

Warranty and Indemnity (W&I)



A tailored insurance product to cover breaches in representations and warranties given in the sale of a business.

TARGET MARKET

Any buyer or seller involved in the sale of a private company or asset, with a value in excess of \$10 million.

CAPACITY & MINIMUM RETENTION

Capacity up to \$100 million (€90 million, £65 million) coverage for any single transaction.

The retention is usually around 1% or 0.5% (or lower where the underlying asset is real property) of the enterprise value of the transaction.

SWEET SPOTS

- Private equity transactions.
- Transactions between \$50 and \$500 million.
- Large transactions – we have capacity to provide coverage of up to \$100 million for any single transaction.

CLAIMS SCENARIOS



ACCOUNTS: The buyer brought a claim against the seller for alleged breaches of the warranties relating to the financial statements of the target. AIG provided cover to the seller and paid out a substantial sum in settlement and expenses.



CONTRACTS: The buyer became aware that a counterparty of the target had been submitting fraudulent invoices to the target, resulting in millions of dollars in payments. The buyer made a claim under its W&I policy for breach of the material contracts warranties. AIG paid the claim in full.



COMPLIANCE WITH LAWS: The target received a subpoena in connection with anti-competitive behaviour. The actions constituted a breach of the seller's warranty that the business complied with all applicable laws. AIG paid out a significant sum, indemnifying the buyer for loss of value and damages.

HEADLINES



HERITAGE OF EXCELLENCE: Deep institutional knowledge coupled with extensive team experience.



GLOBAL CAPABILITY: With capabilities across global financial centres, we are where our clients need us to be with knowledge of the nuances that govern local transactions.



TRANSACTIONS: Established in late 2000, AIG's market-leading M&A team has underwritten more than 2,000 transactions in Europe, Asia, Africa and North and South America.



RESPONSIVE CLAIMS: As a single insurance carrier we settle claims quickly and our experienced claims teams are aligned to the intention of our underwriting.



FORWARD THINKING: Creative and forward thinking solutions drawn from our capabilities across business lines and industry sectors.



MULTINATIONAL: Market leader in W&I insurance solutions, with underwriters strategically located in financial hubs in the USA, Canada, Europe, Asia Pacific and Australia.



FLEXIBILITY AND AGILITY: Broad risk appetite and the ability to react quickly and practically to our clients' needs.



PRIMARY INSURANCE CARRIER WITH CAPACITY: Our ability to write large single line insurance limits allows us to be flexible and responsive to our clients' needs.

CONTACT

Angus Marshall
angus.marshall@aig.com

Please note: \$ (USD), £ (GBP) and € (Euro)

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