

Transactional risk insurance

CHUBB®



What does Chubb offer?

Chubb offers transaction insurance products to help parties manage the risks inherent in mergers and acquisitions.

These can enable buyers and sellers to allocate transaction risk efficiently; maximise deal value and returns; enhance a buyer's bid in competitive auctions; and bridge gaps where there are obstacles to a deal closing.

Warranties and indemnities (W&I) insurance

This product lies at the heart of our proposition. We offer policies to protect the parties in a transaction from financial losses arising from an unintentional and unknown breach of a seller's warranties. This includes the costs associated with defending claims.

We serve the needs of both buyers and sellers through distinct policy offerings, negotiating bespoke policies tailored to the specific needs of each policyholder.

Benefits of a buyer-side policy include:

- Protection beyond the negotiated indemnity cap/survival limitations of a purchase agreement.
- Protection against the collectability or solvency risk of a seller's unsecured liability.
- May distinguish a buyer's bid within a competitive auction process.
- Supports key relationships by mitigating the need for a buyer to pursue claims against sellers.
- Reduces the need for escrows or purchase-price holdbacks, providing the seller with a 'clean exit' and facilitating faster distribution or retention of proceeds.
- Potentially enhances the seller's return on capital.

Benefits of a seller-side policy include:

- Provides a backstop for negotiated warranty obligations for private equity and venture capital funds.
- Protects minority/passive sellers concerned with joint and several liability exposure to the buyer.
- Provides additional comfort for sellers.

What information do we need?

In order to consider a risk, we will ask for:

- Transaction information (about the target, the seller and the buyer)
- Deal background (rationale, auction process and value)
- Documentation (including, where available, information memorandum; accounts and management accounts; share purchase agreement; tax deed; disclosure letter, due diligence report; and data room access)

Our offering includes:

Bespoke policy offering coverage to match the warranties in the purchase agreement as closely as possible. Policy period designed to mimic the warranty survival period or can be extended beyond the period provided in the purchase agreement.

What limits do we offer?

We offer policy limits of US\$100m. However additional capacity is available for certain risks.

Who do we cover?

Our products are designed to meet the needs of both buyers and sellers in a transaction.

We target deal makers such as strategic buyers and sellers, private equity sponsors and business owners and their advisors and managers, undertaking medium to large-size transactions.

Our appetite is not generally restricted by sectors and extends to a wide variety of business types. However our appetite is restricted for businesses in the following sectors:

- Education
- Healthcare
- Public Administration & Defence
- Mining & Quarrying

In addition we are not able to insure individuals or micro enterprises.

We underwrite both Asia Pacific-based and international businesses, servicing them through our network of local offices.

Chubb's Claim Promise

Chubb has a responsive global claims service in each country where policies are issued. This means that brokers and clients will benefit from a dedicated member of our claims team speaking the local language in that jurisdiction and dealing with their claim in real time. Our claims teams work closely with our product and underwriting teams to provide a bespoke and efficient claims service, appropriate to the complexities of any claim presented.

Why Chubb?

- The reassurance of cover from the global leader in financial lines.
- Tailored products aligned to each transaction's specific needs.
- In-house claims expertise including our own transactional risk resource.
- Access to Chubb's expertise and product range for other liability lines, such as environmental risk.
- Worldwide availability through our office network and Lloyd's licences.
- Choice of company or Lloyd's paper.

About Chubb in Asia Pacific

Chubb is the world's largest publicly traded property and casualty insurance company. With operations in 54 countries and territories, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients. As an underwriting company, we assess, assume and manage risk with insight and discipline. We service and pay our claims fairly and promptly. The company is also defined by its extensive product and service offerings, broad distribution capabilities, exceptional financial strength and local operations globally. Parent company Chubb Limited is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index. Chubb maintains executive offices in Zurich, New York, London, Paris and other locations, and employs more than 30,000 people worldwide. Additional information can be found at: chubb.com.

Chubb's franchise in Asia Pacific comprises an extensive network of operations serving Australia, China, Hong Kong, Indonesia, Korea, Macau, Malaysia, New Zealand, Philippines, Singapore, Taiwan, Thailand and Vietnam.

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