## Mergers and Acquisitions Checklist

1.)	Yes No	Has a careful and thorough due diligence been completed on the agency, brokerage, or book of business being acquired?
2.)	Yes No	Has there been a thorough investigation and analysis of why the
2.)		agency for sale is, in fact, up for sale?
3.)	Yes No	Is the selling agency's retention lower than average?
4.)	Yes No	Are the current agency-company relationships in jeopardy?
5.)	Yes No	Does the selling agency have a higher than average staff
,		turnover?
6.)	Yes No	Is there either frequency and/or severity of E&O claims against
		the selling agency?
7.)	Yes No	Have outside contacts and sources been discretely tapped to
		determine relative strengths and weaknesses of the agency for
		sale?
8.)	Yes No	Have the documentation and file retention practices of the selling
		agency been audited?
9.)	Yes No	Have you engaged a lawyer experienced in handling the
		purchase and sale of insurance agencies?
10.)	Yes 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.)	└ Yes └ No	Has your E&O insurer agreed to accept the risk of the acquired
		or merged operation?
12.)	🗌 Yes 🗌 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.)	Yes 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.)	🗌 Yes 🗌 No	Has the selling agency purchased tail coverage for the protection
		of the acquiring agency or brokerage and its own protection?
15.)	Yes 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.