

Global Transactional Risk Representation & Warranties Insurance

Protecting Your Deal

Chubb's Representations and Warranties Insurance insures against financial losses, including costs associated with supporting claims, due to unintentional and unknown breaches of the seller's representations and warranties made in an acquisition or merger agreement.



Coverage for M&A transaction period exceeding the deal terms



Insures the buyer (seller option available)



Coverage for financial loss for unknown breaches of the representations and warranties



Eases negotiation and enhances protection



Bespoke and tailored terms to match the deal

R&W Coverage

Coverage provides additional insurance protection to buyers beyond the seller's typical obligations under the transaction.

The coverage period matches, or sometimes extends, the indemnification survival periods in the acquisition or merger agreement. Typical policy periods are up to three years for business representations and warranties, and up to six years for fundamental representations (e.g. ownership/title) and tax warranties.

Policyholder

Under a buyer-side policy, Chubb makes buyers whole for losses arising from the post-closing discovery of seller's breach of a representation or warranty in the agreement.

Both buyer and seller benefit from the existence of the coverage, but for various reasons (including a direct first-party claims process and the likelihood of broader coverage), the buyer is typically the named insured on the policy.

Potential Policy Benefits



Insurance beyond the purchase agreements; indemnity caps and survival limitations



Enables sellers to obtain a "clean exit" by reducing or eliminating the need for escrows or purchase price holdbacks



Insures buyers against solvency risk of an unsecured seller indemnity



Distinguishes a buyer's bid in a competitive auction enabling the seller to achieve a clean exit



Preserves relationships by not requiring buyer to make claims against management of the target who were previously part of the seller's group

Why Chubb?

- **Leader:** World leader & trusted insurance partner
- **Experts:** Best-in-class specialist underwriting & claims handling
- **Worldwide:** Seamless, cross-border service, wherever you are
- **Security:** AA/A++ rated

Contact Us

For more information on Representations and Warranties Insurance email us at: transactionalrisk@chubb.com

Or visit the website: www.chubb.com or Chubb Global Transactional Risk: www.chubb.com/us-en/business-insurance/transactional-risk.html

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