ACQUINEX

Contingent Risk *Insurance*

PART OF THE
UNDERWRITING
COLLECTIVE

Contents

What is Contingent Risk insurance?

Contingent Risk Insurance protects against the financial consequences of specific, identified legal risks. It enables buyers, sellers, lenders and investors to transfer those risks to insurers, providing greater certainty and helping transactions proceed.

Every policy is individually underwritten and tailored to the specific legal risk.

Why use Contingent Risk Insurance?

Keeps transactions moving

Avoid delays caused by identified legal issues that might otherwise hold up signing or completion.

Reduces the need for price reductions, escrows, holdbacks or other contractual protections.

Allows funds & businesses to distribute proceeds or complete exits without waiting for legal risks to be resolved.

Transfers the financial impact of an adverse legal or regulatory outcome.

Unlocks commercial solutions

Caps downside exposure

Releases capital

Common Applications

Contingent Risk Insurance has been used to facilitate:

- Acquisitions involving known legal risks identified during due diligence
- Corporate reorganisations and restructurings
- Commercial real estate transactions affected by title or lease issues
- Investment fund distributions where a residual legal risk remains
- Refinancings requiring certainty over a discrete legal exposure
- Transactions requiring protection against the outcome of future litigation or regulatory proceedings

Examples of insured legal risks

Policies can be tailored to a wide range of legal risks, including:

- Corporate law issues
- Contract interpretation disputes
- Real estate and title risks
- Tax-related legal risks
- Regulatory matters
- Intellectual property disputes
- Financing and refinancing transactions
- Corporate restructurings and insolvencies
- M&A transactions

What does the policy cover?

Cover is tailored to the individual risk but typically protects against financial loss arising from an adverse judgment, determination, award or regulatory outcome relating to the insured legal risk.

Policies can provide cover for periods of up to seven years, depending on the nature of the risk.

Underwriting Process

We aim to keep the underwriting process straightforward and proportionate.

Step 1

Initial discussion

Provide a summary of the legal issue together with any supporting legal advice or transaction documents.

Step 2

Indicative terms

We'll quickly confirm whether the risk is suitable for insurance and provide non-binding terms.

Step 3

Underwriting

We review the legal analysis, ask focused underwriting questions where required and agree bespoke policy wording.

Step 4

Binding

Once terms are agreed, we issue the policy ready to incept in accordance with the agreed terms.

Use alongside Warranty & Indemnity Insurance

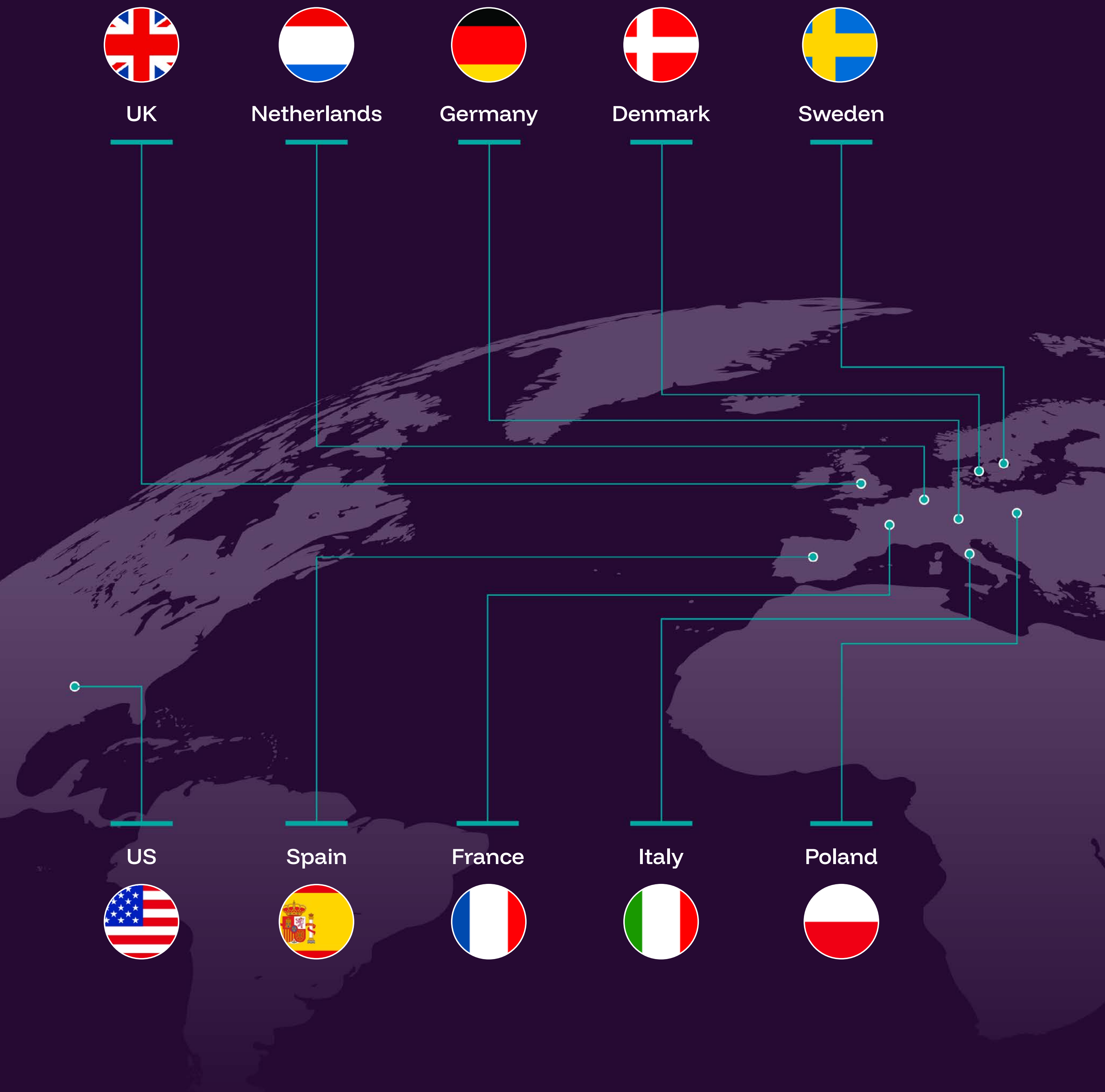
Where appropriate, Contingent Risk Insurance can sit alongside Warranty & Indemnity Insurance as part of a wider transactional risk solution.

- Warranty & Indemnity Insurance protects against unknown risks arising from breaches of warranties and tax covenants.
- Contingent Risk Insurance protects against specific, identified legal risks.

Policies can be structured to complement one another, providing clear allocation of risk and avoiding gaps in cover.

Our Offices

We have local underwriting teams servicing Transactional Risk Insurance solutions across the UK, Europe & the US:



Contact our Team

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Greater certainty

“ Contingent Risk insurance turns legal and regulatory uncertainty into a defined and insurable risk. We take a commercial and creative approach to complex exposures, providing bespoke solutions that can unlock transactions, protect balance sheets and give clients greater certainty.

Eleanor Wilson-Holt, Head Contingent Risks

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