

Petra Insurance Group Sales Forecast & Budget

Year 1 after carrier acquisition

Petra Insurance Group LLC													
Projected Cash Flow w/acquisition of carrier													
Year 1													
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Premium Volume to Atlantic American													
P&C premiums	\$ 5,420,000	\$ 5,420,000	\$ 5,525,000	\$ 5,525,000	\$ 5,630,000	\$ 5,630,000	\$ 5,735,000	\$ 5,735,000	\$ 5,840,000	\$ 5,840,000	\$ 5,945,000	\$ 5,945,000	\$ 68,190,000
L/H premiums- ind.	\$ 1,728,000	\$ 1,944,000	\$ 2,160,000	\$ 2,448,000	\$ 2,880,000	\$ 3,168,000	\$ 3,600,000	\$ 3,960,000	\$ 4,320,000	\$ 4,680,000	\$ 5,040,000	\$ 5,400,000	\$ 41,328,000
L/H premiums-- group (assoc)	\$ 571,370	\$ 1,160,463	\$ 1,855,338	\$ 2,641,588	\$ 3,563,838	\$ 4,583,838	\$ 5,739,838	\$ 7,014,838	\$ 8,406,713	\$ 9,915,463	\$ 11,541,088	\$ 13,283,588	\$ 70,277,958
TOTAL PREMIUM VOLUME	\$ 7,719,370	\$ 8,524,463	\$ 9,540,338	\$ 10,614,588	\$ 12,073,838	\$ 13,381,838	\$ 15,074,838	\$ 16,709,838	\$ 18,566,713	\$ 20,435,463	\$ 22,526,088	\$ 24,628,588	\$ 179,795,958
Revenues													
P&C commissions	\$ 1,084,000	\$ 1,084,000	\$ 1,105,000	\$ 1,105,000	\$ 1,126,000	\$ 1,126,000	\$ 1,147,000	\$ 1,147,000	\$ 1,168,000	\$ 1,168,000	\$ 1,189,000	\$ 1,189,000	\$ 13,638,000
Assoc Group new clients	6,000	6,750	7,500	8,500	10,000	11,000	12,500	13,750	15,000	16,250	17,500	18,750	
Assoc total 'house' clients	447	628	1,303	2,053	2,903	3,903	5,003	6,253	7,628	9,128	10,753	12,503	
Assoc total clients (not house)	6,275	13,025	20,525	29,025	39,025	50,025	62,525	76,275	91,275	107,525	125,025	143,775	
Assoc Overwrite Income	\$ 21,963	\$ 45,588	\$ 71,838	\$ 101,588	\$ 136,588	\$ 175,088	\$ 218,838	\$ 266,963	\$ 319,463	\$ 376,338	\$ 437,588	\$ 503,213	\$ 2,675,050
Assoc house clients commissions	\$ 5,364	\$ 7,530	\$ 15,630	\$ 24,630	\$ 34,830	\$ 46,830	\$ 60,030	\$ 75,030	\$ 91,530	\$ 109,530	\$ 129,030	\$ 150,030	\$ 749,994
Assoc member fees	\$ 66,884	\$ 135,842	\$ 217,184	\$ 309,221	\$ 417,179	\$ 536,579	\$ 671,899	\$ 821,149	\$ 984,080	\$ 1,160,692	\$ 1,350,986	\$ 1,554,961	\$ 8,226,655
Individual policies overwrite	\$ 172,800	\$ 194,400	\$ 216,000	\$ 244,800	\$ 288,000	\$ 316,800	\$ 360,000	\$ 396,000	\$ 432,000	\$ 468,000	\$ 504,000	\$ 540,000	\$ 4,132,800
TOTAL REVENUE	\$ 1,351,010	\$ 1,467,360	\$ 1,625,651	\$ 1,785,239	\$ 2,002,596	\$ 2,201,296	\$ 2,457,766	\$ 2,706,141	\$ 2,995,072	\$ 3,282,560	\$ 3,610,604	\$ 3,937,204	\$ 29,422,499
Expenses													
Accounting	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	\$ 12,000
Advertising/Marketing	25,000	50,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	\$ 325,000
AMS charge	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	\$ 36,000
Bank / eCommerce Charges	20	20	190	20	20	20	20	20	20	20	20	20	\$ 410
Commission payout - P & C	25,200	25,200	31,500	31,500	37,800	37,800	44,100	44,100	50,400	50,400	56,700	56,700	\$ 491,400
Computer Hardware /AV/printers	500	500	500	500	500	500	500	500	500	500	500	500	\$ 6,000
CRM charge	140	140	140	140	140	140	140	140	140	140	140	140	\$ 1,680
Education	150	150	150	150	150	150	150	150	150	150	150	150	\$ 1,800
Equipment Rental / copier	323	323	323	323	323	323	323	323	323	323	323	323	\$ 3,876
E & O Insurance	750	750	750	750	750	750	750	750	750	750	750	750	\$ 9,000
General Liability	125	125	125	125	125	125	125	125	125	125	125	125	\$ 1,500
Health Insurance	11,020	11,020	11,020	11,020	11,020	17,650	17,650	17,650	17,650	17,650	17,650	17,650	\$ 178,650
Insurance (Key person, Di, Life)	750	750	750	750	750	750	750	750	750	750	750	750	\$ 9,000
Internet & office phone	205	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	\$ 11,205
Legal	8,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	\$ 19,000
License Expense	5,000	250	250	250	250	250	250	250	250	250	250	250	\$ 7,750
Member benefit site	350	350	350	350	350	350	350	350	350	350	350	350	\$ 4,200
Miscellaneous	250	250	75	75	75	250	250	250	250	250	250	250	\$ 2,475
Office Expense	200	200	200	200	200	200	200	200	200	200	200	200	\$ 2,400
Rent: Business Storage	285	285	285	285	285	300	300	300	300	300	300	300	\$ 3,525
Rent: Office	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	\$ 26,400
Partnership Shares	18,825	39,075	61,575	87,075	117,075	150,075	187,575	228,825	273,825	322,575	375,075	431,325	\$ 2,292,900
Payroll Tax Expense	35,860	35,860	35,860	35,860	35,860	46,464	46,464	46,464	46,464	46,464	46,464	46,464	\$ 504,549
Postage Expense	350	350	350	350	350	350	350	350	350	350	350	350	\$ 4,200
Printing, incl. bus cards	445	695	695	820	1,070	820	1,070	945	945	945	945	945	\$ 10,340
Salaries Expense	26,667	26,667	26,667	26,667	26,667	40,000	40,000	40,000	40,000	40,000	40,000	40,000	\$ 413,335
Salaries - Management	82,000	82,000	82,000	82,000	82,000	100,800	100,800	100,800	100,800	100,800	100,800	100,800	\$ 1,115,600

Petra Insurance Group Sales Forecast & Budget

Year 1 after carrier acquisition

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Software Development	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	\$ 192,000
Software Fees	750	825	900	1,000	1,150	1,250	1,400	1,525	1,650	1,775	1,900	2,025	\$ 16,150
Telephone Expense	900	900	900	900	900	900	900	900	900	900	900	900	\$ 10,800
TPA Charges	26,888	54,610	87,310	124,310	167,710	215,710	270,110	330,110	395,610	466,610	543,110	625,110	\$ 3,307,198
Training/Development	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	\$ 18,000
Travel/Meetings	6,000	3,000	3,000	3,000	3,000	3,000	3,000	6,000	3,000	3,000	6,000	3,000	\$ 45,000
Travel/Recruiting & Training	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	\$ 30,000
Utilities (electric)	70	70	70	70	70	70	70	70	70	70	70	70	\$ 840
Website	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	\$ 30,000
Workers Comp Ins	500	500	500	500	500	500	500	500	500	500	500	500	\$ 6,000
Total Expenses	\$ 306,223	\$ 365,565	\$ 402,135	\$ 464,690	\$ 544,790	\$ 675,197	\$ 773,797	\$ 878,047	\$ 991,972	\$ 1,111,847	\$ 1,250,272	\$ 1,385,647	\$ 9,150,183
Projected Income (Loss)	\$ 1,044,787	\$ 1,101,795	\$ 1,223,516	\$ 1,320,549	\$ 1,457,806	\$ 1,526,099	\$ 1,683,969	\$ 1,828,094	\$ 2,003,100	\$ 2,170,713	\$ 2,360,332	\$ 2,551,557	\$ 20,272,316
PROJECTED CASH FLOW	\$ 1,044,787	\$ 1,101,795	\$ 1,223,516	\$ 1,320,549	\$ 1,457,806	\$ 1,526,099	\$ 1,683,969	\$ 1,828,094	\$ 2,003,100	\$ 2,170,713	\$ 2,360,332	\$ 2,551,557	\$ 20,272,316
Number of L/H agents*	120	135	150	170	200	220	250	275	300	325	350	375	
Number of P & C agents*	20	20	25	25	30	30	35	35	40	40	45	45	

*may overlap

L/H per agent per month: 50 association group members minimum
Churches: Avg. \$15K annual premium; 25% commission when we own the carrier
NBCA: 4000 churches = \$60M premium; \$5M / month

OVERWRITE REVENUE CALCULATION ASSUMPTIONS:
Avg. Assoc. premium \$85 / month
Each agent enrolling 50 new Association clients / month
House accounts increasing Assoc. membership 10% each month
Ind. Policies: Avg. premium \$150 / month
Each agent writing 2 policies / week
House writing 2 policies / month

Petra Insurance Group Sales Forecast & Budget

3-year forecast

Petra Insurance Group LLC			
Projected Cash Flow w/acquisition of carrier			
	Yr 1 Total	Yr 2 Total	Yr 3 Total
Premium Volume to Atlantic American			
P&C premiums	\$ 68,190,000	\$ 95,310,000	\$ 137,340,000
Life & Health premiums / individual	\$ 41,328,000	\$ 129,888,000	\$ 312,768,000
Life & Health premiums / group (assoc)	\$ 70,277,958	\$ 321,646,800	\$ 405,960,000
TOTAL PREMIUM VOLUME	\$ 179,795,958	\$ 546,844,800	\$ 856,068,000
Revenues			
P&C commissions	\$ 13,638,000	\$ 19,062,000	\$ 27,468,000
Assoc Group total members	156,278	315,340	398,000
Assoc Overwrite Income	\$ 2,675,050	\$ 8,829,800	\$ 10,415,738
Assoc house clients commissions	\$ 749,994	\$ 2,686,944	\$ 3,140,694
Assoc member fees	\$ 8,226,655	\$ 27,329,784	\$ 32,214,613
Individual policies overwrite	\$ 4,132,800	\$ 8,856,000	\$ 13,572,000
TOTAL REVENUE	\$ 29,422,499	\$ 66,764,528	\$ 86,811,044
Expenses			
Total Expenses	\$ 9,150,183	\$ 22,875,000	\$ 34,500,000
PROJECTED CASH FLOW	\$ 20,212,316	\$ 43,889,528	\$ 52,311,044

Petra Insurance Group Sales Forecast Budget

Projected Revenue Boost

Petra / Atlantic American			
Projected Revenue Boost			
	Yr 1 Total	Yr 2 Total	Yr 3 Total
Atlantic American current revenue*			
Property & Casualty	\$ 67,730,000	\$ 67,730,000	\$ 67,730,000
Life and Health	\$ 62,783,000	\$ 62,783,000	\$ 62,783,000
TOTAL CURRENTCORPORATE REVENUE	\$ 193,297,000	\$ 193,297,000	\$ 193,297,000
Petra Premium Volume Increase to Atlantic American			
P&C premiums	\$ 68,190,000	\$ 95,310,000	\$ 137,340,000
Life & Health premiums / individual	\$ 41,328,000	\$ 129,888,000	\$ 312,768,000
Life & Health premiums / group (assoc)	\$ 70,277,958	\$ -	\$ -
TOTAL PREMIUM VOLUME	\$ 179,795,958	\$ 225,198,000	\$ 450,108,000
TOTAL COMBINED CORPORATE REVENUE	\$ 373,092,958	\$ 418,495,000	\$ 643,405,000

*5-year average

Target premium	Member fee	Product total	Total Commission*	Petra Overwrite	Total per client	Total per house client
\$85	\$9.95	\$70	16.75%	5%	\$3.50	\$12

*Level for life of product

Member fee breakdown:

- \$4.00 TPA
 - 1% ASB as TPA to agents
- \$1 Church / Chamber / Fund
- \$1 Agent (meet minimum client production totals?)
- \$0.50 Region
- \$0.50 Denomination
- \$1.50 Petra (sometimes no region / denomination cost)

Petra share range: \$1.50 - \$4.50 (only if no agent, church, or other partner share)

Median for calculations: \$3

Church and denomination shares only if church registers in association portal

Clients may buy up; numerous other products and higher benefit levels are available

Starting 2024 with 60 agents

Call center approximations

- \$200 / seat / month
- \$19 / hour * 40 hours / week for calling guide
- 3 individual life apps / week at ~\$1200 commission each
- 1.5 individual life apps / week referred to outside agent for add'l 10% Petra comm. split

cost per guide \$3500 / month (\$3300 hourly + \$200 seat)

inside commissions \$15K / month per guide

referred to agents additional Petra comm \$1,875