



Social Services & Behavioral Healthcare Practice

PRIVATE EQUITY AND CORPORATE ACQUISITIONS SERVICES



NSM Insurance Brokers' Private Equity and Corporate Acquisitions Services provide deal-related insurance and risk due diligence to private equity firms and corporations pursuing mergers and acquisitions. Our team of experts work with our clients during all stages of the M&A process from evaluation to exit.

We are committed to setting our clients up to gain a strong return on investment. With the help of our M&A services, NSM's Social Services & Behavioral Healthcare Practice clients are among the most educated buyers, relative to the management of insurance expenses. We have the experience and expertise to:

- Evaluate the risk of the target company
- Identify, evaluate and quantify unrecognized exposures and pre-closing liabilities
- Review contracts and purchase and sale agreements to guarantee the assumption of liabilities in the transaction is equitable and favors of our client's interests
- Coordinate with other working group members
- Provide post-closing insurance budgets for pro-forma financials and place post-closing insurance programs
- Design an exit strategy that emphasizes managing expenses
- Work with our clients to improve EBITDA by managing costs over the life of the investment
- Create efficiencies to meet client financial objectives and exit strategies
- Develop creative solutions to convert deal-related obstacles into insurable risks

Our Service Approach

- Service starts with listening. We take the time to understand your specific goals, design a program that fits your needs, aggressively negotiate coverage, and implement a service plan. You will have the same dedicated service team throughout the entire process which allows us to anticipate your needs and create accountability.
- Long-term thinking. Clients are loyal to NSM because of our exclusive focus on Social Services & Behavioral Healthcare clients. Our industry expertise, experience, outstanding service and creative solutions distinguish us in the market. Our client retention rate of 96% reiterates our commitment to each client.
- Following a comprehensive review of all facets of a target company's insurance and risk management programs, NSM will make recommendations that could lead to substantial savings and other long term financial benefits for our client. Our services include an analysis of the transaction, insurance and risk management – three areas critical to the success of a merger or acquisition.



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During our transaction analysis, we:

- Analyze the purchase agreement from an insurance and benefits perspective
- Evaluate, quantify and define pre-closing liabilities

Our Scope of Work

- Ensure that the assumption of liabilities is clearly stated and reflects the decisions reached between buyer and seller
- Review the insurance provisions and offer solutions
- Evaluate the Total Cost of Risk's impact on earnings
- Review historical purchase agreements to understand the assumption of liabilities from acquisitions or divestitures and their effects on post-closing insurance costs
- Understand insurance and indemnity provisions in company contracts to evaluate the extent of liabilities assumed under these agreements
- Determine the impact of changes in control on the current insurance contracts
- Meet lender insurance requirements by providing relevant insurance documentation necessary to close

During our insurance and risk management analysis, we:

- Conduct a thorough coverage review to identify coverage gaps and/or restrictions
- Research historical carrier(s) solvency and AM Best's Financial Strength Ratings (FSR)
- Determine existence of aggregate or limit breaches that could lead to unfunded obligations on a post-closing basis
- Analyze historical loss patterns to develop accurate loss projections
- Provide post-closing budget along with a suggested program design for property and casualty insurance as well as employee benefits plans and other needs
- Review the adequacy of loss prevention and workplace safety programs

For more information about NSM's Private Equity and Corporate Acquisitions Services, please contact Sean Conaboy, MSW, MPA at (610) 808-9496 or sconaboy@nsminsurancebrokers.com.