

Mergers and Acquisitions: P&C Insurance Due Diligence Checklist

Thank you for your assistance. In order to complete our due diligence, we will need the following information as soon as possible:

1. Copies of all current insurance policies, including all declaration pages, premiums (or allocations to subsidiaries of parent company), endorsements/changes, and coverage forms. (Where policies are not available, please forward insurance proposals and binders.)
2. A list of all surety bonds (if any), including name of surety company, effective and expiration dates, type of bond, amount of bond, and obligee.
3. Currently valued loss runs for the past five (5) years for the following, including descriptions of losses over \$25,000:
 - a. Property
 - b. Inland marine/electronic data processing/transit
 - c. General liability, including products/completed operations liability
 - d. Automobile
 - e. Workers compensation
 - f. Umbrella/excess
 - g. Professional liability
 - h. Trade credit
 - i. Other notable claims (whether litigated or not)
4. Five-year historical liability program summary. Please include retention limits, structures, and insurers. For all claims-made policies, please provide this information for **all** years.
5. Current and historical factors for all loss-sensitive plans, such as deductible, retro, and/or self-insurance (if applicable). This will include such items as claims-handling charges, taxes, fixed expenses, minimum premiums, maximum premiums, per-occurrence deductibles, and annual loss aggregates. Please note if claims-handling charges apply to the life of the claim or to the life of the contract. Please include copies of loss-funding or loss-settlement (third-party administrator—TPA) claims-handling agreements.
6. Summary of all letters of credit or other forms of security arrangements posted in connection with loss-sensitive insurance plans with the amount outlined by policy year (if any).
7. Copies of all TPA agreements (if applicable).
8. Current listing of operating entities with corresponding business description and divestitures, with associated indemnification.
9. List of any discontinued services or operations, including year discontinued and associated total revenue.

10. List of the 10 largest projects in the last five years. Please include date of substantial completion for each. If any projects are ongoing, please include estimates of current percentage of project completed and future date of substantial completion.
11. List of historical acquisitions and summary of indemnification obligations.
12. Estimated revenues for the next 12 months and historical revenues for the past five years. Please break out revenues by country.
13. Estimated current U.S. payroll by workers compensation classification and code.
14. Insurable values by location for the following.
 - a. Real property
 - b. Personal property
 - c. Business interruption
15. Latest insurer inspection reports. Any outstanding recommendations?
16. Safety and loss-prevention program, including quality-control procedures.
17. Schedule of current vehicles, including year, make, model, vehicle identification number (VIN), cost new, and garaging location.
18. Copies of company and/or product brochures.
19. Copies of most recent applications for directors & officers liability, employment practices liability, fiduciary liability, professional liability (E&O), and crime.
20. Most recent audited financial statement, annual report, 10K, and 10Q.
21. Copies of all contracts with assumed liabilities. Note: If one standard contract is always used, one such contract, along with a list of current work, will suffice.
22. Details of any uninsured losses.
23. Details of any current or pending litigation(s) not already addressed.
24. Description of any inland marine shipments (if applicable). Please provide detail on security measures in place for inland transit.
25. Details of any owned, leased, or chartered aircraft, including: type of aircraft, number of annual flights, and any aircraft piloted by your employees while on company business.
26. Current employee count.