



TMT INDUSTRY EXPERTS

LIVA is a market-leading, specialist M&A insurance broker with offices in the UK and Europe. We draw on our experience of over 3,500 transactions for leading global advisors and investors in this sector, ensuring the best client outcome through unique, tailored and data-driven solutions.

LIVA is part of the Ecclesia Group, one of the largest European commercial insurance brokers with a network of specialists in over 170 countries, providing clients insurance solutions and local capabilities on every continent.

W&I

LIVA can structure a warranty and indemnity (“W&I”) insurance policy into the transaction process so that the buyer obtains the recourse it requires in the event of warranty breaches and the seller obtains a ‘clean exit’.

It is important to select the right insurer for this type of transaction given the nuances of the sector and more limited appetite from insurers. LIVA’s process identifies key issues at the outset, removing uncertainty and last-minute exclusions.

KEY METRICS

- Excess as low as 0.3% of Enterprise Value in the policy.
- 3 years of cover for general warranties and 7 years for fundamental and tax warranties and a tax indemnity.
- Premium rates of 0.8% - 1.4% of the limit purchased.

WITHOUT INSURANCE



**IMPLEMENT
INSURANCE –**
SELLER ACHIEVES
CLEAN EXIT AND
BUYER OBTAINS
SUFFICIENT
RECOURSE

WITH INSURANCE



COVERAGE

USE OF INSURANCE ON TMT TRANSACTIONS

- W&I provides cover for unknown issues in key areas, such as: title and capacity, accounts, material contracts, employment, IP, IT, open-source, data protection, cyber, litigation, taxes.
- Low risk tax items can often be wrapped into the W&I. A Tax Insurance policy can provide cover for known tax issues which are carved out of the W&I.
- IP insurance policy can provide cover for issues that occur and arise post-closing and for issues which may be carved out of the W&I.
- Enables seller to achieve a 'clean exit', particularly relevant where seller is a fund or there is VC involvement.
- Protects relationships with sellers or warrantors, particularly where management remain in place.
- Increases financial recourse and broaden the scope of the warranties for buyer, including synthetic warranties and a tax indemnity.
- Provides comfort for lenders or investment committees.

KEY CONTACTS



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