

## Synthetic W&I Insurance for distressed transactions

### CMS, Brockwell, and HWF have teamed up to create an off-the-shelf- solution for distressed deals.

Synthetic W&I insurance can provide buyers with broad warranty coverage to protect them against historic liabilities and maximise value for the Seller's creditors and other stakeholders.



#### Off-the-shelf policy

- Insurance warranties
  - Title and capacity
  - Accounts
  - Financing
  - Contracts, licences and permits
  - Property
  - Compliance
  - IT/IP
  - Litigation
  - Employment
  - Tax
- Policy to contain all general disclosures and limitations required
- All sectors (not just real estate)



#### Process

- Pre-prepared focussed DD request list and Q&A to facilitate information collation required for insuring the warranties
- Full underwriting process can be concluded in an accelerated timeframe
- Insurer will accept a more targeted due diligence exercise
- Insurer can conduct some of the work in-house



#### Advantages

- Limited sell-side involvement to fulfil insurers' requirements, data room disclosure and limited Q&A
- Sellers (including insolvency practitioners) can maintain competitive tension and maximise value by passing historic liability risk to insurers
- Buyers need not worry any more that assets are being bought entirely "as seen"



### Contact us



**Jason Zimmel**  
Head of Private Equity  
T +44 20 7367 2549  
E [jason.zimmel@cms-cmno.com](mailto:jason.zimmel@cms-cmno.com)



**Aaron Fairhurst**  
Head of Tax and W&I  
T +44 20 7367 2863  
E [aaron.fairhurst@cms-cmno.com](mailto:aaron.fairhurst@cms-cmno.com)