



CASE STUDY 1:

ACHIEVING A CLEAN EXIT THROUGH THE USE OF MERGERS AND ACQUISITIONS INSURANCE

TRANSACTION

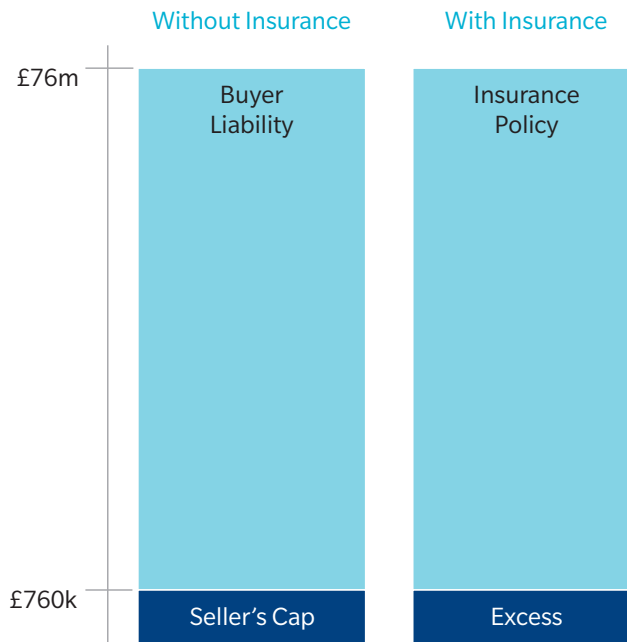
A US corporate making a circa GBP76 million acquisition of a UK based manufacturing business in the automotive sector.

ISSUE

The target had become distressed and a consortium of banks undertook a debt for equity swap. Due to the buoyancy of the sector the business recovered well and the banks appointed an advisor to run a sale process. Prior to beginning the process, a trade buyer made an approach but stated it would require a high level of warranty recourse. This was something that the banks were unwilling to give.

SOLUTION

The seller offered to fund a buyer-side warranty and indemnity (W&I), policy up to the full transaction value that sat excess of a small management cap. Marsh arranged a policy with terms and conditions that the buyer was comfortable with, allowing the board of the buyer to sign off the acquisition.



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CONTACT US

If you wish to discuss any of these motivations or have a question on a specific transaction please contact one of the Transactional Risk team:

LORRAINE LLOYD-THOMAS
Senior Vice President
+44 (0)20 7357 1748
lorraine.lloyd-thomas@marsh.com

DAVID COOPER
Vice President
+44 (0)20 7357 3580
david.j.cooper@marsh.com

SIMON PRICE
Vice President
+44 (0)20 7357 1496
simon.p.price@marsh.com

ALAN HANDS
Project Manager
+44 (0)20 7357 2704
alan.hands@marsh.com

CLEMENS KUEPPERS
Vice President
+44 (0)20 7357 5073
clemens.kueppers@marsh.com

CHRISTOPHER JACKSON
Vice President
+44 (0)20 7357 2280
christopher.jackson@marsh.com

CHARLOTTE GOODGAME
Project Manager
+44 (0)20 7357 5915
charlotte.goodgame@marsh.com

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