

Mergers and Acquisitions Checklist

1.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	Has a careful and thorough due diligence been completed on the agency, brokerage, or book of business being acquired?
2.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	Has there been a thorough investigation and analysis of why the agency for sale is, in fact, up for sale?
3.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	Is the selling agency's retention lower than average?
4.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	Are the current agency-company relationships in jeopardy?
5.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	Does the selling agency have a higher than average staff turnover?
6.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	Is there either frequency and/or severity of E&O claims against the selling agency?
7.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	Have outside contacts and sources been discretely tapped to determine relative strengths and weaknesses of the agency for sale?
8.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	Have the documentation and file retention practices of the selling agency been audited?
9.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	Have you engaged a lawyer experienced in handling the purchase and sale of insurance agencies?
10.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	Does the purchase contract include indemnification language protecting your agency from claims relating to negligence of the seller committed before the sale closing?
11.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	Has your E&O insurer agreed to accept the risk of the acquired or merged operation?
12.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	Has a timeline been defined to fix gaps or non-concurrencies in coverage, inadequate liability and/or first-party limits and/or other potential coverage deficiencies in an acquired agency's book of business?
13.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	Have the necessary resources been confirmed as available to service the acquired accounts on a basis that is consistent with your agency's current level of service?
14.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	Has the selling agency purchased tail coverage for the protection of the acquiring agency or brokerage and its own protection?
15.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	Has a timeline been defined to integrate the acquired agency into the existing practices and procedures of your agency?

This is a suggested list of issues to consider during mergers and acquisitions. It should not be relied upon as the sole source for reviewing and implementing mergers and acquisitions. Be sure to consult with qualified legal counsel.