



# Liberty Global Transaction Solutions

The best minds in mergers and acquisitions insurance coming together from around the globe isn't a big deal.

It's thousands of big deals.



**Liberty**  
Global Transaction  
Solutions



**One of the largest global teams in the industry. Up to \$200 M in capacity. An incredibly focused approach.**

Liberty Global Transaction Solutions (GTS) is one of the largest global mergers and acquisitions (M&A) insurance teams in the industry. With more than 50 specialists, we have helped facilitate more than 500 M&A deals a year on average — successfully insuring thousands of transactions since our inception.

GTS offers specialized products and services to help facilitate M&A transactions for buyers and sellers, including Representations & Warranties (R&W)/Warranty & Indemnity (W&I) Insurance, Tax Liability Insurance and one-off policies created for individual contingent risks. While the scope of our resources is important, the key to our growth is our unique process. We operate under one global business unit. This allows us to select and customize our teams based upon their local, regional and sectoral expertise, not solely on the physical location of the underwriter — ensuring that a GTS team's experience and skill set match the DNA of each and every deal.



Our client-centric approach, cross-regional collegiality and more than 300 years of collective experience are each unique to the industry, underscoring why GTS is a global leader in M&A insurance.

It doesn't matter if the client is in London or Shanghai, we'll select a team of GTS experts who are most suited for that specific deal. The tight time frames involved on a merger or acquisition require an incredibly focused approach. From claims to underwriting, GTS empowers employees at every level to make timely and autonomous decisions so that our clients are never delayed. There are enough surprises in the M&A world, delays in finding an insurance solution shouldn't be one of them.

<sup>1</sup> As of December 31, 2018



**\$41.6 B**

annual consolidated revenue<sup>1</sup>



One of the largest global teams in the industry with a **dedicated M&A team of over 50**



One of the largest line sizes available with up to **\$200 M**

### Liberty Mutual industry rankings

**A = Excellent**  
A.M. Best rating

**A = Strong**  
Standard & Poor's rating

**100 years**  
of financial strength and security

## Representations and warranties insurance

“At GTS, we understand the nuances of large, private equity deals and customize each R&W policy to reflect the specific details of the agreement – taking into account post-sale contingencies and liabilities. To ensure that potential liabilities remain covered for the duration of the contract, and subject to terms and conditions, our policies mirror the liability time limits in the agreement and are noncancellable.”

– Rowan Bamford, President Liberty GTS



While new regulatory regimes and geopolitical uncertainties are causing many M&A deals around the globe to stall, these same disruptors are also creating growing competition among private equity firms looking to acquire companies who are feeling the pressure to divest and/or restructure.

### **Our in-depth experience will greatly affect the depth of your coverage**

The best transactions are not always straightforward, but the smoother the transition from buyer to seller, the better for all concerned. GTS's R&W insurance provides much-needed peace of mind in today's uncertain global economic climate. Our R&W insurance product provides comprehensive coverage that can help set expectations and mitigate the risk and uncertainty for all parties – enabling a transaction to go through quickly and without uncertainty. For a single one-off premium, and subject to terms and conditions, clients may purchase an R&W insurance policy that may provide coverage for unknown warranty breaches and unpaid tax and settlement protection for up to seven years – this is looking to protect businesses from losses that may be incurred under the terms of the agreement long after they leave the signing room.

Despite months, and maybe even years, of due diligence and the seemingly good intentions of both parties, it's not uncommon for issues to arise under sales contracts – often sometime after the ink has dried. Issues may range from disputes about titles or intellectual property to outstanding litigation, taxes, or outright fraud. R&W insurance can help provide coverage for losses that may be incurred due to misrepresentations or breach of warranty – no matter how innocuous it is.

## R&W insurance for buyers: Coverage that's equally as impressive as the investment itself

GTS offers first-party protection to buyers, which may cover financial losses resulting from a breach of warranty or lack of seller indemnity provisions relating to the purchase agreement of a private equity deal. These policies can sit on top of the warrantors' cap (top-up cover), sit alongside the warrantors' cap or straddle the cap. This type of coverage saves buyers from lengthy and expensive legal battles often needed to recoup losses related to a breach or misrepresentation by the seller, such as accounting or tax records that are not disclosed or inaccurate.

In addition to protecting buyers from sellers who offer limited indemnity provisions, R&W insurance may also prove beneficial when the seller does offer a satisfactory indemnity. In this case, the buyer may instead opt for an R&W Insurance policy to cover any liabilities in order to increase the competitiveness of the offer and enhance their chances of winning the bid.

## R&W insurance for sellers: A shift in post-closing liabilities

Sellers are generally required to provide representations and warranties to purchasers during the sale of a private business. Should there be any misrepresentations or breaches post-closing, the seller is liable for losses for the period of time set out in the agreement, usually seven years.

To cover any legacy liabilities, a certain portion of the proceeds from the sale are typically held up in escrow, handcuffing sellers from using those funds. With GTS R&W insurance, eligible defense costs and settlements would be covered by the policy – allowing sellers to spend, reinvest, or disburse the proceeds from the sale immediately and move on to their next big deal. Terms and conditions apply.

## R&W insurance can be used in many situations

- To enable parties to release or utilize their sale proceeds
- To break a deal deadlock
- To bridge a gap in expectations between parties on risk allocation
- To allow the parties to "get comfortable" with their negotiated position
- To satisfy lenders

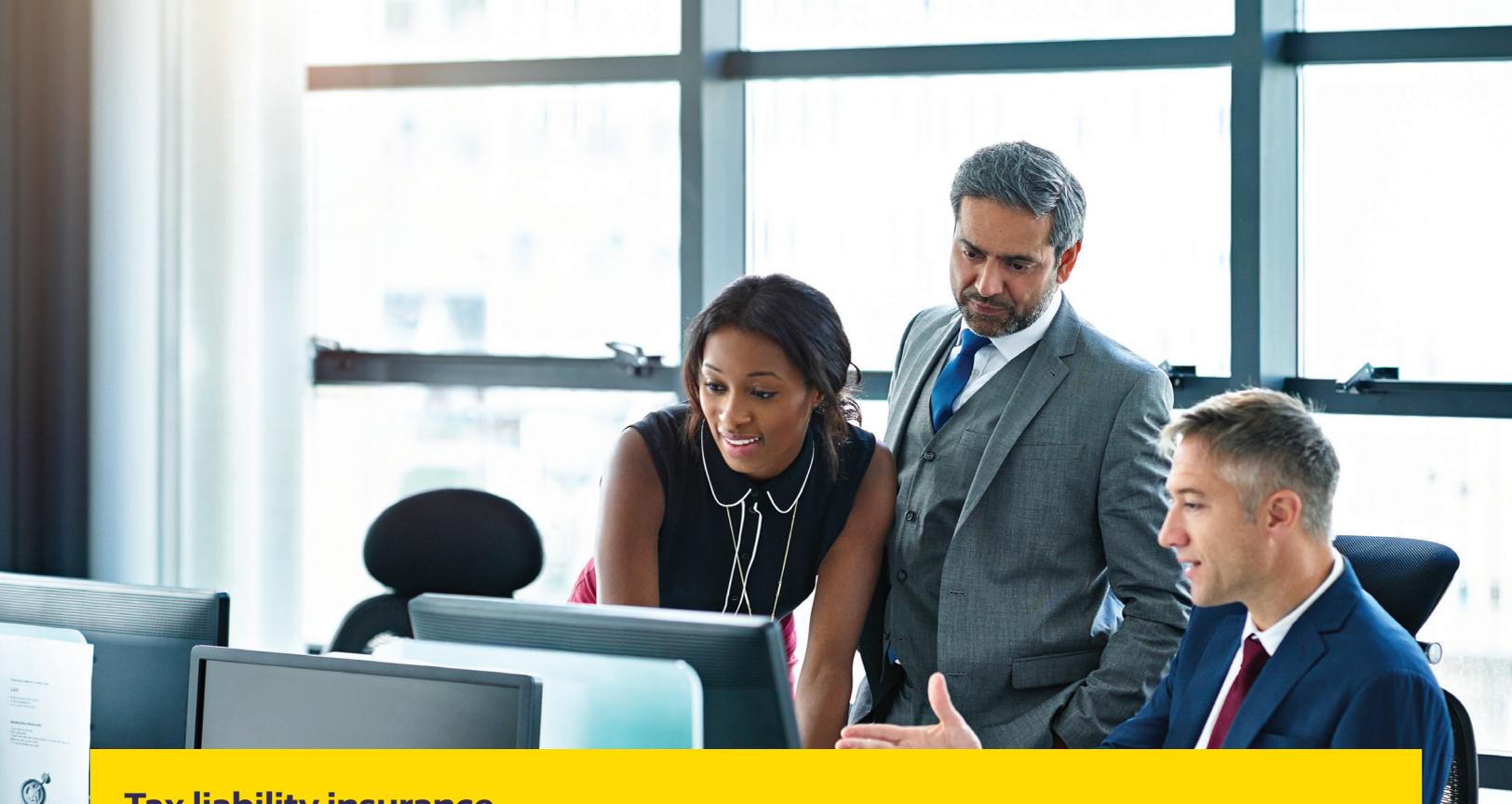
Whether you're representing the buyer or seller, GTS offers a depth and breadth of R&W experience that is unparalleled in the industry – spanning hundreds of clients across a variety of business sectors throughout the years. When so much is on the line, there's no such thing as having too much protection.



## Dedicated claims team

**We start the claims process before we even review the transaction.**

Liberty GTS has a dedicated M&A claims team with private practice and Lloyd's market experience that specializes in dealing with complex M&A claims. This team works closely with our team of underwriters from contract inception, so they are well-versed on all the details of the agreement. In the event of a claim, our entire team works together to ensure a timely and considered response. While this paradigm seems obvious, it's unique in our industry.



## Tax liability insurance



**We transform transactional risks into growth opportunities**

All M&A transactions require careful due diligence by both sides. Sometimes tax liabilities are uncovered during this long and arduous process where the accountability is obvious. Other times, the lines may be a bit more blurred as to who bears the responsibility. And then there are times, months or even years down the line, when unexpected back taxes – as well as the corresponding interest, fees and penalties – give new owners more than they bargained for. All of this uncertainty can add to an already taxing situation.

GTS Tax Liability Insurance shifts the responsibility for tax contingencies from the insured to the insurer – minimizing financial risk and exposures and reducing the friction between buyers and sellers. Both parties can move forward quickly and confidently – and the only thing taken off of the table is the uncertainty.

### **Tax liability insurance for sellers:**

Removing uncertainties from the equation, and the balance sheets

When it comes to M&A transactions, it's not uncommon for post-closing rulings and challenges by tax authorities to prevent the distribution of proceeds while teams of lawyers and accountants determine liabilities and their financial impacts. For this reason, many sellers set aside a portion of these funds in escrow accounts, making them untouchable for up to seven years – and preventing them from being distributed to investors or reinvested in other opportunities. GTS Tax Liability Insurance aims to give sellers the peace of mind in knowing exactly what they're liable for – a single, calculated insurance premium. If there are multiple sellers, this insurance can also help to limit each of the seller's exposure to one another.

### **Tax liability insurance for buyers:**

Optimizing the investment, minimizing the exposure

M&A deals are a huge investment for buyers – in time, as well as money. So when they are suddenly hit with unknown tax liabilities – whether it is pre- or post-closing, it can turn what was seemingly a very lucrative deal into a financial disaster. GTS Tax Liability Insurance can reassure buyers and lenders that outstanding liabilities may be covered.

**Liberty GTS provides coverage for global risks located throughout the world, with a local presence operating in the following cities:**



To learn more about Liberty GTS and our M&A solutions, please contact your broker or a member of our team:

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