Transaction liability private enterprise

Product brochure

Australia

Overview

Our transaction liability insurance products are structured to protect against financial loss arising from an inaccuracy in a warranty given by sellers in a share or asset purchase agreement.

Transaction Liability Private Enterprise (TLPE) insurance insures sellers of small and micro businesses against the risk of financial loss as a result of a breach of a warranty. TLPE also covers defense costs.

About CFC

CFC is a specialist insurance provider, pioneer in emerging risk and market leader in cyber. Our global insurance platform uses cutting-edge technology and data science to deliver smarter, faster underwriting and protect customers from today's most critical business risks.

Headquartered in London with offices in New York, Austin, Brussels and Brisbane, CFC has over 500 staff and is trusted by more than 100,000 businesses in 80 countries. Learn more at cfcunderwriting.com and LinkedIn.

Contact

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Coverage highlights

Breach of warranties

Our TLPE policy provides cover for financial loss or liability arising from a breach of a warranty given by sellers in a share or asset purchase agreement.

Defense costs

CFC's TLPE policy provides cover for defense costs arising from the claim of an inaccuracy in a representation or warranty.

Full indemnity policy limit

Unlike traditional W&I policies which typically provide a policy limit of 10% of enterprise value (EV), CFC's TLPE policy insures the full indemnity given by the seller in the sale agreement, up to AUD 10m. This means we can offer a limit of up to 100% EV.

Duty to defend

Underwriters have a duty to defend, giving insureds the benefit of sophisticated legal advice and representation in the event a buyer makes a claim against them for a breach of warranty given under the sale contract" after "representation".

Streamlined underwriting

Coverage can be bound within 3 business days following receipt of the transaction documentation and responses to the questions in the TLPE insurance application.

Process

Submit a request for preliminary and indicative terms. We will respond to all requests within 24 hours and if quotable, we will provide an indicative rate, the TLPE policy wording and insurance application. Once we receive a completed insurance application, we will provide an updated and bindable TLPE policy.

Appetite

What we love

Small and micro deals with an enterprise value of AUD 250k - AUD 10m across the manufacturing, education, franchise, retail, leisure, hospitality and real estate sectors.

What we consider

Professional services, technology service and product businesses, transport and insurance brokers.

What we ordinarily decline

Financial services, oil and gas, mining, pharmaceuticals and regulated industries (such as telecommunications). Deals greater than AUD 10m may be insurable under our standard W&I insurance product.

Limits, deductibles, premium and transaction size

Maximum limit	**AUD 10m**
Retention	**The higher of 1% of EV or AUD 10,000**
Minimum premium	**AUD 2,500**
Underwriting / policy fee	**Nil**
Policy period	**7 years**

Coverage is subject to underwriting and the terms, conditions, and limits of the issued policy.