



## CASE STUDY

### Hylant Business Insurance

# M&A AND TRANSACTION

## CHALLENGE

A credit union was interested in making two acquisitions but had never completed such transactions before. Understanding that what they didn't know could hurt them, they asked Hylant's M&A and Transaction Solutions team to review the property and casualty insurance policies for their own company as well as those of the prospective acquisitions.

They wanted to do the following:

- Leverage any opportunities for improving the structure of the deals and the terms of the insurance.
- Uncover any issues that could poison the acquisitions.
- Plan for the best way to incorporate and manage the risks of both organizations.

## SOLUTION

Based on indemnity risks uncovered by Hylant during the due diligence process, the credit union decided it was best to move forward with only one of the two proposed acquisitions. Sometimes, the best deal is the one that never takes place.

For the go-forward acquisition, Hylant performed a thorough review of the company's property and casualty coverage, identifying areas where



coverage limits and terms should be strengthened. All policies were reviewed to confirm the suitability of the current risk management program and the extremely good pricing inherent in its association program.

During the coverage review process, Hylant discovered that the parent company was at risk for COVID-19 related claims on workers' compensation above the statutory limits. For relatively few dollars, we helped the client obtain \$10 million in limits on the employer liability portion of its workers' compensation coverage.

*Sometimes the best deal is one you don't complete. Hylant M&A and Transaction Solutions can help you reduce uncertainty before you commit critical resources to a transaction.*

## SERVICE

M&A consultation

## INDUSTRY

Financial services

## SIZE

700 employees

## SCOPE

Hylant helped a credit union vet two possible acquisitions, making an important pre-purchase discovery that changed the client's M&A strategy.

## RESULTS

# Trouble Avoided

Not all business is good business. The client avoided a problematic acquisition.

# Acquisition Made

Both parties were satisfied with the deal structure.

# Gap Closed

Coverage was secured for possible COVID-19 claims.