

QBE European Operations



# Transactional Liability Insurance Financial lines

QBE is committed to providing products unlike anything else in the market, while minimising any risks to customers. And perhaps no one understands risk better than our Financial Lines team of highly experienced underwriters. This team can underwrite multiple coverages and tailor comprehensive and innovative solutions to the particular risks facing each individual customer – ultimately mitigating the risks assumed by such customers.

## Transactional Liability Insurance (TLI)

- > The coverage provides protection from financial losses resulting from wrongful acts or inaccuracies in the warranties and indemnities made about a company or business involved in a merger or acquisition.
- > Effective management of post-closing exposure in exiting a deal, particularly long-tail indemnity obligations, as insurance shortens or replaces the indemnity tail.
- > Allows for more attractive bidding strategies in auctions, particularly with sellers who often make limiting post-closing liability the foremost priority in the deal.
- > Financial security for cross border deals.
- > Useful in distressed M&A transactions, where the threat of seller bankruptcy is present.
- > Flexibility and bespoke nature of the contracts allow the insurance to meet a variety of contingent liability situations that most often kill M&A deals.

**\$21.7B**

2023 Global Gross  
Written Premium

Over

**12,000**

employees worldwide

Located in

**28**

countries

Insurance Insider  
Employer of the

**2022**

QBE European Operations  
is a division of QBE Insurance  
Group, one of the world's  
leading international insurers  
and reinsurers

Winner of the Finder  
Green Insurer of the  
Year Award

**2023**

One of the  
largest managing  
agents at

**Lloyd's**

Can write  
business in

**180**

countries

Choice of

**Lloyd's /  
QBE**

company security

**Rated**

A+ by Standard & Poors  
A+ by Fitch  
A by A.M. Best



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## Buyer-side benefits from TLI

- > **Reduce counterparty risk:** Where the buyer may have concerns on the ability of the seller to pay future liabilities, buyer reduces its credit risk on the seller by having the insurer provide indemnity for any unanticipated breaches of the representations and warranties.
- > **Facilitates transaction:** With TLI coverage in hand, the buyer's bid is more competitive and the consummation of the transaction may be quicker as one of the key points of contention is potentially resolved.
- > **Protects business relationships:** Where the sellers will continue to be a part of the business following the sale, the RWI coverage protects the business relationships of all parties.

QBE has the products and solutions to meet a customer's insurance coverage needs at every stage of its lifecycle.

## Seller-side benefits from TLI

- > **Reduce risk:** Seller is not liable for an unanticipated breach of its warranties. Further, as a result of the TLI coverage, seller may not be required to put up reserves or collateral for potential breaches.
- > **Clean exit:** Seller receives a profit from the transaction with a reduction or complete elimination of any escrow. Further, seller is able to distribute the profits from the transaction to its investors.
- > **Efficiency leads to increased profitability:** Risks are allocated efficiently, thereby increasing the deal value for the seller. As a result of the TLI coverage, the seller is able to negotiate and close the sale quicker.
- > **Protect minority sellers:** Where the seller is comprised of more than one party, the coverage protects the minority or passive sellers who are jointly and severally liable.

## Benefits of TLI from QBE

- > TLI policies are individually tailored, with terms, conditions and limitations offered or removed based on underwriting.
- > QBE's state of the market policy form for buyer and seller side TLI provides clear and concise terms and conditions in a simple format that can quickly and easily be tailored in-house by QBE's underwriters to suit the needs presented by each individual transaction.
- > Claims handled in-house by QBE's team – a seasoned group of attorneys and claims professionals.

## Capacity

Up to GBP/USD/EUR 25 million, placing QBE among the top insurance markets to provide primary and excess limits for TLI.

## Appetite

QBE is open to providing TLI for a wide range of transactions, including:

- > Energy
- > Media
- > Real Estate
- > Infrastructure
- > Utilities
- > Consumer products
- > Technology
- > Financial services
- > Healthcare

For more information on transactional liability insurance, or any of our Financial Lines coverages, contact:

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