premium. Financial lines underwriting is the process of writing the risk of an entity in relation to the financial lines cover for a premium. This includes the level of cover and endorsements.

A Managing General Agentrepresents the insurer as an intermediary. The main intermediary services we will be providing is underwriting services and binding authority.

Insurance brokers represent their clients by trying to get them the best possible terms and simplifying the process by being a one stop shop for insurance. A client will often allow one broker to handle all their insurances. Clients may go out into the market seeing if other brokers can offer better terms or service. Insurance brokers have mixed leverages which may benefit them, insurers and their clients.

We would also be acting as an insurance broker for our clients. Our brokerage and MGA divisions will operate independently to ensure that both insurers and clients are fairly represented.

## Background on the market

We will be focusing on the UK Insurance Market currently worth £122 billion.

As of 2024, the UK’s private sector is believed to be worth around £5.27 trillion across 5.5 million businesses and 70 million people. We will be looking to attack the current market as well as protecting clients currently uninsured.

The Client is the insured, potential insured and/or proposer who ultimately benefits off the protection of the insurance. A client could be one of the 5.5 million registered businesses, or any individual who needs such protection. These individuals include, but are not limited to, sole traders and contractors.

The **Insurer** is the company that is providing the protection. The Bank of England maintains a list of authorised UK insurers. Out of the 299 listed, 148 insurers potentially cover one or more of the products we will be insuring.

Any financial business in the UK must be regulated by the Financial Conduct Authority (FCA). Obtaining FCA approval can take anywhere from six months to a year, with the outcome largely dependent on the strength and clarity of the business plan submitted. The FCA allows certain companies to delegate their regulatory authority through a model known as **Appointed Representatives (AR)**. A company will delegate their authority to their AR, this company is known as the **Principle Firm**.

We have already sourced our Principle Firm who will be offering support beyond just delegated authority.

# Opportunities and our solution

Currently, the supply of insurers and underwriting expertise is not enough to meet the current demand of the market.

Our solution is an underwriting MGA with binding authority. This operation involves using our delegated authority to underwrite risks presented to us. We will then present terms to the customer based on agreed wording, endorsements, limits of indemnity, and other particulars. Once the client agrees terms, we will bind cover and process payment. At the end of each month, we will distribute payments to our insurers after commissions and IPT.

Our MGA will have agreements with various insurers. These agreements will all seek the best coverage and commission.

We have a range of insurers to approach for delegated authority agreements. The Managing General Agents' Association (MGAA) has 19 insurers actively participating in the delegated authority market. The platinum member AXA is recognised by RICS and ICAEW and will be one of our target insurers.

Where certain agreements with insurers overlap, the coverage will be split between insurers and specified on the schedule. These overlaps will be referred to as “binders”. Different binders will have important distinctions.

We will aim for each binder to be structured in a way so that no one insurer would be providing the majority of the cover. This strengthens our negotiation position, as insurers will need to compete for underwriting opportunities. At the same time, it benefits insurers by limiting their exposure per risk while allowing them to insure a larger volume of clients.

Certain regulators require coverage from approved insurers, meaning only specific insurers can provide compliant policies. We will have binders specific for these covers.

We will quote based on our risk assessment. Sometimes, we'll offer the best terms and win the business. Other times, the company who currently has the business may be able to match our terms or other competitors may offer better terms.

We will be using this market dynamic to our advantage:

* We’re naturally going to have much lower expense than our competitors. Meaning a competitor to match or beat our terms, they are taking on risk higher than what them premium justifies.
* This will happen across the industry. We will win our share of the market and the share we don’t win will come at a cost to our competitors.
* They will occur higher claim to premium ratios, lower profits and adjust their risk appetite. The market’s risk appetite will change which continuously give us new opportunities to take market share.

Our risk appetite will also evolve with the changing market: a risk we lose today could be an opportunity at renewal. Especially if competitors raise premiums after a claim or if we reassess and find the risk less severe.

We will be leveraging our current relationships with brokers to form official partnerships. This will allow us the chance to win their business. Being a new player in the market, we have a mixture of benefits and hurdles to jump over though. Brokers may have leveraged their books of business already to gain favourable terms with an MGA or insurer. The market has a lot of these agreements already and breaking them requires a lot of work and resources.

Our plan is to grow naturally and be patient. We have a lot of advantages that will also us to win market share over the long term.

* We have a much lower starting expense to premium ratio. This means we are able to offer lower premiums and better terms whilst still being profitable.
* We bring strong underwriting expertise and experience to the table. Many industry underwriters are relatively new, and with complex, challenging products, mistakes can lead to poor claims-to-premium ratios. With me overseeing all risks regardless of size, we ensure a consistently high standard of underwriting across the board.
* We have incredible software, exclusive calculations and data on the industry that allows us to offer competitive terms from day one. These software and data beat our competing MGAs.
* As we grow our business, we will be using machine learning and large language models to do a lot of the leg work of our daily tasks. They will generate reports based on instructions we give them. Then we will review these reports and underwrite the business. Our terms will be cross referenced with external data to ensure accuracy. This style mimics the mixture of experts model our competitors use to train staff. It’s an expense approach for them but extremely cost effective for us.

The market is always changing. Relationships are always changing. By simply focusing on offering the best service terms and expertise, we will in time win more and more business. Let's say the market is overall underpriced across the board. That means we can expect claims and defence to be higher than the premiums. Companies do not want to lose money year on year, so they will need to compensate. They will do this by increasing premiums of offering stricter terms at the next renewal. These will give us new opportunities to win business. Let’s say a client or broker goes and renews with the stricter cover and needs to make a claim. Their claim might not be covered, might have lower limits or higher excesses. This will sour relationships between clients, brokers, regulators and all those in the market. I can say from experience; this sourness already exists and is already there for us to take advantage of.

## Further feasibility testing and external validation

Before we become operational, we will be holding initial talks with many stakeholders to get the finer details of the plan in place. This is to paint a clearer picture, important steps include:

* Accountants: Validate financial forecasts and ensure compliance with tax regulations.
* Legal Review: Ensure compliance with UK laws and regulations.
* Further discussions with stakeholders such as investors and insurers.

We have a basis for various policy wordings for the different products and trades as a draft. The finalised wordings will be agreed with insurers based on the binder. References to policy wordings may include references to its related Insurance Product Information Document (IPID).

We have templates of the statement of facts (SOF) and policy schedules which will be different for each client each year.

## Financial & Accounting Considerations

Our accountants will gives us clarity for our financial forecasts and tax planning. We’ve made an effort to anticipate conservative revenue, future growth and the higher end of taxes. Our accountants may be able to advise us of areas where we may be paying too much tax or where we might be too conservative with our finances. Therefore, we expect feedback from accountants to support us or at least not provide a detriment to our plans.

## Legal considerations

Legal advisors will assess our contracts, regulatory obligations, and risk management strategies. Our strategy and general practise will be among industry standard. Therefore, we expect minimal pushback in our plans from legal.

A large part of our regulatory oversight will be assisted by our Principle Firm.

# Operations & Strategy

The **structure** of the company will be a limited liability company with a sole shareholder and executive.

We will be **based** in the United Kingdom.

We will be **regulated** by the FCA for our activities using our Principle Firm.

Our accounts, claims and legal handling will be outsourced to specialised firms.

## Personnel

Operations will be managed exclusively by me, with specialised work outsourced. This ensures top-tier expertise while keeping costs lower than competitors.

This approach also reduces human error and risk caused by internal miscommunications.

By passing these savings on to clients, we can capture market share more aggressively, positioning ourselves as a cost-effective alternative in the industry. Larger competitors, burdened by higher operating expenses, may struggle to match our pricing and efficiency, giving us a strategic advantage.

For expansion, we will be hiring technology engineers who can create in house machine learning; large language models and calculation software for us to be able to produce more quotes.

A simple hierarchy allows for better access to knowledge for brokers and clients.

Many insurers and MGAs struggle to provide brokers with sufficient time and expertise when answering broker queries. This is due to senior staff members busy with specific cases, training, admin work or training. Junior underwriters may lack the authority or confidence to effectively convey their company’s value, making it difficult for brokers to access decision-makers.

Junior underwriters often escalate their knowledge gaps to senior underwriters, who then not only resolve the issue but also spend time educating the junior. While mid-level seniors may attempt to pass on their knowledge, this process risks information becoming skewed as it is relayed through different perspectives. From experience, I’ve seen underwriters at the same authority level teach different things, leading to inconsistencies. While this isn’t always negative, these internal discussions take up valuable time and ultimately contribute to increased costs, which are then passed on to customers.

The challenge with training in this context stems from the inherent complexity of both the product and the underwriting process. The product itself is a sophisticated concept, and underwriting it adds another layer of complexity, as it requires a thorough assessment of numerous risks. In many cases, there seems to be an almost limitless number of factors that could potentially impact the underwriting decision. The true skill lies in discerning which factors are relevant and should be prioritized, and which ones are not as critical. This process requires a deep understanding not only of the product but also of the unique risks it presents, and being able to make quick, informed decisions about what matters most in each situation.

Clients will ask broker queries, then brokers will come to us, they then pass on such information back to the client, who may have follow-up questions. I’ve seen from experience where a broker asks a follow up question to a new underwriter. The new underwriter doesn’t understand or agree with what the previous underwriter advised which may cause these underwriters to discuss the query amongst themselves. We are offering our products directly to consumers as well as brokers.

The advantage of us is that brokers and client communicate directly with me. They’ll receive immediate, knowledgeable, and decisive engagement, ensuring a more efficient and effective working relationship.

It’s worth highlighting the potential downsides of such structure, as well as how we plan to mitigate this.

* There will be times where we might not have that many queries. We may also be seen as very reliable and available, meaning we’ll have an increased number of contacts for queries that could be answered in an email or found in the policy wording. There may be periods during peak seasons where brokers are looking for information and we might be overburdened with queries.
* To mitigate this, communications will come with educational pieces in showing brokers how to find answers themselves using our policy wording. For example, I’ll ask them to open page X of the policy wording. Then give them the answer using the wording. This will encourage a habit them finding information themselves using our material first.
* I’ll be updating an internal log of the query the broker has asked and during downtimes, analyse the data. This will allow me to identify knowledge gaps in brokers and how to answer queries more effectively for them.

We will prioritise brokers who have more business with us and have offered us favourable risks. Brokers will notice an upturn in service along with coverage. We will be clear to brokers with little or no business with us who may ask us excessive queries. Like highlighting the disparity in queries being asked and the business we are receiving from them.

Finally, we will make it clear that our advice is specific to us. We will caveat information by advising we do not have access or understanding of our competitors products. This contains our information’s value to us. It will encourage brokers to place business with us. Along the same lines, we won’t be delving into hypothetical coverage that is different to what we are offering.

## Security and data protection

We will have the best security in the industry due to the structure of the business and our approach to data and security. Our security framework is designed to far exceed the UK data protection regulations and fundamentally cannot be matched by our competitors. We will prioritise offline operations, keeping critical systems disconnected from the internet or any external networks whenever possible. Where interaction with the internet is necessary, we will maintain a strict separation between external-facing software and internal data-handling systems.

*Our competitor's data prisoner’s dilemma*

Unlike our competitors, we do not rely on internal data sharing. Many industry players have remote staff requiring cloud access, increasing their risk exposure. They must assume employees will only access necessary data, but this creates a security dilemma.

One customer’s data will need to be accessed by multiple underwriters, management, accounts team, tech support and data officers.

Our competitors constantly face a prisoner's dilemma with their own staff and data. If an employee's device is compromised or their activity appears irregular, the company must decide whether to monitor or investigate. A "nice" approach avoids false negatives but leaves vulnerabilities. A "nasty" approach, investigating covertly, incurs costs and HR complications. Worse still, undetected issues pose a significant risk.

Our operations are handled solely by myself; therefore, we do no need to worry about this.

Our core software is built from the ground up and designed exclusively for our internal use. The design will be built on the basis that they will be operating offline exclusively.

Our competitors have all their data stored on a cloud or network. This means they have exposure through multiple devices and access points. We will have significantly less vulnerability points, and the ones we do have will be secured much stronger than the industry standard.

The Managing General Agents' Association (MGAA) is a trade body that represents MGAs in the UK, offering a platform for networking, knowledge sharing, and advocacy within the insurance industry. By registering with the MGAA, we gain access to essential resources that enhance our credibility and demonstrate our commitment to industry standards. Resources include highly relevant educational material related to all aspects of our operations including the FCA, the market, underwriting, brokering and the history of the industry.

This membership also provides us with valuable industry connections, as well as opportunities to participate in events that they hosts for their members to network. Attendees include other MGAs, insurers, brokers and stakeholders who are looking to connect within the industry and offer value. Being a part of the MGAA positions us as a trustworthy, professional business, which is key to establishing ourselves in the market.

We can join the MGAA before launch to gain the benefits early.

Like our policy wording, our target market will largely be in line with the market. Such as companies with no past claims, well established, regulated. We have our own risk philosophy that is based on experience and market intelligence. Risks with higher aggregate total claims and defense costs will be priced accordingly. Our approach to risk will be discussed further in a different section of the business plan as such consideration is pivotal to our services.

Our customer journey will be designed to be as straightforward as possible. Brokers and clients will have 3 main channels to obtain our services: our website, emails and Acturis. We will provide them with a quote using email or Acturis. In the future we will consider further avenues such as other softwares our brokers us or even social media.

Payment processing will be managed internally. We will not be offering financing. Our accounting partners will provide support and address any related queries or complexities.

## Technology & tools

*\*This information is not available for this document\**

## Claims Management

*\*This information is not available for this document\**

## Complexity of product being a natural gatekeeper

Financial lines products are inherently complex due to the intricate risk factors involved. A claim can come from many different angles when it comes to Directors and Officers insurance and Professional Indemnity tends to be the first line of defense when it comes to claims coming from professional mistakes.

They require expertise in legal frameworks, regulations, litigation trends, and financial exposures across industries. Unlike standard insurance, financial lines underwriting involves assessing complex, intangible risks like reputational damage, regulatory scrutiny, and financial misrepresentation.

This complexity naturally keeps out new competitors. Entering the market requires expertise, quality data, strong broker relationships, regulatory compliance and business acumen. That’s why underwriters are in high demand, and there’s a real opportunity to protect an untapped market.

## No room for complacency or entitlement

A lot of insurers and MGAs may have a strategy of how they handle each broker relationship. They may feel they know what a broker’s book of business is and adjusts their efforts accordingly. As a start-up, we don’t have the luxury of complacency and entitlement. We need to be far more open-minded and adaptable in our approach, which means consistently being accommodating to our stakeholders.

Relationship breakdowns are common in the industry. One example is when a broker’s book of business experiences high claims payouts. Senior underwriters, upon reviewing the book, might identify material information they believe was omitted and could have avoided these claims. This hindsight often leads to accusations of information withholding, which sours the relationship. What’s important to note is that this issue may not have been present when the business was initially written. As a start-up, we don’t have this historical baggage, and we can approach relationships with a clean slate, always focused on the present and the future.

Another common issue arises when a broker decides to move their book of business without giving the insurer a chance to retain it. This often happens because a broker’s preferred insurer now opens to writing specific types of risks. The underwriters who won the risk and were retaining it may feel frustrated and escalate the issue to senior management. These conversations can sour relationships. We, however, have the advantage of being free from this kind of past frustration. We embrace a forward-thinking, positive mindset that doesn’t hold grudges.

## Sales Strategy

*\*This information is not available for this document\**

## Marketing & Brand Positioning

*\*This information is not available for this document\**

# Financials

## *\*This section has been significantly simplified for this document\**

Our main source of income will derive from policy fees and commission from our services.



## Further growth opportunities

As our portfolio grows (e.g., from £10m to £25m next year), we gain significant leverage. This allows us to negotiate better commission rates and terms with insurers, potentially adding substantial income (e.g., a 1% increase on £25m is an extra £250k).

**Financial Optimisation:** We will hire expert accountants to find ways to reduce tax and expenses. Their expertise in managing things like depreciation will uncover savings, free up capital, improve cash flow, and boost our profits.

**Strategic Marketing & Brand Building:** We anticipate fast growth. While we've budgeted for marketing (starting at £20k in year two, increasing by £10k annually, aiming for an 8x return), our approach is flexible and dynamic.

* **Digital Engagement:** We'll use specialists for social media (LinkedIn, Instagram) and Google Ads. These are cost-effective ways to connect with clients, drive website traffic, and build our brand, potentially exceeding our 8x return target.
* **Influencer Partnerships:** We'll explore collaborations with relevant influencers (e.g., a British car repair YouTube channel). This expands our reach and builds trust without high upfront costs, also aiming for returns over 8x.

**Leveraging Our Brokerage for Growth:** Our integrated MGA and brokerage structure offers unique advantages. As our brokerage's client base grows, it gains significant negotiating power. This allows us to secure financially beneficial agreements with other MGAs and insurers, ultimately benefiting our customers through better terms. This high-margin, low-risk service stream adds substantial value as our business expands.

# Beyond 5 years

## FCA regulation

In the future, we will be regulated through the FCA directly. Losing our reliance on our Principle Firm. This brings us control and opportunity to expand our business. Becoming FCA regulated comes with additional responsibilities and we will would be subject to further audits. Therefore, this step will be done when appropriate.

## Capacity

The key target for us in the future is to become our own capacity and become an insurer outright. This requires FCA and PRA authorisation. We will be selecting the risks most in line with our business strategy and cover part of the capacity. This means we will be retaining the full amount of the premium we are insuring after expenses and claim. This greatly increases our cashflow and doubles down in ourself.

The goal is to increase this percentage over time, we will be purchasing reinsurance from the likes of Zurich as common practice within the industry.

Over time, our aim is to gradually increase the proportion of risk we retain, while adopting industry best practices such as purchasing reinsurance from established providers like Zurich. This strategy ensures both sustainable growth and reduces risk by loosen our reliance on our insurers.

## Vertical and Horizontal integration

Vertical integration is when a company takes control of different stages of its production or supply chain, rather than relying on external suppliers or distributors.

Horizontal integration is when a company acquires or merges with a competitor that operates at the same stage of the supply chain in the same industry.

Our strategy for these won’t be discussed in this document.

## Foreign Exposure and sanctions

Insuring the foreign market is not in our plans. Our goal is strictly for the benefit of the UK and foreign markets do not align with this. We will have robust systems and protocols in place to comply with UK sanction rules.

**Contingency plan**

Our business is built to withstand various challenges. We are not exposed to typical financial market risks like stock market changes or fluctuating exchange rates, and our loan interest rate is fixed at a rate lower than what is typically offered to the market. Our lean operational structure, with a single operator and outsourced services that carry their own insurance, minimises internal risk.

Our main challenge is getting enough information to provide accurate insurance quotes. We'll address this by making our underwriting process highly efficient. We'll ask more thorough questions upfront to avoid back-and-forth, a practice that both brokers and clients appreciate. For complex cases, we'll offer "subject to" terms or a rough premium estimate to give clients transparency and help them decide whether to proceed. Our contingency plan for this is to spend more time on complex cases, building relationships and getting a deeper understanding of the risk.

To ensure our long-term stability, we will:

* Diversify our insurance products across different markets so we're not reliant on a single type of business.
* Invest in technology over staff to keep costs low and avoid redundancies during difficult economic times.
* Attract loyal clients by delivering excellent service, particularly with claims.
* Maintain a flexible approach, allowing us to avoid bad risks and stick to our principles.
* Commit a percentage goal of our revenue on comprehensive business insurance, covering us for professional errors and other liabilities, so we can operate smoothly even during a dispute.
* Have the flexibility to reduce spending on things like actuary fees, software development, and marketing during an economic downturn.

# Owner’s background

My name is Abdul Alim. I grew up and studied in Liverpool. I studied Accountancy and Finance in the University of Liverpool. It has always been a dream of mine to own my own financial business that improves it’s community. I consider myself ambitious in that I didn’t just want a typical local firm, but something larger and impacts the wider society.

My working career has been in finance, starting with my work experience at a local accountancy firm on Penny Lane. At TSB, I was inspired by the public when working for various branches in Manchester. I learnt to appreciate my financial literacy and felt a sense of going responsibility in helping others with my expertise. This wasn’t just in relation to my role at TSB, but rather a personal responsibility I hold today.

I first worked in the insurance industry with the Co-operative insurance in 2019 and first worked as a financial lines underwriter at the Royal and Sun Alliance plc. I instantly realised financial lines underwriting was the career that was best suited to me. It rewarded my learning style, tenacity and creativity.

I was head hunted by Aqueous in 2023 to be a Professional Indemnity Underwriter. I was convinced by the plan they had for me, the training opportunities and the opportunity to work closely and more frequently with some of the most experienced underwriters in the industry.

In my spare time, I love learning all about finance and companies. What makes businesses a success, why some businesses fail and how macro events affect local businesses.

I’ve more recently grown an obsession with law in relation to the financial world. A lot of financial lines claims have huge involvements with lawyers and are drawn out. So to learn about the courts, different types of legal professional, difference between criminal and civil and related is useful to becoming a top underwriter.

My experience within the industry has made me realised there is so much unfulfilled demand and dissatisfaction. The constraints of my role meant I could not satisfy the personal responsibility I feel for others. This is why I am starting my own financial lines MGA.

My goal is to create a grassroots financial lines MGA that is sustainable while sticking to its principles. My distant 10 plus year goal is to create my own grassroots insurance company.

Visit our website at shobuz.co.uk to explore our journey, goals, and latest updates, including our evolving public plan.

# How you can get involved

We'd love for you to get actively involved! To explore opportunities, please email Hello@Shobuz.co.uk.

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