

Transaction Risk Insurance: A Selection of Claims Paid (2013-2021)

\$6m – \$10m



Manufacturing

Insured: Corporate

Breach: Financial statements

Various inaccuracies in Accounts and Management Accounts, including under-provisioning for finished goods and early release of stock provision; Material Adverse Change.



Tourism

Insured: Investor

Breach: Financial statements

Various accounting inaccuracies.
Breach: Tax
Inaccurate treatment of VAT credits.



Waste Management

Insured: Investor

Breach: Financial statements

Improper cash distributions, failure to prepare financial statements in accordance with GAAP.



Automotive

Insured: Corporate

Breach: Material Contracts

Inappropriate benefits paid to employees of key customer.
Breach: Employment
Unlawful labor and employment practices.

\$1m – \$5m



Technology

Insured: Corporate

Breach: Financial statements

Certain expense transactions inappropriately capitalized on Balance Sheet and monthly accruals regarding incurred but unpaid wages incorrectly reversed.



Retail e-commerce

Insured: Investor

Breach: Financial statements

Different revenue recognition policy used for Management Accounts and Statutory Accounts.



Technology

Insured: Corporate

Breach: Financial statements

Overstatement of EBITDA, early recording of revenue, non-recording of costs and receivables.

\$500k – \$1m



Technology

Insured: Corporate

Breach: Intellectual property

Target under-licensed to use Microsoft software.



Manufacturing

Insured: Corporate

Breach: Working regulations

Target had allegedly failed to correctly remunerate employees for paid leave time.



Retail

Insured: Investor

Breach: Contracts

Third party alleged that Target had breached a distributor contract.



Education

Insured: Investor

Breach: Financial statements

Different method applied to calculate accrued revenue for Management Accounts and Annual Accounts.



Manufacturing

Insured: Corporate

Breach: Financial Statements

Incorrect accumulation of costs as WIP, overstatement of assets on balance sheet.

< \$500k



Publishing

Insured: Corporate

Breach: Financial statements

Alleged failure to disclose and adequately account for a large dilapidation liability in relation to a property lease.



Energy

Insured: Investor

Breach: Tax

Miscalculations of VAT and corporation tax.



Manufacturing

Insured: Investor

Breach: Financial statements

Overstated extent of the decrease in rent for premises used by Target.

Transaction Risk Insurance at Tokio Marine HCC

Tokio Marine HCC is a leading specialty insurance group conducting business in approximately 180 countries and underwriting more than 100 classes of specialty insurance. Our team's underwriting expertise covers clients' transaction risk insurance (TRI) needs worldwide. Working in close collaboration with our sister companies in the Tokio Marine Group, we offer a dedicated TRI service with underwriters strategically located in Barcelona, London, Germany, New York, Singapore and Sydney. The TRI team boasts a wealth of international experience in even the most complex scenarios, meaning that in this ever-developing M&A market, we **get the deal done!**

Our Underwriting Team

- Qualified and experienced underwriters
- Extensive language and jurisdiction capabilities
- Policy wordings tailored to local markets
- Flexible, customised, customer-centric underwriting
- No outsourcing to MGAs or agencies
- We write policies in Europe, USA, LatAm and APAC

Our Financial Strength

Tokio Marine HCC's major insurance companies are highly rated (at the time of printing):

- A+ (Strong) by Standard & Poor's
- AA- (Very Strong) by Fitch Ratings
- A++ (Superior) by A.M. Best Company

Our Claims Team

- In-house dedicated claims resources in Europe and USA
- TRI claims leader - solicitor qualified in England & Wales
- 10 years of TRI claims experience
- More than 200 TRI notifications with over 130 'live' claims
- Multi-million W&I claims paid out to a number of insured

Our Capacity

We can write primary or excess policies with the financial capacity per TRI policy of up to:

- €70 million
- US\$70 million
- £50 million
- AU\$85 million
- CHF 70 million

Contact Us

For submissions, please contact triteam@tmhcc.com

For more information, please visit tmhcc.com

Tokio Marine HCC is a trading name of members of the Tokio Marine HCC Group of Companies and the Tokio Marine Group. The policyholder will always be informed of which insurer in our group will underwrite the policy according to jurisdiction.

Not all coverages or products may be available in all jurisdictions. The description of coverage in these pages is for information purposes only. Actual coverages will vary based on local law requirements and the terms and conditions of the policy issued. The information described herein does not amend, or otherwise affect, the terms and conditions of any insurance policy issued by Tokio Marine Group. In the event that a policy is inconsistent with the information described herein, the language of the policy will take precedence.

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