

# Insurance Agency Purchase Due Diligence List

## Notify proper captive carrier leaders of intent (if necessary)

- Will this be a “merge” or additional location?
- What goals if any do you need to complete before getting approval?

## Create business plan.

- How do your goals change with a new acquisition?
- How do you plan to hit those new goals – be specific.
- Have you run projections on income, expenses, and cashflow?

## Making an offer

- Request latest business metrics.
- What is the current lease contract?
- Are there any loans/liens on the book?
- Are there any loans/liens on the business entity?
- Interested in any physical assets (furniture, laptops, etc.)
- How many employees from the seller are interested in interviewing?

## Provide Letter of Intent (LOI)

- Purchase Price
- Target Closing Date.
- How are you financing the deal?
- Have you outlined dealbreakers (Financing, location approval, etc)

## Financing

- Pick your bank.
- Provide:
  - Buyer personal financial statement
  - Buyer 3 years personal tax returns
  - Buyer 3 years business tax returns (buyer and seller)
- Past 3 years ending Business Metric Reports
- Determine terms.
- Months
- Rate
- Type of loan (Fixed, ARM, Balloon)

## Purchase Agreement

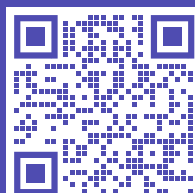
- Closing Date
- Purchase price
- Conditions from Seller
- Conditions from Buyer
- Spousal consent agreement
- Agent transition letter to Clients
- Brokers Commission (if necessary)

## Logistics

- Forward old phone numbers.
- Pull all necessary reports before transfer.
- Determine contact strategy to inform customers.
- Set up email/direct mail outreach to introduce new team.
- Ensure additional needed staff start before acquisition date.

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