

The header image is a composite. The left side shows a group of people rowing a boat on a body of water at dusk or dawn, with a city skyline visible in the background. The right side shows a similar scene but with a white geometric line drawing of a house superimposed over the water and sky.

Aon Contingent Liability & Litigation Insurance

Tailored M&A insurance solutions

The uncertainties surrounding certain identified risks or contingent liabilities can be a major stumbling block to the successful completion of M&A transactions. Contingent Liability Insurance provides specifically tailored insurance solutions to cover unique risks or liabilities that are not covered by other insurance products. A Contingent Liability Insurance policy can remove a specific concern from a transaction that might otherwise be a deal breaker and provides certainty to the parties involved. Pending or threatened litigation is a form of contingent liability that may impede on the successful completion of the transaction. Litigation Insurance provides protection against the unpredictability of litigation and an unfavourable adjudication award that threatens to affect future prospects.

Key Features

- Enables buyers and sellers to manage their exposure to identified risks.
- Quantifies future exposure to potential liabilities or claims, allowing these liabilities to be priced into the deal.
- Provides a strategy to manage and resolve litigation.
- Coverage can supplement or replace existing insurance or indemnity obligations.
- Premium is a one-off payment for the entire duration of the policy and can be paid by the buyer, the seller or some combination thereof.
- Covers defence costs.
- Examples of insurable contingent liabilities includes:
 - Pending or threatened litigation, including securities litigation, intellectual property claims, breach of contract disputes, and employment-related litigation.
 - Specific indemnity obligations for known or identified issues.
 - Successor liability issues.
 - Contractual consent issues.
 - Prior divestment liabilities and fund wind-down policies.
- Policy wording is tailored to the specific transaction and exposure.

Aon M&A and Transaction Solutions

Aon M&A and Transaction Solutions provides tailored insurance programs designed to facilitate and support M&A transactions including Warranty & Indemnity, Tax Liability, Environmental, Litigation and Contingent Liability Insurances. We also provide insurance due diligence services, placement of general insurances and, with Aon Hewitt, human resource due diligence and integration services in the context of M&A transactions.

Contacts

Jennifer Richards
t +61 2 9253 7799
m +61 410 478 111
e jennifer.richards@aon.com

Elissa Etheridge
t +61 2 9253 8108
m +61 420 527 567
e elissa.etheridge@aon.com

aon.com.au/m&a

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