Representations & Warranties

What is Representations and Warranties Insurance?

Representations and warranties insurance ("RWI") provides coverage for financial loss sustained by an insured (either a buyer or seller) in connection with a M&A transaction by protecting the insured from unknown breaches of the representations and warranties made by the seller in a transaction agreement.

Why should you purchase RWI Insurance?

Quite simply, RWI helps the parties close the deal by:

- Reducing risk to the seller – The seller transfers liability for unknown or unanticipated breaches of its representations and warranties to the insurer, thereby reducing or eliminating the need to set aside an escrow or post a reserve or collateral for potential breaches of the representations and warranties.
- Reducing the buyer's counterparty's credit risk – RWI allows the buyer to reduce its counterparty credit risk on the seller by transferring the risk to the insurer, providing indemnity for the seller's unanticipated breaches.
- Producing competitive bids – The insurance allows a buyer's bid to be more competitive (particularly in an auction) by alleviating the need for the seller to post a substantial escrow for up to 18 months after the transaction closes.
- Speeding up closing time – RWI allows the parties to more efficiently allocate transaction-related risk, increasing the deal value for the seller and incentivizing the seller to negotiate and to close the sale more quickly.
- Safeguarding business relationships – Where the sellers will continue to be involved with the business following the sale, the insurance protects these vital business relationships and allows the parties to focus on successfully operating the business.
- Promoting clean exits – With seller receiving the proceeds from the transaction with a reduction or complete elimination of any escrow, a seller can readily distribute the sale proceeds from the transaction to its investors upon closing.

- Eliminating the threat of seller bankruptcy – In eliminating this threat, the insurance is ideal for distress M&A transactions.
- Closing the gap on deals at impasse
- Bringing financial security for cross-border dea

Why should you choose DUAL Transactional Risk when purchasing your Transactional Liability Insurance Coverages?

DUAL Transactional Risk is centered around Underwriting Excellence

We bring a veteran underwriting team, with depth of experience in underwriting RWI, tax liability and contingent liability risks as well having served as legal counsel in underwriting, coverage, claims handling and policy drafting capacities, to its RWI underwriting.

Transactional liability insurance is a highly complex and bespoke line of insurance coverage, with terms, conditions and limitations offered or removed based on underwriting. Such a line of insurance requires a high degree of technical underwriting acumen, making it a natural fit for our experienced team.

Market leading policy forms drafted with clear and concise terms and conditions that are readily tailored in real time by our veteran underwriting team with its extensive policy drafting experience.

Significant Financial Backing and Claims Experience

Dual Transactional Risk has partnered with a S&P A+ rated U.S. commercial property and casualty insurer with more than a century of experience.

Claims are handled in-house with our insurer partner by a seasoned group of attorneys and claims professionals. This streamlined approach allows for timely response by a partner that has the both the expertise and the financial strength, giving our customers complete confidence throughout and beyond the transaction.

We will meet the needs of our Customers

Capacity to write deals for up to $30 million in limits either as a lead or participant in larger programs

Appetite across an expanse of industry sectors, including, energy, manufacturing, industrial, consumer products, financials services, media, telecommunications, technology, mining and utilities.

Appetite for underwriting deals in all enterprise value ranges from small to mega market sizes.