



Allen&Gledhill **DWC**

Warranty &Indemnity Insurance Tool to bridge the gaps in Mergers and Acquisitions

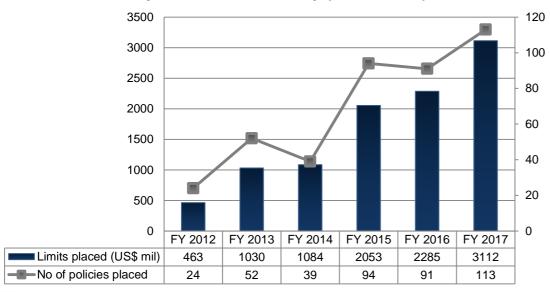


W&I MARKET STATISTICS



Warranty & Indemnity Insurance Market Update (Asia Pacific)

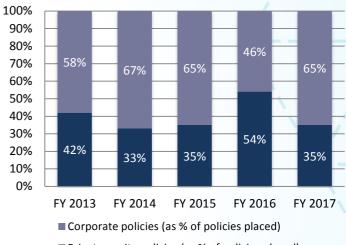
Policy Limit vs No. of Policy (FY12 - FY17)



Key W&I trends (Asia Pacific)

- 92% of W&I in 2017 were buy side policies
 - Large percent were sell-buy flips
- In 2017, policies placed increased by 24%

Insured Profile (PE Vs. Corp)



■ Private equity policies (as % of policies placed)

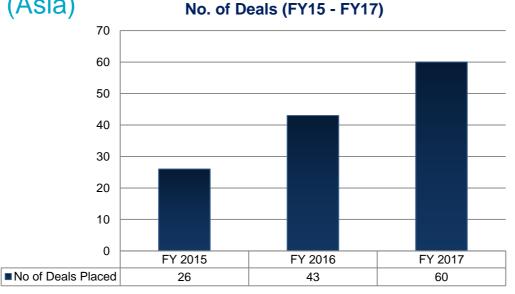
Policy Type (Buy side vs. Sell side)



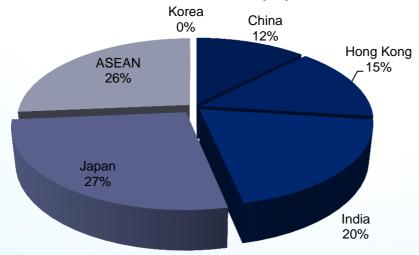
■ Buyer Side W&I Policies (as % of W&I policies placed)

■ Seller Side W&I policies (as % of W&I policies placed)

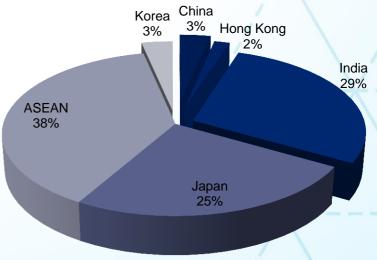
Warranty & Indemnity Insurance Market Update (Asia) No.



Deals Breakdown in Asia (%) 2016

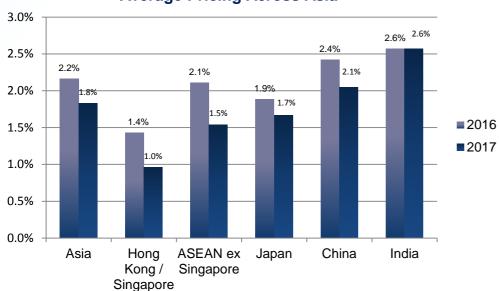


Deals Breakdown in Asia (%) 2017

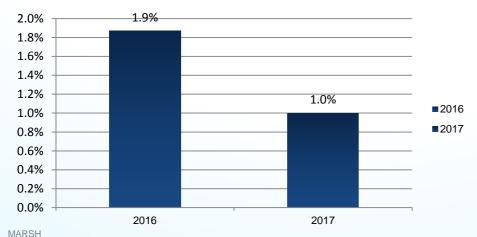


Warranty & Indemnity Insurance Market Update (Asia)





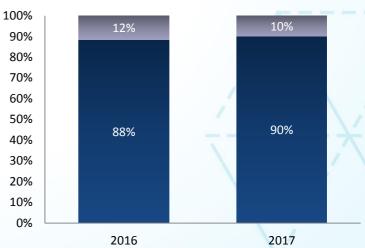
Average Retention % Against Transaction Value in Asia



Average Limit as % of Transaction Value in Asia



Policy Type (Buy Side vs Sell Side)

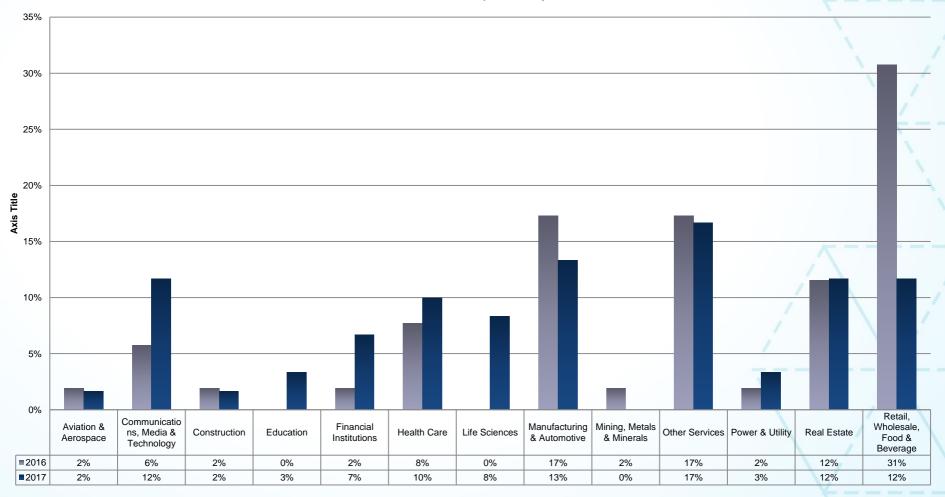


■ Sell side W&I policies (as % of total W&I policies placed)

■ Buy side W&I policies (as % of total W&I policies placed)

Warranty & Indemnity Insurance Market Update (Asia)

W&I Policies Breakdown per Industry in Asia



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MARKETING & PLACEMENT PROCESS



Warranty and Indemnity Insurance

Process: Timeline

Stage 1 Strategising how to use W&I insurance in deals Conceptualising **Submission of risk** Stage 2 Quotation (1 week) **Obtaining non-binding indications** Insurer's review of deal documents Stage 3 **Underwriting** (1 - 2 weeks)Client's preparation for underwriting call Stage 4 Marking up of policy document **Policy** Negotiation (1 week) **Negotiating deal specific exclusions POLICY INCEPTION**

Ranges from 3-4 weeks

