PROFESSIONAL, EXECUTIVE AND CYBER SOLUTIONS

IPO Readiness & Risk Overview

An Initial Public Offering represents a defining step in a company's growth, but it also introduces a new level of scrutiny, complexity, and risk. As organizations transition to the public markets, every disclosure, projection, and decision becomes subject to heightened regulatory and investor review. This is not simply a transaction, it is a structural shift in how a company operates, with increased expectations on leadership and immediate exposure to litigation and compliance risk. Companies that treat the IPO as a broader risk transformation are best positioned for success.

EPIC Insurance Brokers & Consultants supports this transition by providing specialized risk management, executive risk, and advisory solutions tailored to the IPO lifecycle. With deep industry expertise, global market access, and a collaborative, client-focused approach, EPIC helps organizations proactively manage risk and operate with confidence in the public arena.

IPO Readiness

Preparation for an IPO typically begins 12–18 months in advance and requires coordination across leadership, finance, legal, and risk teams. The goal is to ensure the organization is aligned with public company expectations before entering the market.

Key areas of focus include

- Establishing governance structures and Board level oversight practices.
- Aligning executive compensation and equity strategies with peer companies.
- Preparing disclosures for investor review, including S-1 filings.
- Pitching the business to prospective investors (Roadshow).
- Educating leadership on the shift from private to public accountability.

Beyond processes, companies must also adopt a new mindset. Decision-making becomes more structured, communications are more controlled, and transparency becomes a constant requirement.

D&O Insurance Considerations

As part of IPO readiness, Directors & Officers (D&O) insurance becomes a central component of risk management. This coverage is designed to protect both the company and its leadership against claims tied to governance decisions and public disclosures. A key distinction during this transition is the shift from private company coverage to public company D&O. Public company D&O policies are specifically structured to address securities-related exposures, including claims arising under federal securities laws.

Important considerations include:

- Ensuring the D&O program is fully in place prior to the first day of trading.
- Structuring limits to reflect increased litigation exposure.
- Aligning coverage with IPO-specific risks such as disclosure-related claims.

Well-designed programs help protect leadership, stabilize financial exposure, and support decision-making during a period of heightened uncertainty.

Post-IPO Environment

The period immediately after an IPO is often the most sensitive. Companies are operating under public scrutiny for the first time, and even small deviations from expectations can have an outsized impact on stock performance.

In many cases, shareholder litigation arises from:

- Perceived gaps between projections and actual performance.
- Changes in guidance or financial outlook.
- Allegations tied to disclosures made during the IPO process.

Even well-prepared organizations can face these challenges. As a result, the IPO should be approached as the beginning of an ongoing process requiring continuous oversight and risk management.

10b5-1 & Insider Trading Considerations

Following an IPO, executives gain the ability to buy and sell company stock in the open market. This introduces additional scrutiny, particularly around insider trading regulations. U.S. Securities & Exchange Commission (SEC) Rule 10b5-1 allows executives to establish pre-arranged trading plans designed to reduce exposure to allegations of trading on non-public information. However, regulatory expectations around these plans have evolved, placing greater emphasis on transparency and governance.

In the current environment :

- Trading plans must include structured timing and cooling-off periods.
- Executives are expected to demonstrate good faith and compliance.
- Disclosure requirements around insider trading activity have increased.

For new public companies, these plans are not simply administrative—they are an essential part of governance and risk management in the post-IPO phase.

EPIC Perspective

A successful IPO is built on preparation, but long-term success depends on how effectively a company evolves once it enters the public markets. The most durable approach goes beyond the transaction itself, adopting an EPIC mindset—one that is End-to-end, Proactive, Integrated, and Continuous—bringing together governance, risk management, insurance, financial discipline, operational readiness, and investor engagement into a unified strategy.

By starting early, aligning leadership, and building the infrastructure needed to operate as a public company—from compliance and reporting to culture, talent, and stakeholder communication—organizations can better navigate heightened scrutiny, market volatility, and growth pressures. Preparing not just for the IPO event but for the realities that follow enables companies to protect their business, support their executives, strengthen investor confidence, and sustain long-term value creation in an increasingly dynamic market environment.

***Ready to be* EPIC?**

For more information about how EPIC can help your business, visit us at **epicbrokers.com**.