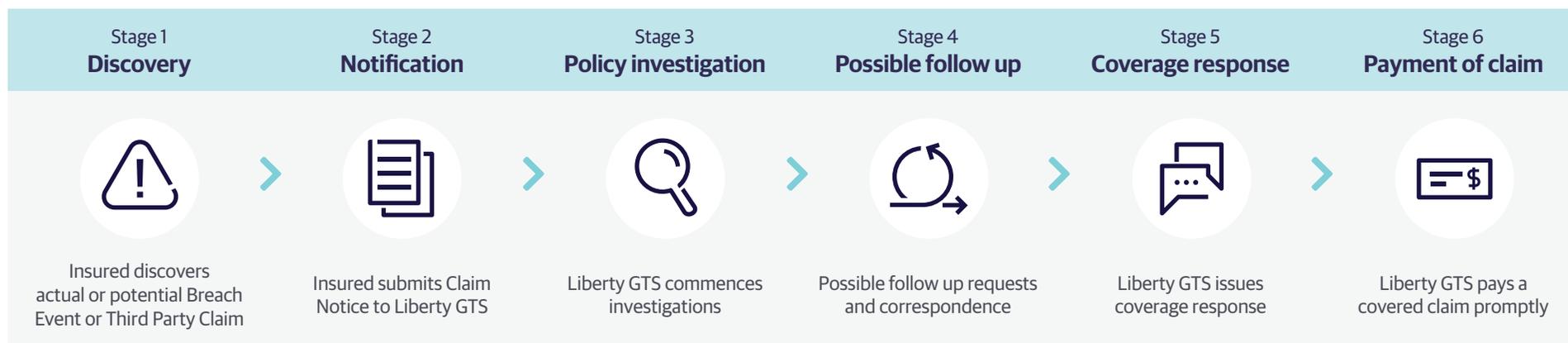


Demystifying the claims process

At Liberty GTS (Global Transaction Solutions) we understand that bringing a claim under an M&A policy for the first time can feel like a leap into the unknown. We want our clients to have confidence in the process and to ensure that there are no surprises.

This guide is designed to provide an overview of what to expect at each stage.



Stage 1 – Discovery: It is helpful for an insured to involve its broker as soon as possible upon discovery of an actual or potential Breach Event or Third Party Claim as the broker can provide input on navigating the claims process.

Stage 2 – Notification: The policy wording will set out the circumstances in which a notification should be made and what the Claim Notice should include. As a general rule, we would expect it to (in so far as possible): (i) give full details of the actual or potential Breach Event or Third Party Claim and how and when it was discovered; (ii) identify the insured warranties/indemnities that are potentially implicated; (iii) enclose all relevant documents in support of the claim; and (iv) attempt to value the claim (ideally with a clear explanation of how that number has been arrived at).

Stage 3 – Commencement of policy investigations: The Claim Notice will be promptly acknowledged by one of our dedicated, specialist claims counsel. Our claims counsel will then be a consistent point of contact throughout the lifecycle of the claim and be available to share how we work, answer questions and help provide consistent support. Our claims counsel will be looking to work with the insured from the outset to understand the claim. In some cases, outside counsel or experts may be appointed to assist with the investigation and analysis of the claim. This is perfectly normal, particularly in the case of complex claims.

Stage 4 – Possible follow up requests and correspondence: In many cases we will need to ask for additional supporting material or further information in order to advance our investigations. We aim to make any such requests as soon as reasonably possible after receiving the Claim Notice and, in the case of any follow up requests, within 30 business days of receiving the information that it relates to. We will keep these requests as focused as possible and explain the reasons for them. In the case of a Third Party Claim we would expect to be kept fully updated as to its status whilst a coverage decision is pending and for the insured to take appropriate steps to protect its position e.g. by appointing lawyers to defend the claim.

Stage 5 – Coverage response: Our claims counsel will keep the insured and its broker fully updated as to the status of our investigations and when a coverage response will be forthcoming. The length of time that this takes can vary depending on the claim and its complexity but we will always provide the response as soon as possible and explain in clear terms the basis for our decision. In the case of a Third Party Claim which remains unresolved we would expect to participate fully in the defence of the same and any subsequent settlement discussions once cover has been confirmed

Stage 6 – Payment of claim: As soon as cover is confirmed and quantum is agreed we will make payment as soon as possible.



Liberty GTS Claims

At Liberty GTS, a member of the Liberty Mutual Insurance Group, we pride ourselves on our claims handling.

We are one of the largest carriers in this space, with an average of over 15 years of M&A underwriting experience, and we are the only carrier in the market that has a specialist claims handling function embedded within its U.S. and European M&A teams. The claims team focuses solely on W&I and tax claims and has the essential experience. Our claims team attorneys are the trusted point of contact for our insureds and their advisers throughout the course of their claims journey. It takes years for a merger or acquisition to take place. You need the most seasoned, collaborative team to help support you at every stage of a transaction.



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