

!!READ THIS FIRST!!

ICA Agency Alliance, Inc. /SIAA Relationship is designed to assist you in opening your agency. When we say your agency, we mean your name on policies, your own identity, and your own commissions. We are not trying to do a quick set up of a user name and password, and have you as producer of our agency. We are looking for professionals that want to separate themselves from the producers, and be agency owners. Producers are people that work for your agency. Build something that can be passed down to your kids or a loved one. Everyone likes the easy way, but opening an Independent Agency is one of the toughest things and individual can do. It takes time, patience, and of course, Money. None of this happens overnight.

With assistance from ICA, we can relieve a lot of that pain and point you in the right direction. All of the instructions below are things ICA can assist in, but these are items that you, as the agency owner, have to do. After all, we are helping you to establish your own identity in the insurance industry.

Regardless of joining ICA, the below steps are what you will need to do to open an agency. The quicker this is done, the faster you can start producing under your own name. These items are in order of importance. We wish you well in your venture and good luck!

1. **Agency Name/How do you want to do business.** Your appointments will be in this name, and a company will only appoint a licensed entity/person. You have 3 choices to choose from. Please be aware the DOI can be slow, especially if you are a CA agent. ***Average times for a change with the CA DOI takes around 4-8 Weeks***
 - A. **Personal Name** --- You are already licensed under John Smith. John Smith is what will appear on policy dec pages and company websites. By far the fastest.
 - B. **Personal Name with DBA** --- Here is where you add a dba to your license through the DOI. You would now be John Smith DBA Smith Insurance Agency. John Smith DBA Smith Insurance Agency is what will appear on policy dec pages and company websites.
 - C. **Agency Name** ---- Takes the longest, but is the best option. Here are some steps on what is needed.
 - A. First, choose your name. Check and make sure that it is ok with the state DOI, it has not been taken. Then do the same with your Secretary of State. Once your name is ok with both, move to the next step. I chose Smith Insurance Agency, LLC
 - B. Now you will now file your Corporation paperwork and get the entity established.
 - C. Now you will file the name with the Secretary of the State for your new name, Smith Insurance Agency, LLC, Inc., etc... I would suggest talking to legal counsel to see what type would best suite your situation.
 - D. You will then go to the IRS and obtain a FEIN for your new Corporation. Once B and C are done, move to next step.
 - E. Now you will have to apply for your agency license with your states DOI. This is actually an easy step. Fill out the paperwork, "generally can be done online", pay your money and wait.
2. **E/O** --- Pretty self-explanatory, must have for any Insurance agent/agency. Has to be in the same name as chosen in step 1.
3. **Stand-Alone Data Breach** – Insurance policy through AM Best A- rated Insurance company with a limit of not less than \$1 million with a \$1 million aggregate and a deductible of no more than \$2,500. Policy must include coverage for privacy liability, cyber extortion, business income and digital asset restoration with a minimum \$100,000 coverage for PCI DSS assessment.
4. **Agency Operating and Trust accounts** --- These are your banking accounts needed for any agency. Here is a brief description.
 - A. **Operating Account** --- This is the account commissions are deposited into, pay office bills, rent, internet, Phones, etc.... This is your money you earned.

- B. **Trust/Sweep Account** -- This account is for insured monies only. Insured gives you cash/check, you upload the money to the company, deposit cash/check in this account, then the company will Sweep this money in a day or two.
5. **Office Location/Phone/Fax/Email/Website/Internet** --- This is often overlooked by many new agents. There are some forces behind the scenes that are out of anyone's control, that put restrictions on where and what kind of office you can have. That force is called LexisNexis/Choicepoint. LexisNexis is the company that majority of insurance carriers use to pull MVR's, CLUE, and Credit/Insurance Score Reports from. Without a LexisNexis Node id, you can't pull those reports. Some carriers require this before they will appoint you. So this is extremely important to get your office set up correctly. You have to be appointed by a company to obtain the Lexis Nexis Node id. Really is a "Which was first, the chicken or the egg" type of situation. In the following steps, I will detail what you will need for each of the above items to be compliant with Lexis Nexis. Most of these requirements for LexisNexis are federally regulated and they have to abide by them. LexisNexis will change requirements from time to time, no one is given any notice to what the change is, until someone gets caught by it. The below is there current guidelines, but could have change while you were reading all this. That is not a joke either!
- A. **Office Location** --- ***First, virtual office's or multifamily residence's "apartments, duplex, fourplex. Etc..." are NOT acceptable.*** You will need a traditional type office that has a suite # or designated address. Your actual office will have to have a secure door that can be locked when you are not there. It can't be shared with anyone else. Working from your home is ok as long as it is a single family residence. Problem with a home address, **is most carriers will not appoint an agent working from home.** Traditionally, agents that work from home do not succeed in the business. So companies are very reluctant to give them a chance. You are pretty much looking at a traditional office space. You will also have to have a lease for this office space also.
- B. **Phone** --- Your main office line needs to be a land line. So Far, VOIP phone have been acceptable. Cell Phones are acceptable, but have certain guidelines.
1. **Cell Phone Requirements** --- Must produce a copy of cell phone bill that is in the same name and address that was submitted on the original app. either a utility, cable bill with the same name and address requirements.
- C. **Fax** --- Same as Phone, wants it to be a landline. So Far, EFax services have been acceptable. Just have to make sure you are able to program what text is broadcast on outgoing faxes. Agency Name and Fax # has to appear on outgoing faxes.
- D. **Internet** --- You will need high speed internet, should be a given, but needs to be said.
- E. **Email** --- You have to have an email address. Many agents will use free Gmail, Yahoo or Hotmail accounts. With the security issues that each of them have, I would not suggest it. Not to mention the privacy, or lack of with them. They have the right to read all email that you send and receive. Biggest thing is being professional. Would you rather send FLuffyBunny2014@gmail.com, or John@Smithinsuranceagency.com your information?
- F. **Website** --- The website ties into the Email above. Purchasing a domain name is relatively inexpensive, depending on name popularity. You can purchase a small website package and those generally come with a few Emails for free. A website is the new Yellow Pages and front door. Having a website brings some legitimacy to your agency, how many times have you checked or judged a product or company based off their website, or lack thereof? The website is not necessary in the beginning, but should be a thought in the very near future.

All of the above needs to be done and finalized before you can apply for the LexisNexis. What is sent to LexisNexis, has to match what they receive from the companies. The other caveat is that you will need to be in your new office, with your new internet running to do your application. One section of the LexisNexis app, captures your ip address. Not the computer IP, but the main trunk line IP that comes into the building. Another security measure that they take.

When you join ICA, there is other paperwork and steps to be done, but they are all tied to the above Items and are not difficult, pretty much just filling out paperwork. Charlene Whelen, our Member Services Manager will send a welcome email that has detailed instructions on what is needed.