



Transaction liability private enterprise

Product brochure
Canada

Overview

Transaction liability private enterprise (TLPE) is CFC's first-to-market insurance product specifically designed to provide small business sellers with peace of mind during an M&A transaction.

The policy insures sellers against the risk of financial loss as a result of a breach of representation or warranty, providing cover for 100% enterprise value (EV) indemnity and defense costs in the event of a buyer claim.



About CFC

CFC is a specialist insurance provider, pioneer in emerging risk and market leader in cyber. Our global insurance platform uses cutting-edge technology and data science to deliver smarter, faster underwriting and protect customers from today's most critical business risks.

Headquartered in London with offices in New York, Austin, Brussels and Brisbane, CFC has over 500 staff and is trusted by more than 100,000 businesses in 80 countries. Learn more at cfcunderwriting.com and [LinkedIn](#).

Contact



Joe Perrett
Product Manager

TLPE@cfcunderwriting.com
+44 (0)207 469 1754

Coverage highlights

Breach of warranties

Our TLPE policy provides cover for financial loss or liability arising from a breach of a warranty given by sellers in a share or asset purchase agreement.

Defense costs

CFC's TLPE policy provides cover for defense costs arising from the claim of an inaccuracy in a representation or warranty.

Full indemnity policy limit

Unlike traditional R&W policies which typically provide a policy limit of 10% of enterprise value (EV), CFC's TLPE policy insures the full indemnity given by the seller in the sale agreement, up to CAD 15m. This means we can offer a limit of up to 100% EV.

Duty to defend

Underwriters have a duty to defend, giving insureds the benefit of sophisticated legal advice and representation in the event a buyer makes a claim against them for a breach of warranty given under the sale contract" after "representation".

Streamlined underwriting

Coverage can be bound within 24 hours following receipt of the transaction documentation and responses to the questions in the TLPE insurance application.

Process

Submit a request for preliminary and indicative terms. We will respond to all requests within 24 hours and if quotable, we will provide an indicative rate, the TLPE policy wording and insurance application. Once we receive a completed insurance application, we will provide an updated and bindable TLPE policy.

Buyer as loss payee

The buyer is added as a loss payee so that they can receive claim proceeds directly.

Appetite

What we love

Small and micro deals with an enterprise value of CAD 250k - CAD 15m across the manufacturing, education, franchise, retail, leisure, hospitality and real estate sectors.

What we consider

Professional services, technology service and product businesses, transport and insurance brokers.

What we ordinarily decline

Financial services, oil and gas, mining, pharmaceuticals and regulated industries (such as telecommunications). Although these sectors are ordinarily out of appetite, there are exceptions so please do send in enquiries for review. Deals greater than CAD 15m may be insurable under our standard W&I insurance product.

Limits, deductibles, premium and transaction size

Maximum limit	CAD 15m
Retention	Nil
Minimum premium	CAD 2,500
Underwriting fee	Nil
Policy fee	CAD 500
Policy period	7 years

Coverage is subject to underwriting and the terms, conditions, and limits of the issued policy.