



## Professional Lines Representations and Warranties Insurance

QBE is committed to providing products unlike anything else in the market, while minimizing any risks to your clients. And perhaps no one understands risk better than our Professional 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 client - ultimately mitigating the risks assumed by such client.

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

### Representations and Warranties Insurance (RWI)

- The coverage provides protection from financial losses resulting from wrongful acts or inaccuracies in the representations and warranties 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.

### Buyer-side benefits from RWI

- 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 RWI 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.

### Seller-side benefits from RWI

- Reduce risk: Seller is not liable for unanticipated breach of its representations and warranties. Further, as a result of the RWI coverage, seller may not be required to put up reserves or collateral for potential breaches.
- Clean exit: Seller receives 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 RWI coverage, the seller is able to negotiate and close the sale more quickly.
- Protect minority sellers: Where the seller is comprised of more than one party, the coverage protects minority or passive sellers who are jointly and severally liable.

### Benefits of RWI from QBE

- RWI 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 RWI 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 Specialty Claims group - a seasoned group of attorneys and claims professionals.

### Capacity

Up to \$50 million, placing QBE among the top quartile of insurance markets providing limits capacity for RWI.

### Appetite

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

- Energy
- Industrial
- Mining
- Utilities
- Technology
- Media
- Telecommunications
- Consumer products
- Financial services

### QBE North America

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**In addition to Representations and Warranties Insurance, QBE also offers Tax Liability coverage to help protect against tax losses stemming from a challenge to a tax opinion or change to tax credits.**

### QBE North America



QBE North America is a division of QBE Insurance Group Limited, one of the world’s largest insurance and reinsurance companies.



We are rated A+ by Standard & Poor’s and A (Excellent) by A.M. Best.\*



Located in 31 countries with over 14,000 employees worldwide, we are considered a leading underwriter within our chosen markets.



We are able to profitably meet the local and multinational risk management needs of commercial customers who trade on a global basis.



Ranked on Forbes Global 2000 list of public companies and, in 2018, had a worldwide gross written premium of \$13.7 billion.

### The QBE difference

**For more information on Representations and Warranties, Tax Liability or any of our Professional Lines coverages, contact Toria Lessman at 312.803.3518 or [toria.lessman@us.qbe.com](mailto:toria.lessman@us.qbe.com).**

\* Learn more about ratings guidelines at [standardandpoors.com](http://standardandpoors.com) and [ambest.com](http://ambest.com).

Actual coverage is subject to the language of the policies as issued.

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