

During the course of intricate M&A negotiations, it is not unusual for special situations to disrupt discussions. Negotiating parties need an experienced insurance team that can offer innovative solutions to help move the dialogue forward. Allied World's Mergers and Acquisitions team has highly experienced professionals who are knowledgeable on both the financial and legal ramifications of such transactions. As specialists in the mergers and acquisitions insurance field, we work with clients to recommend special situation or contingent risk insurance solutions, before they can impair or derail the process.



SPECIAL SITUATION / CONTINGENT RISK PRODUCT OVERVIEW

Just as no merger or acquisition is alike, we understand that insurance coverage for each special situation will vary. We can provide tailor made solutions and policies for a number of potential contingent liabilities that may arise in the context of an M&A transaction. By ring fencing an identified contingent risk with a bespoke insurance policy, the issue can be effectively mitigated during the negotiations – allowing both the seller and the buyer to focus on their broader commercial objectives.

Examples of special situation disclosed / contingent risks include:

- Litigation risks
- Contingent environmental risks
- Third party intellectual property infringement claims
- Employment disputes or employee legal issues
- Specific accounting treatment

LITIGATION BUYOUT INSURANCE

We can offer Litigation Buyout (LBO) insurance to help offset litigation risks. Examples where LBO insurance may be a solution include:

- Securities litigation and other class actions
- Employment practices litigation
- Intellectual property infringement litigation
- Contractual disputes
- Liability issues arising in the context of a distressed sale

CAPACITY

- Company Market: up to \$25M / €20M / £15M or local currency equivalent
- Lloyd's Syndicate 2232: up to \$25M or local currency equivalent

UNDERWRITING PROCESS

Our M&A team possesses the experience – both financial and legal – to craft comprehensive Special Situation / Contingent Risk insurance policies. In order for us to properly craft this coverage, we focus on disclosed contingent issues arising within the context of a wider M&A deal. We require access to all the advice that the proposed insured has received in connection with the contingent risk. To the extent that we are looking at known issues already being litigated between two counterparties, we would limit our involvement to scenarios where the proposed insured is the defendant in an action or any potential action.

CONTACTS

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Allied World

Rated "A" (Excellent)
by A.M. Best Company

Rated "A-" (Strong)
by Standard & Poor's

Rated "A3" (Good)
by Moody's

Lloyd's Syndicate 2232

Rated "A" (Excellent)
by A.M. Best Company

Rated "A+" (Strong)
by Standard & Poor's

Rated "AA-" (Very Strong)
by Fitch Ratings

MERGERS & ACQUISITIONS SPECIAL SITUATION / CONTINGENT RISK INSURANCE

(continued)

Upon receipt of relevant documentation, we can produce a non-binding quote – very quickly setting out the structure of the policy, terms and conditions, and a range of pricing. We offer access to real-time decision making, enabling an efficient process even when time frames are very tight.

MULTINATIONAL COVERAGE

For more information on Multinational Coverage available via our ALLIED WORLDWIDE® platform, please contact the listed underwriters or visit us online at www.awac.com/alliedworldwide

RISK MANAGEMENT AND LOSS CONTROL

Risk management and loss control is core to Allied World's proactive approach to insurance. It is embedded in our underwriting process and is a key differentiator of our client service offering.

CLAIMS SUPPORT CLIENTS CAN COUNT ON

Our claims team has significant expertise across numerous product lines and is committed to the highest levels of professionalism, responsiveness and good faith in claims handling.

FINANCIAL STRENGTH

We recognise how important it is that a carrier has the financial strength to ensure that it will be there when your clients need it. We believe that our ratings, conservative balance sheet, expanding scope of operations and solid capital base put Allied World in a superior position to withstand future economic upheavals and to provide our insureds with the protection they need.

Allied World's Lloyd's Syndicate 2232 benefits from the ratings assigned to Lloyd's: A (Excellent) from A.M. Best, A+ (Strong) from Standard & Poor's and AA- (Very Strong) Fitch Ratings. In addition, we are part of the Lloyd's chain of security and as a result all policies written by Syndicate 2232 are backed by the Lloyd's central fund.



Coverage is subject to the satisfaction of applicable regulatory licensing requirements and will be provided through appropriately licensed insurance intermediaries. Actual coverage may vary and is subject to policy language as issued. Risk management services are provided by or arranged through AWAC Services Company (Ireland) Limited, a member company of Allied World. **Allied World Europe** Coverage will be underwritten by Allied World Assurance Company (Europe) dac, which is regulated by the Central Bank of Ireland and is rated "A" (Excellent) by A.M. Best, "A3" (Good) by Moody's and "A-" (Strong) by Standard & Poor's. Coverage underwritten within Switzerland is by Allied World Assurance Company, AG, which is regulated by the Swiss Financial Market Supervisory Authority and is rated "A-" (Strong) by Standard & Poor's. **Allied World Syndicate 2232** Coverage will be underwritten by Allied World Syndicate 2232. Syndicate 2232 is managed by Allied World Managing Agency Limited, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The Lloyd's market is rated "A+" (Strong) by Standard & Poor's and "AA-" (Very Strong) by Fitch Ratings. © 2017 Allied World Assurance Company Holdings, GmbH, a Fairfax company. All rights reserved.