

CONTINGENT LIABILITY INSURANCE – DEAL IN REVIEW

POTENTIAL SUCCESSOR LIABILITY

PROBLEM

A private equity firm's portfolio company wants to acquire the assets of a target company. Even though one of the liabilities - existing litigation between the target company and a third party - is excluded from the transaction, the buyer is concerned about potential successor liability presented by the products liability litigation. This presents uncertainty for the buyer that threatens to derail the transaction.

SOLUTION

Chartis' M&A Insurance Group, through contingent liability insurance, can insure the private equity firm and its portfolio company against this potential successor liability if the target company loses the lawsuit and the selling shareholders of the target company do not satisfy the judgment.

HOW TO CONTACT US

To learn more about contingent liability insurance and other transactional insurance products, please visit our website, www.ChartisInsurance.com, send us an e-mail at MAInsurance@chartisinsurance.com or contact your insurance broker.