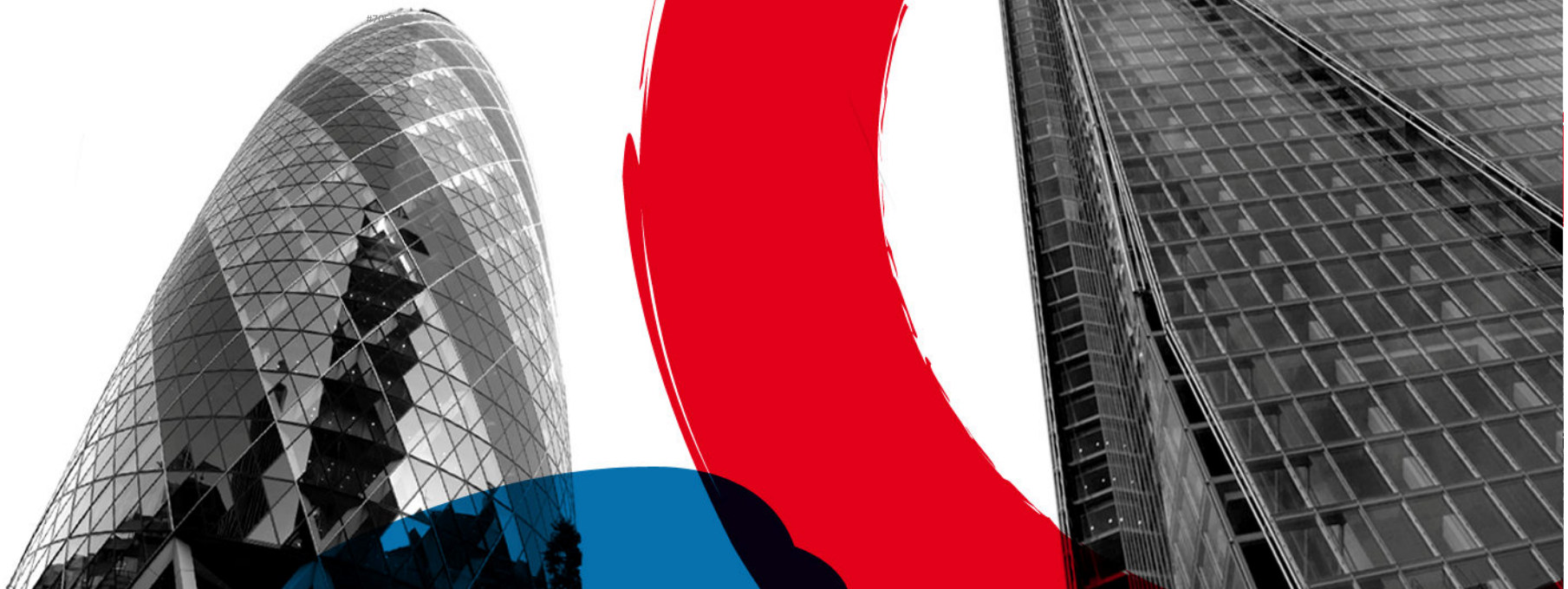


Transaction Insurance

Helen Robinson
Partner
Wedlake Bell LLP



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History

Mid 90s

- “Sell Side”
- Limited cover
- High premium



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History

Early 2000s

- Concept of “Buy Side”
- Still expensive
- Long process



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History

Late 2000s – Early 10s

- Corporate lawyers employed to underwrite
- Pricing fell



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History

Present day

- Competition drives price down 1-1.5% for Western Europe
- 1.5-2% elsewhere
- Better product
- Quicker process



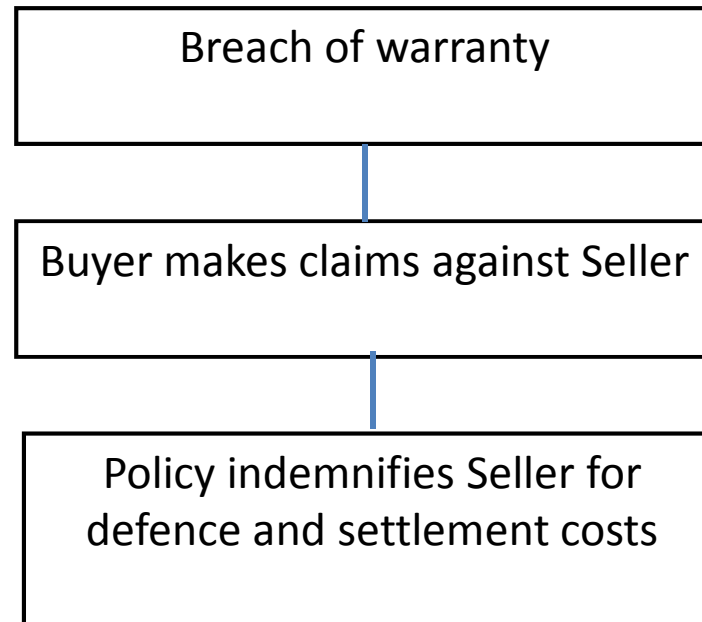
What is Transaction Insurance?

- Representations & Warranties
 - Facilitates a deal
 - Enhances a deal
- Specific contingent risk
 - Removes risk



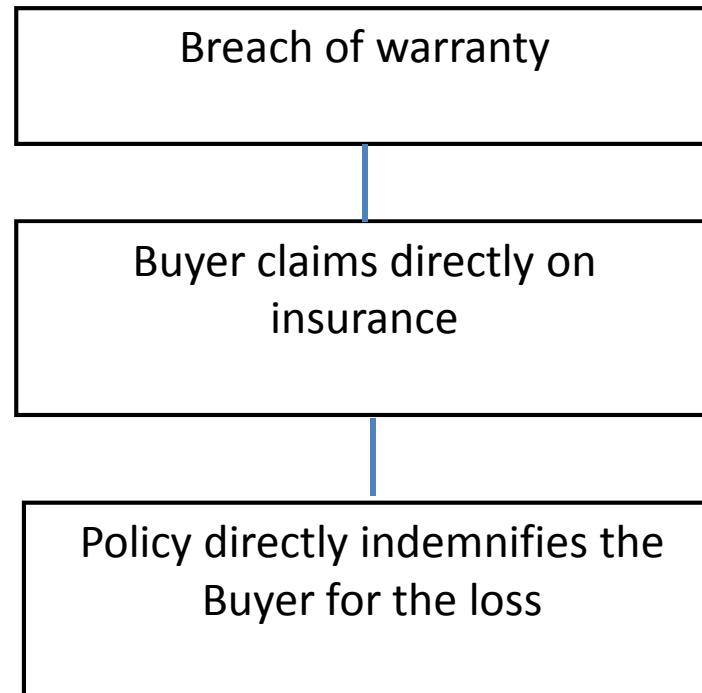
Policy Trigger

Seller Side



Policy Trigger

Buyer Side



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Cost

Representations & Warranties

- Policy limit – generally 10-50% of purchase price
- Premium 1-2% of policy limit



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Cost

Indemnities

- Policy limit – up to 100% of exposure
- Premium – 5-10% of policy limit



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Howden Insurance Brokers Ltd

Edinburgh - 2014



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UK Taxes

1	
2	-
3	-
4	-
5	£ 1.00
6	£ 3.00
7	£ 7.00
8	£ 12.00
9	£ 18.00
10	<u>£ 59.00</u>
	£100.00



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UK Taxes

1		
2	-	
3	-	
4	-	
5	-(£1)	100%
6	£2 (£3)	33%
7	£5 (£7)	28%
8	£9 (£12)	25%
9	£14 (£18)	22%
10	<u>£49 (£59)</u>	16%
	£80.00	

