

Deal timeline

The legal process for an insurance brokerage sale generally adheres to the following timeline, which typically takes 60-90 days to complete:

1	2	3	4	5	6
Preliminary Considerations	Due Diligence	Definitive Purchase Agreement	Schedules & Ancillary Agreements	Closing Matters	Post-Closing Matters
Execute NDA	Buyer provides due diligence request list	Buyer (typically) prepares initial draft of purchase agreement	Seller and its advisors prepare disclosure schedules	Obtain any required consents from carriers, clients, landlords, and other third parties	Notify carriers, clients, and departments of insurance, as necessary
∨	∨	∨	∨	∨	∨
Discuss structure <ul style="list-style-type: none">• Assets• Stock• Merger• Personal goodwill	Seller and its advisors upload responses to "virtual" data room	Seller and its advisors review and revise	Negotiate new employment agreements	Obtain E&O and other required tails (cyber, EPL, and D&O)	Post-closing working capital adjustment
∨	∨	∨	∨	∨	∨
Discuss valuation <ul style="list-style-type: none">• Revenue-based• EBITDA-based	Buyer and its advisors review and provide supplemental due diligence request list	Negotiate and resolve outstanding issues	Negotiate new real estate leases (if applicable)	Obtain any required payoff letters and lien releases	Earnout payments
∨	∨	∨	∨	∨	∨
Execute letter of intent	Finalize due diligence and valuation	Confirm handling of agency bill, direct bill, and contingent commissions	Negotiate producer buy-out agreements (if applicable)	Exchange signature pages and initiate wire transfers	Potential indemnification claims

