

INITIAL PUBLIC OFFERING (IPO)

CONVERTING FROM A PRIVATE COMPANY TO A PUBLIC COMPANY

Work backwards, start the process roughly 180 days from when you expect to IPO, and set your timeline and milestones dates from there.

HELPFUL TIPS

- Align yourself with an advisor that is an expert in the space. About 6 months prior to the IPO, start to conduct interviews and vet out any potential broker partners you are considering.
 - The coverage is extremely specialized and experience in taking companies public, having robust limits benchmarking and claims risk data and significant relationships with the carriers that quote these deals is mandatory.
- It is critical to tell your company's story directly to the carriers. Set up a prep meeting with your broker and management team to discuss what questions will be asked, who will be on the call, the format of the call, and also discuss limit benchmarking and claims data to create a strategy as to the type of structure will make the most sense based on market cap, expected stock price changes, corporate milestones and board appetite to risk.
- 60-75 days prior to the IPO schedule a meeting/video call with the insurance carriers, where you will walk them through your investor deck and answer any questions that they may have. Prior to the meeting it will be important to decide if NDAs are needed (is the filing still confidential or has it been already publicly filed) and can be collected from the 30+ insurance carriers that will participate on the call.
- After the call, your broker will spend several weeks polling the various carriers on their interest, getting additional questions answers and ultimately negotiating the pricing, limits and terms that best fit the company.
- A presentation can be made to the board a few weeks prior to the IPO, and once approved that program will remain ready to be bound the night the deal prices and the day before trading begins. There is no need to bind the public company program until pricing is effective and the stock will start trading.

While the process and timeline can certainly vary based on various circumstances, this is a good overview on what is needed and expected when converting to a public company.

**To learn more about EPLI Insurance,
contact our team:**
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