



Aon Environmental Liability Insurance

Tailored M&A insurance solutions

Environmental risks such as asbestos and contaminated land are some of the most difficult risks to identify and price in M&A transactions. Due diligence can often fail to identify all legacy pollution liabilities, or those matters that are identified end up costing more than expected. Long-term environmental insurance policies can help reduce this uncertainty by capping the cost of pollution risk.

Key Features

- Unlocks transactions where a buyer and seller cannot agree on the cost or allocation of environmental risk.
- Facilitates a cleaner exit by giving sellers an option to transfer the risk of incurring loss from future environmental warranty claims.
- Provides buyers with supplementary protection against the risk of sellers failing to honour environmental indemnities.
- Provides a viable alternative to environmental warranties and indemnities.
- Policies can be assigned to future purchasers, helping the onward sale of a business.
- Covers losses arising from historic pollution events that pre-date the transaction.
- Buyers' coverage can be structured to include sellers' failure to disclose environmental matters.
- Includes the cost of cleaning up historic contamination.
- Extends to future changes in environmental law.
- Coverage is customised to the specific requirements of a transaction.
- Insures the buyer, seller or both parties.
- Premium is a one-off payment for up to 10 years of coverage.
- Can be put in place at any point in the deal process, including after completion.
- Access to specialist environmental claims expertise, which can be invaluable in emerging territories where enforcement of environmental law is new and unpredictable.

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

Cami Mok

t +61 2 9253 8297

m +61 478 455 008

e cami.mok@aon.com

aon.com.au/m&a

© 2018 Aon Risk Services Australia Pty Limited ABN 17 000 434 720 AFSL No. 241141

The information contained in this facts sheet is general in nature and should not be relied on as advice (personal or otherwise) because your personal needs, objectives and financial situation have not been considered. So before deciding whether a particular product is right for you, please consider the relevant Product Disclosure Statement or contact us at Aon to speak to an adviser.

CORP0134D 0218

AON
Empower Results®