



Warranty and Indemnity Insurance

What is W&I?

Warranties provided under a share purchase agreement or an asset purchase agreement constitute an important and extensively negotiated part of an M&A process, as parties seek to allocate risk between themselves.

W&I insurance represents an attractive mechanism for transferring risk by stepping into the seller's shoes and providing protection against any loss suffered as a result of a breach of a warranty. This gives the sellers the benefit of a clean exit and the buyers the comfort of a strong covenant and enhanced warranty protection. It has the added benefit of potentially reducing the complexity and disruption posed by warranty negotiations in tightly run processes.

Why Icen Risk?

Independent

An independent MGA with capacity to write up to £100m / €110m per risk, closely affiliated with the Travelers insurance group (NYSE: TRV) and representing capital provided by Lloyds of London, Travelers and Zurich Insurance plc among others.

Collaborative and Knowledgeable

The Icen Risk team comprises specialists in corporate law, transactional accounting, intellectual property and tax drawn from a wide range of backgrounds and jurisdictions, including the United Kingdom, the European Union and Africa.

www.icenrisk.com/team

Comprehensive Coverage

We focus on providing tailored insurance cover for transactional risks in the UK, Europe, Canada, Australia, South Africa and the Middle East.

We have a wide risk appetite with particular focus on technology-driven businesses, renewables and real estate.



Why Use W&I?

An Icen Risk W&I policy can be used to achieve numerous benefits in the context of a transaction including:

- Strategically improve bids
- Clean exits
- Avoid potential price reductions
- Preserve commercial relationships
- More extensive warranty coverage
- Improved financial covenant
- Protects management teams
- Ability to cover identified risks

What limits can we offer?

Icen Risk is able to offer limits of up to

£100m / €110m
per transaction



How it works

Icen Risk aims to provide a seamless service allowing the W&I process to run alongside and in time with the wider transaction.

What we need:

- 1**
Transaction documents
(including the acquisition agreement and the disclosure letter)
- 2**
Due diligence on the material aspects of the target where insurance coverage is sought
- 3**
Limited access to the client and advisers

Submission

Transaction summary and draft transaction documents provided to Icen Risk

Non-binding Indiction (NBI)

Icen Risk provide indicative summary terms

Icen Risk Engagement

Icen Risk are formally engaged and due diligence provided

Underwriting

Due diligence reviewed by Icen Risk and any deal specific questions raised

Policy Negotiation

Negotiations to finalise the coverage position

Inception of Coverage

Policy on risk

Our unique claims arrangement with Travelers, our lead capital provider, ensures a transparent, efficient and reliable claims process.

You can be confident with an Icen Risk policy underpinned by a collaborative approach to claims, excellent security ratings and with direct dealings with claims managers who understand the complexities of M&A and your claim.



Our Differentiated Approach

Acknowledging every deal is unique we seek to offer a bespoke service to Icen Risk clients. We leverage our tax, intellectual property and environmental specialisms to provide enhanced and comprehensive coverage.

Tax Cover

Tax is an integral part of every share deal. As a market-leading tax team, we underwrite both identified, tax specific risks and tax risks within our W&I offering. Examples of our tax coverage offered within the W&I policies include:

- **Synthetic tax covenants:**
Supplementing sale agreements by providing a synthetic tax covenant (this can include coverage for post-completion tax attributes)
- **Affirmative cover:**
Providing affirmative cover for low and medium risk items identified through due diligence (this has included “medium” trading vs investment / transactions in land risks)
- **Clarity of tax cover:**
Removing the tax due diligence from the “Disclosed Documents” to provide added certainty.

Intellectual Property Cover

We have developed a range of IP products and services to assist parties to IP rich technology, creative and consumer brand M&A transactions. Specific product highlights include:

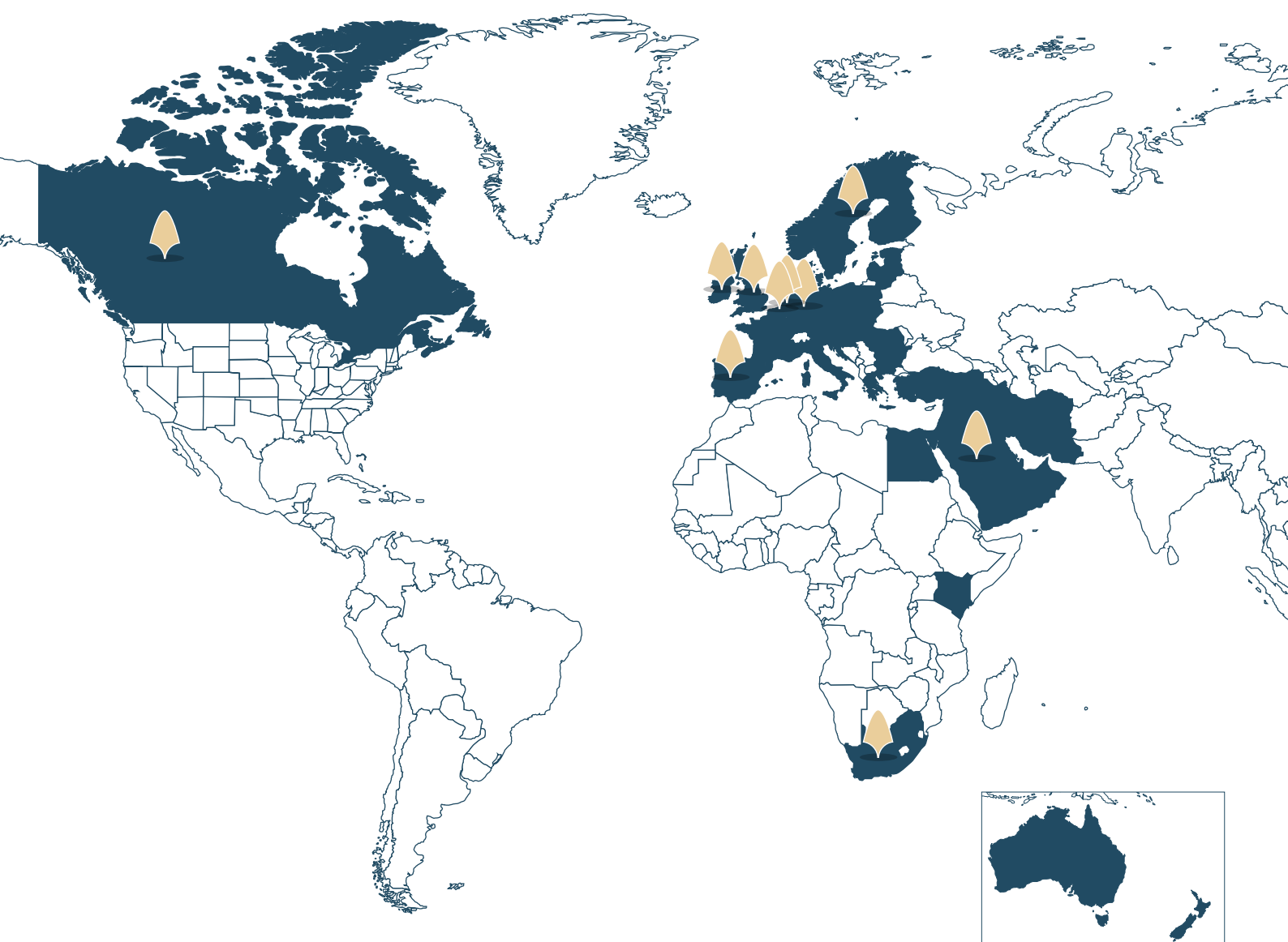
- **Broad coverage of existing IP warranties:**
Covering broad IP warranties without qualification
- **Synthetic IP products:**
For transactions involving the acquisition of businesses out of insolvency or where agreements are silent on IP, we can provide a fully synthetic solution
- **Special IP insuring clauses:**
Providing special IP insuring clause for the broadest possible coverage for risks including infringement and on a forward looking basis
- **Affirmative coverage:**
For matters identified through due diligence and underwriting which may be excluded under a standard W&I policy, we can provide bespoke coverage solutions
- **Top-up DD:**
Where required we are equipped to undertake IP portfolio reviews, third party IP landscaping exercises and understand the evolving patent, copyright, branding, design rights dispute environments in most jurisdictions to fill in DD gaps and enable us to offer better coverage.

Environmental Cover

We can provide enhanced environmental coverage upon request, in the context of a share acquisition transaction, to include:

- **Removing pollution exclusions:**
Pollution exclusions are standard in the market and enhanced underwriting may enable removal of such exclusions
- **Affirmative coverage:**
Covering specific identified matters that might otherwise fall outside the scope of a standard W&I policy as a result of disclosure or the client's knowledge
- **Synthetic coverage:**
Providing synthetic or enhanced warranties through the W&I policy where sellers are not prepared to include them in the transaction
- **Stand-alone EIL Protection:**
For higher risk identified contamination issues and separate to any warranty protection which may be afforded.

Selected Recent Transactions



Country	Sector	Buyer	Deal size
Canada	Renewables	Infrastructure Fund	CAN\$250m – CAN\$500m
UK	Fashion	Corporate	£500m – £750m
Ireland	Care Homes	Infrastructure Fund / Private Equity	€100m – €250m
The Netherlands	Logistics	Asset Manager	€250m – €500m
Belgium	Luxury Goods	Luxury Brand Group	€100m – €250m
Germany	Electrical Vehicle Charging	Corporate	€100m – €250m
Spain	Operating Real Estate	Pension Fund	€700m – €1bn
Nordics	Labels Manufacturer	Private Equity backed conglomerate	€100m – €250m
Middle East	Renewables	Infrastructure Fund	US\$250 – US\$500
South Africa	Logistics	Private Equity	US\$100m – US\$250m



Icen Risk Limited, a private limited company registered in
England & Wales with company number 1169139

Icen Risk GmbH is a company registered in Austria with company number 615422h, whose
registered address is Gonzagagasse 19/3, 1010 Vienna, Austria, and is authorised by the Austrian
Financial Market Authority (FMA).

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MD/13539/2025