

What's Inside

Representations and Warranties Insurance

Although an M&A deal may be talked up as a “perfect fit,” the reality is that any transaction of significant scale contains unknowns and unforeseeable risks. Despite conducting the best due diligence, the unknowns can remain hidden until long after the deal is closed.

Representations and Warranties insurance provides a powerful tool to help deal makers enter the turbulent waters of mergers and acquisitions – with the confidence of knowing that they have some protection against a wide range of losses resulting from these unknown risks.

This form of insurance can significantly reduce both buyers’ and sellers’ inherent risk in conducting a transaction, and in turn, help to minimize the time needed to reach an agreement and close the deal.

Here are some of the ways that Representations and Warranties insurance can help your business.

How Representations and Warranties insurance helps your business



Understanding, measuring, and mitigating transactional risks

Clean Exit for Sellers



If you're a seller, an AIG policy reduces your risk of liabilities from future representations and warranties claims, so you can lock in your return on investment and cleanly exit a business. It is especially effective protection for passive sellers not actively involved in the management of the target business, against unintentional non-disclosures, or breaches of representations and warranties.

Extended Protection for Buyers



If you're a buyer, an AIG policy enhances your protection against breaches of representations and warranties, supplementing the indemnification provided by the sellers. It also extends the duration of representations and warranties, affording you additional time to detect and report problems that may exist with the acquired business.

Underpinning the Seller Relationship



If you're a buyer, an AIG policy eases any concerns about collecting on the sellers' indemnification due to poor financial condition or other issues (e.g., sellers may be numerous, geographically dispersed or difficult to locate). It also protects relationships with the sellers who may become your key employees or business partners.

M&A Claims Experts



We've handled more M&A claims than any other single insurer and have dealt with a host of latent issues emerging after the deal: from misreporting financials, to investment irregularities, contractual or compliance breaches, or anti-trust activities, your AIG policy gives you the reassurance of knowing that our claims team have handled something similar before.

One AIG Claims Team



As apposed to a confederation of syndicates, AIG is able to take a holistic approach to claims in the event of a loss. Our experienced local and global claims teams will work directly with you and your broker from start to finish and have the authority to settle claims quickly – referring to outside counsel only when required.

Cover Certainty



Our years of experience has given us deep institutional knowledge of what can go wrong after a deal closes and how policy ambiguity can lead to claims going unpaid. We keep our claims teams close to our underwriters to ensure that claims are paid according to the original intent, and remove any risk of avoiding them through interpretation.

These are just some of the ways that Representations and Warranties insurance can protect your business. For full details of cover, see the policy wording or ask your insurance advisor.



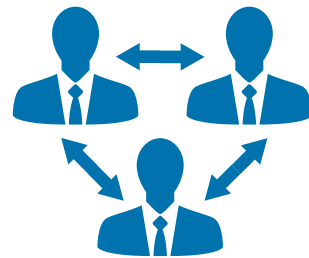
WhyAIG

Our understanding, brand strength, and proven track record have made us the M&A insurer of choice for thousands of clients who want to get the deal done.

Market leading capacity
up to
\$100 million
coverage for any single
transaction.



We've handled more M&A
claims than any other single
insurer in the world.



Our global M&A teams
have helped buyers
and sellers close over
2,000 deals.



100% AIG:

Our flexibility and
responsiveness from our ability
to write business as a single
primary insurer.



specializing in M&A means
deep institutional knowledge
and team experience.

Deep bench strength with one
of the largest global M&A
teams of any insurer.



Local teams in 9 global
financial hubs: we're right
where our clients need us.



American International Group, Inc. (AIG) is a leading global insurance organization. Founded in 1919, today we provide a wide range of property casualty insurance, life insurance, retirement products, mortgage insurance and other financial services to customers in more than 100 countries and jurisdictions. Our diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

Additional information about AIG can be found at www.aig.com and www.aig.com/strategyupdate | YouTube: www.youtube.com/aig | Twitter: @AIGinsurance | LinkedIn: www.linkedin.com/company/aig.

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