



Insurance Due Diligence for Mergers & Acquisitions

What is Insurance Due Diligence?

Insurance due diligence can be used as part of the wider transaction review process to provide relevant operational risk and liability information on the target company. This information is used to assess historic, current and potential future exposures as well as insurance costs.

Insurance due diligence provides the ability to identify any risk and insurance issues prior to an acquisition and to ensure financial implications are included in the negotiation or modelled where appropriate.

What are the benefits of Insurance Due Diligence?

The dedicated due diligence team at Willis Towers Watson will produce a written due diligence report enabling you/ your lenders to, inter alia:

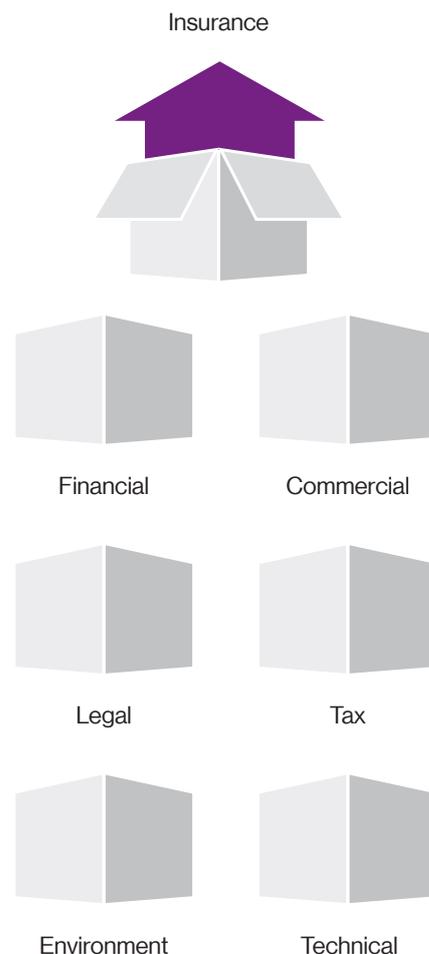
- Assess the appropriateness of the current and the future (proposed) insurance arrangements;
- Identify the financial impact of the current and future anticipated total cost of the target's risk;
- Establish any areas of potential improvement within the insurances which may be considered prudent and identify any delta between the currently estimated insurance costs and future insurance costs; and
- Structure the insurance clauses within the Sale & Purchase Agreement ("SPA") appropriately.

The Insurance Due Diligence process

To compile our report and deliver key findings the scope of Willis Towers Watson team will involve inter alia:

- Evaluating the current and future risk profile of the target by risk matrix; (aligned to the business plan);

Due Diligence that Covers all bases – fully informed investments



- Reviewing the current and proposed risk transfer and risk retention arrangements of the target;
- Reviewing and analysing historic claims and liabilities (if any);
- Identifying future risk transfer (insurance) options and the potential costs;
- Identifying statutory compliance requirements;
- Identifying and quantifying contingent liabilities; and
- Identifying relevant sale and purchase issues.

Additional areas covered

The provision of our work includes all requisite support you may expect including:

- Full review of all relevant information within the data room with commentary on the quality and sufficiency of the information;
- Full interaction with other advisors as required during the process;
- Draft and final due diligence reports including executive summaries responding to all the items (at least) as noted within the proposed scope of work;
- Provision of assistance to your legal and financial advisors in preparing binding sale and financing documentation;
- Holistic Q&A input to allow us to fully opine, make recommendations and provide Q&A responses to questions from you and other advisers throughout the process;
- Telephone interviews as required.

Willis Towers Watson – a global practice providing specialist sector knowledge

Willis Towers Watson is one of the world's leading risk management and insurance intermediaries.

Willis Towers Watson's Mergers & Acquisitions Practice consists of a fully resourced international team with 92 dedicated professionals worldwide who utilise the knowledge and resource of the Willis Towers Watson group to provide services to the investment community. Our team has 45,000 employees serving more than 140 countries and markets.

Mitigating Insurance Due Diligence costs

We are aware of the budgetary constraints placed on our clients during the review phase and offer various mitigating mechanisms to our fees including:

- Abort discounts;
- Fee waive on appointment; and
- Transfer of fee to NewCo at closing.

Contact

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About Willis Towers Watson

Willis Towers Watson (NASDAQ: WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 45,000 employees serving more than 140 countries and markets. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas – the dynamic formula that drives business performance. Together, we unlock potential. Learn more at willistowerswatson.com.



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