

Mergers and Acquisitions



Insurance | Risk Management | Consulting



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They continue to be a strategic initiative in today's business environment. How are you avoiding common pitfalls during the due diligence process? With Gallagher, you can increase synergies and reduce unwanted surprises.

In a recent EY study¹, 86 percent of executives are confident about the conditions for deal-making, even expecting the global M&A market to improve in the next 12 months. In fact, 70 percent of executives view portfolio transformation as the number one item on their boardroom agenda—and 80 percent anticipate more competition for assets in the next year. Analyzing this data, it's clear that companies are actively exploring ways to diversify their business models to support growth in order to maximize shareholder value.

From a risk management perspective, there are two trends to consider:

1. Increased competition for assets
2. More expansion into nontraditional “bolt-on” acquisitions

Let's take a look at an example. If a technology giant acquires a brick-and-mortar retailer, do they truly understand the specific risks? The answer is most likely “no”—which means it's more important than ever to partner with subject matter experts.

At Gallagher, we have the industry-specific knowledge you need to avoid common pitfalls and maximize synergies. Our brokerage, risk management and insurance professionals are here to offer guidance and support throughout the due diligence process. Here's an overview of how we can help:

- Identify uninsured exposures through a detailed coverage review to minimize any future liability surprises
- Provide counterparty risk assessments on pending litigation and long-term liabilities
- Ensure that no significant coverage disputes exist, including reservation of rights or coverage denials on any high exposure claim
- Verify liabilities on the target's balance sheet and highlight estimated variability in the reserves
- Reduce risk from uncertain tax positions discovered during the due diligence process
- Apply Reps & Warranties expertise to facilitate clean exits while ensuring any Seller breaches are covered and deal terms are competitive when compared to the competition
- Consult on potential to ring fence liabilities through loss portfolio transfers or other risk transfer mechanisms
- Evaluate any superfund or environmental liability exposures
- Provide a proforma on anticipated insurance risk management expenses to maximize synergies
- Perform a detailed review of business continuity planning and critical suppliers, customers and vendors to assess supply chain vulnerability

These strategies are proven to help you through each stage of the process—from initial assessment through the full execution of day one integration opportunities. Protecting your investment and poising your business for greater success is our goal. Whether you're actively seeking a deal or just starting to think about it, let's connect. I would like to share some additional insights with you and will follow up soon to get your thoughts and observations.

Learn More About Our CORE360™ Approach to Improve Your Organization's Risk Management Performance

Gallagher CORE360™ is our unique, comprehensive approach of evaluating our client's risk management program that leverages our analytical tools and diverse resources for customized, maximum impact on six cost drivers of their total cost of risk. We consult with you to understand all of your actual and potential costs, and the strategic options to reallocate these costs with smart, actionable insights. This will empower you to know, to control and to minimize your total cost of risk and improve your profitability. Please contact your Gallagher Advisor to learn more.



1. EY Global Capital Confidence Barometer, 18th Edition

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