

Single-Source Efficiency to put  
Your Deal on the Road to Success



*When you need to anticipate and address business obstacles, go to the source that understands and knows how to mitigate risk: Aon. We are fully equipped to handle life in the fast lane – placing you in a better-informed position to negotiate and close your business transactions.*



## **Merge with care: the value of insurance due diligence**

We offer our deal-related expertise and our enhanced insurance services to identify and evaluate exposures that could impact the deal or the strategy to buy/merge/sell. Insurance due diligence is an essential part of your deal strategy.

**Transactions Services** – As part of your due diligence team, we identify and quantify strategic, operational, financial and human capital risks that may impact your target's value.

**Deal Solutions** – Your Aon team is tailored to provide the industry, product and process experts best able to assist with your specific needs and challenges. The ability to access insurance capital worldwide allows Aon to create solutions that eliminate barriers to your deal.

**Performance Enhancement** – Once your deal closes, Aon will help ensure its performance through a variety of consultative and transactional services.

## **Stop! there's more**

At Aon, we go full throttle to maximize the value of the deal for you. You can safely rely on Aon when you need vital professional expertise, in-depth due diligence services, human capital-related consulting services and insurance products and solutions to help you evaluate and assess the true value of your M&A target.

Aon professionals will help you identify potential exposures by analysing key risk areas, for example:

**Expenses** such as workers compensation and product liability claims can have cash flow and earnings implications for a company. Aon quantifies insurance and employee benefit costs, accruals and payout patterns to allow you to better price and model your transaction.

**Environmental Concerns** can break a deal or lead a company to insolvency. Environmental insurance specialists within Aon identify potential risk transfer solutions for known and unknown exposures discovered by an acquirer's environmental team.

**Business Interruption Exposures** can impair a company's financial performance. Aon will analyse and address key risk exposures to your target's production process and supply chain.

**Superannuation and Benefit Costs** need to be carefully analysed. Aon looks at valuation and compliance issues and provides an actuarial review of the target's plan liabilities.

**Intellectual Property Rights** such as patents, copyrights, trademarks, trade secrets, and brand name equity are important to the valuation of a target. Aon works with you to develop the most effective risk transfer products for the protection of these rights.

Aon professionals evaluate other areas of concern such as the credit risk of customers, cultural and political risks, unresolved claims, gaps in insurance and shareholder litigation.

## **Solutions that drive your business transaction – Transaction Liability Insurance**

M&A negotiations often involve obstacles that may cause a detour in a deal. Aon offers innovative solutions to help overcome these road bumps and provide a smooth ride to the finished transaction.

Transaction Liability Insurance is a series of non-standardised insurance products, which are specifically designed to remove particular risks from transactions. Transaction Liability Insurance can assist not only to



close a deal but also to close a better deal by eliminating or removing hurdles that stand in the way. The typical risks treated with these insurance mechanisms are:

- ▼ Warranties and indemnities in the sale and purchase agreement – for either the seller or the buyer
- ▼ Environmental exposures
- ▼ Known litigation
- ▼ Contentious tax issues

## **Aon's Australian Team**

Aon is the only insurance broker in Australia with a dedicated Transaction Liability Unit.

We have actual deal experience in advising on complex transactions – which is not available elsewhere in Australia.

We are skilled in:

- ▼ Understanding the particular risks
- ▼ Knowing whether the risk is insurable and the possible cost
- ▼ Advising clients as to how these products may be negotiation advantages with the other party to the transaction
- ▼ Identifying the appropriate insurance market/s and negotiating the best available deal for clients with the least number of policy restrictions.

Our value is in assisting you or your client to structure your deal to obtain a deal advantage in using these products. The types of advantages could be:

- ▼ An increased sale price
- ▼ Greater protection around the transaction than expected
- ▼ Winning key negotiation point because of an ability to assume a risk – which the other side does not know is insured.

## **Employee benefits due diligence**

Our experience has shown that employee benefit programmes can have a significant impact on a transaction, and not necessarily only in financial terms. Aon will additionally identify any issues that have any hidden associated cost that could impact at any time post acquisition and for any potential “deal breakers” prior to completion. Defined benefits superannuation plans in particular are often highly significant financially, even when measured against total deal price.

## **The client has the right of way on the M&A superhighway**

You are in the driver's seat when it comes to determining the source to handle your merger or acquisition deal. Just remember two things before you choose your driving direction:

- ▼ Aon can handle the many aspects of your merger, acquisition or divestment including the emergencies
- ▼ Aon is the source capable of providing services from pre-acquisition to post-close on a consistent basis.

**We are here to keep you driving on the road to success.**



## Aon M&A Group

Aon's Mergers & Acquisitions group is comprised of 150 worldwide insurance and human capital risk specialists. The group leverages Aon Corporation's global organization, which is comprised of 550 worldwide offices in 120 countries, to help place our M&A clients in a better-informed position to negotiate, close and realize the goals of their business transaction.

Aon Mergers and Acquisitions Group is the premier provider of M&A insurance services in Australia.

Aon's Mergers and Acquisitions Group has offices in the following global locations:

### Asia Pacific

Sydney  
Brisbane  
Melbourne  
Tokyo  
Hong Kong  
Seoul

### The Americas

New York  
Boston  
Chicago  
Los Angeles  
San Francisco  
St. Louis  
Miami  
Buenos Aires  
Mexico City  
Sao Paulo

### Europe

London  
Edinburgh  
Frankfurt  
Madrid  
Milan  
Mulheim  
Paris  
Rotterdam  
Stockholm



**Maureen Frank**

Team Leader  
Aon Mergers & Acquisitions Group

Level 28 - Aon Tower  
201 Kent Street  
Sydney NSW 2000  
Australia

level 6  
175 Eagle St  
Brisbane QLD 4000

Brisbane: (617) 3223 7519  
Sydney: (612) 9253 7635  
Fax: (617) 3223 7490 or  
(612) 9253 7627  
Mobile: 0410 478 118



**Matthew Rawle**

Project Manager  
Aon Mergers & Acquisitions Group  
Level 28 - Aon Tower  
201 Kent Street  
SYDNEY NSW 2000  
AUSTRALIA

Phone: (612) 9253 7865  
Fax: (612) 9253 7627  
Mobile: 0410 478 127