



# MERGERS & ACQUISITIONS

## TRANSACTIONAL RISK INSURANCE

M&A insurances cover risks of liability and loss in connection with corporate transactions such as mergers, acquisitions, demergers, transformations and asset transfers as well as the purchase/sale of individual assets. In contract negotiations, the question of risk assumption is often times as crucial as the question of the purchasing price. As a matter of fact, the interests of the seller and the buyer differ fundamentally. The buyers interest is to maximize his claims in the event of damage against the seller and to achieve a maximum of contractual guarantees and indemnities from the seller; whereas the seller interest is to minimize his liability in order to be able to keep more of the purchasing price in case of a damage. By taking out an M&A insurance, some critical issues between the parties can be resolved and the blocking or even the cancellation of a transaction due to differences can be prevented.

**82,000**  
deals worldwide 2014

**USD  
3.7 trillion**  
of transaction  
volumes in 2014

M&A yearly report 2014 by data  
service provider Bureau  
van Dijk and Zephyr

## EXAMPLES OF DAMAGE

### Transfer of the risk

A company suffers from payment difficulties and therefore sells shares which it held as financial investment. Due to the bad financial situation of the seller, the buyer wants to place part of the purchase price in an escrow account for indemnification in the event of a breach of the contractual guarantees and warranties given by the seller. By taking out an M&A insurance, the risk is transferred to the insurer and opening an escrow account is therefore superfluous

### Liability due to breach of contractual guarantees and warranties

Three years after selling the company, a liability becomes imminent which despite the most thorough entrepreneurial and legal examination could not be foreseen at the point in time of sale. Instead of personal liability of the seller, this risk is transferred to the insurance. For the buyer the insurance guarantees the intrinsic value of his investment.

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Broker at **LLOYD'S**

## IN CASE OF A DAMAGE, YOU HAVE BROAD INSURANCE COVER FOR ALL RISKS AND COSTS

Policies offering liability protection (defence costs and settlement) to sellers.	✓
We protect each general reps and warranties	✓
Tax reps and warranties	✓
Tax indemnities	✓
Specific coverage available for identified tax issues	✓
Covenant of sellers	✓
Buyer protection against seller fraud, an attractive alternative to the financial	✓
Non-cancellable policy with up to 7 years protection	✓
Protection for either sellers or the buyer	✓

## OUR BUNDLED EXPERTISE IS UNIQUE IN AUSTRIA

Integral Insurance Broker GmbH was founded in Linz in 1995; since then, we have provided advice to companies from an array of different industries regarding individual insurance products. As a coverholder of Lloyd's of London, we have access to some of the most attractive insurance benefits in the world.

### OVERVIEW OF OUR CORE COMPETENCIES

#### Integral Insurance Broker

- . 20 years of experience in the insurance business
- . Risk consulting and risk management know-how
- . Claims settlement and customer service

#### Eneon IT Solutions

- . Provides IT know-how and IT infrastructure
- . Development and integration of IT processes

#### Lloyd's Broker

- . Only accredited Lloyd's Broker in Austria
- . Exclusive access to unique and innovative insurance products at top prices

#### LAMIE direkt

- . Austria's first online provider for direct insurance
- . InsurTech and online insurance pioneer
- . Appealing prices, up-to-date cooperation offers



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