

Steps to Setting up an Independent Agency

1. *Getting started*

- Store Front – heavier PL agencies or agencies with existing business
- Home Office – agencies looking to save on expenses or just starting out
- Errors and Omissions – List of numbers can be provided by Tague Alliance
- Join State Associations – optional – offer many services
- Register name with the state – cannot get license until this is done
- Obtain Agency license for registered name of Agency and individuals from sponsoring companies.
- Tague Alliance Appointment Application with business plan, copies of licenses and resumes. Business plan should discuss where the business will come from, goals, utilization of Tague Alliance markets, marketing territory, and utilization of other resources. (1- 5 pages)
- Establish two checking accounts
 - a. **Premium Trust-** The law requires that all premiums received from insureds be deposited into this account. If audited you will be required to show that this occurs. This account is usually used for Agency bill premium, and must at all times contain enough money to satisfy your obligations to your companies. Being “out of trust” is serious and can result in revocation of an Agency’s license to do business.
 - b. **Operating Account-** Commission checks received from your companies may be deposited into this account. Money not reserved for payment to companies (your commission) may be transferred into this account from the Premium Trust Account. All Agency expenditures except company account currents should be paid out of this account.
 - c. Order “For Deposit Only” stamps for both accounts.
 - d. If you are going to except credit card payments from your insureds, make arrangements with your financial institution to handle these transactions.