

Does D&O cover M&A deals?

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Why should D&O brokers care about the M&A market?

Brand new market



Heightened exposure



Run off trigger



Discussion opportunity

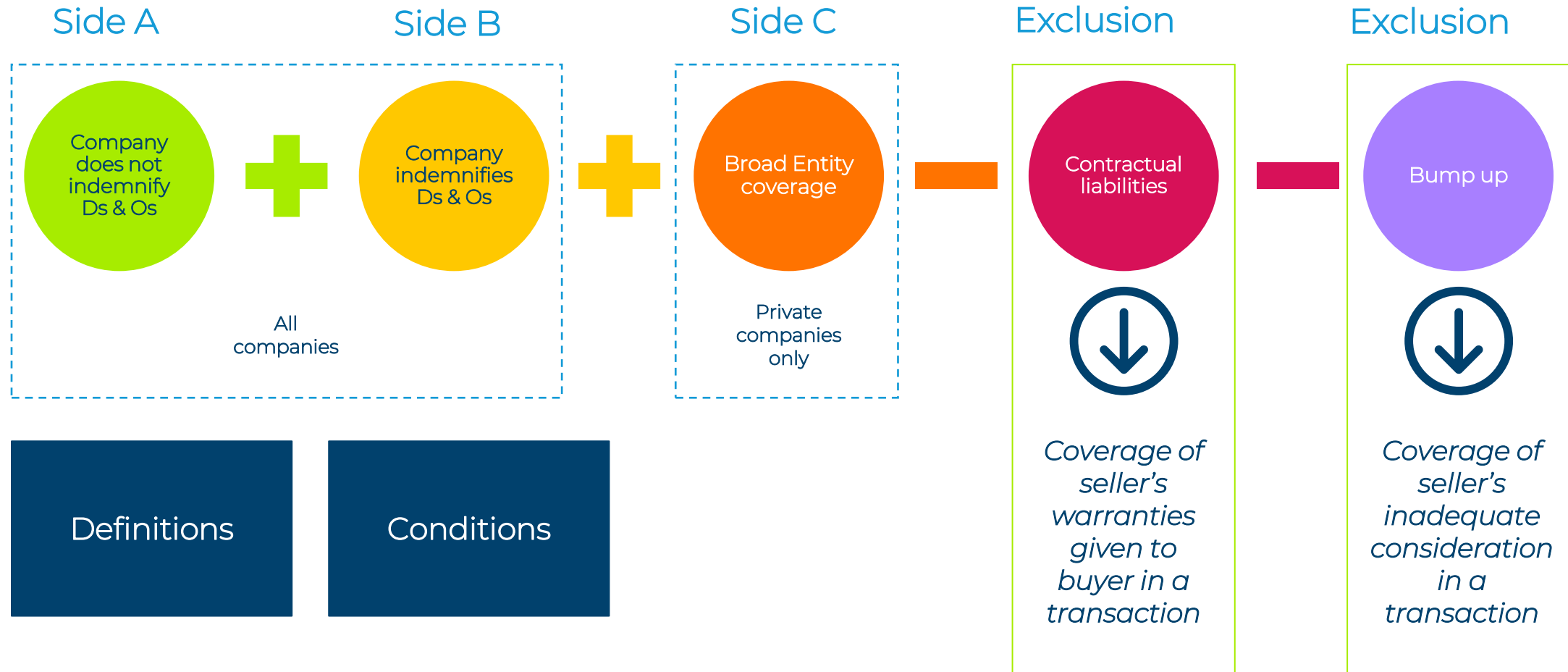


What risks do clients face in M&A?



- 1 Financial statements
- 2 Compliance with laws
- 3 Tax matters
- 4 Material contracts

Understanding where D&O cover starts and stops



Our first-to-market solution

- Deals between \$250k and \$10m enterprise value (EV)
- Competitive terms
- Streamlined underwriting
- Legal and contractual damages and defense costs

The deals currently being insured are just the tip of the iceberg - 90% of deals are in the SME space which is almost entirely underpenetrated



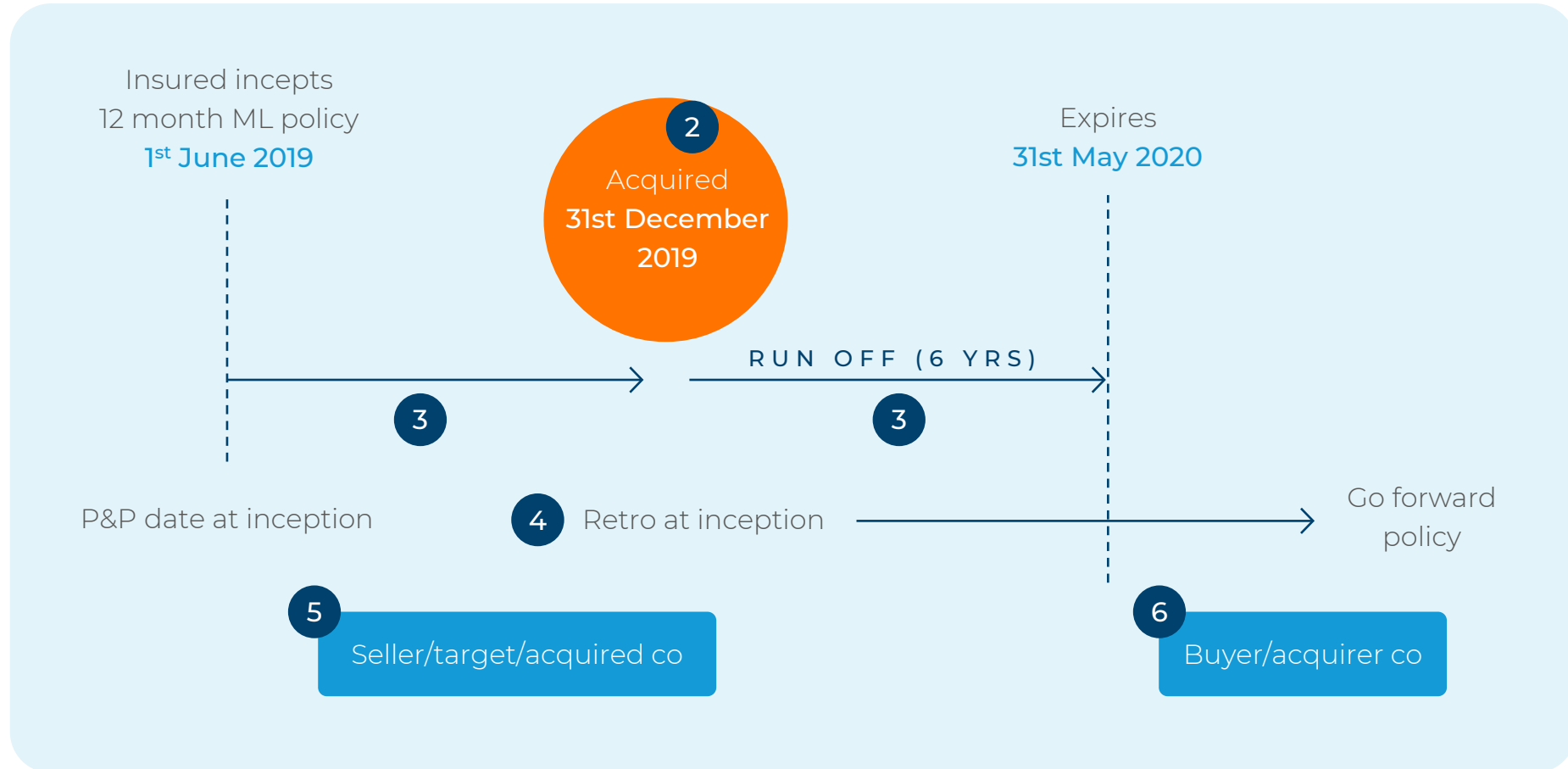
Let's look at a case study

Deal disaster

The client was a US medical diagnostic company who provides a wide range of procedures covering MRI, CT scans, X-rays etc. One of their customers filed a suit against the company, its acquirer and four of its directors over allegations to fraudulently submit insurance charges for non-reimbursable medical services with an initial demand of USD20m plus damages and attorney.



Run off trigger



Client conversation starters

Are you aware of the risks associated with your M&A deal?



Did you know you could potentially remove/reduce escrow by having insurance in place?

Client objection handling

We know the business and have never had an issue before



I'm already covered by my insurance

Key takeaways

- M&A activity is increasing, so too is the frequency and severity of claims
- Finding a 'catch all' solution within a Management Liability policy is not viable
- Management Liability entity cover will not provide coverage for breach of contract, which places your client at risk when they sell their business
- CFC has launched a first-to-market solution to protect business sellers
- D&O brokers now have access to an enormous untapped opportunity

Questions?

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