



PROFESSIONAL LIABILITY UNDERWRITING SOCIETY

PLUS Transactional Risk Webinar Series Underwriting Reps & Warranties – Part II

June 22, 2016

Presented by PLUS Diamond Sponsors



- May 11* The Rise Of Transactional Risk Insurance
- May 25* Basic M&A Concepts I
- June 1* Basic M&A Concepts II
- June 15* Underwriting Reps & Warranties I
- June 22 Underwriting Reps & Warranties II
- July 13 Reps & Warranties: Claims, Trends and Process
- July 27 Tax Opinion Insurance
- August 10 Market Standards, Unique and
Hard to Place Risks and Exposures

*Archived and available for viewing on the PLUS Website Multimedia Page



The information and opinions expressed by our panelists today are their own, and do not necessarily represent the views of their employers or of PLUS. The contents of these materials may not be relied upon as legal advice.

A copy of the presentation slides will be available following this webinar, on the PLUS website at: www.plusweb.org



Meet the Presenters

MODERATOR:

Daniel Auslander, RPLU, Director, Ambridge Partners

PANELISTS:

Jeffrey Cowhey, President, Ambridge Partners

Peter Rosen, Partner, Latham & Watkins, LLP

Christine Wartella, Vice President – Transactional Risk Practice, Chubb

There Are Two Phases to Underwriting R&W Insurance

- Initial Underwriting Analysis (the topic of last week's Webinar)
- Full Underwriting Review (the subject of today's webinar)

Full Underwriting Review

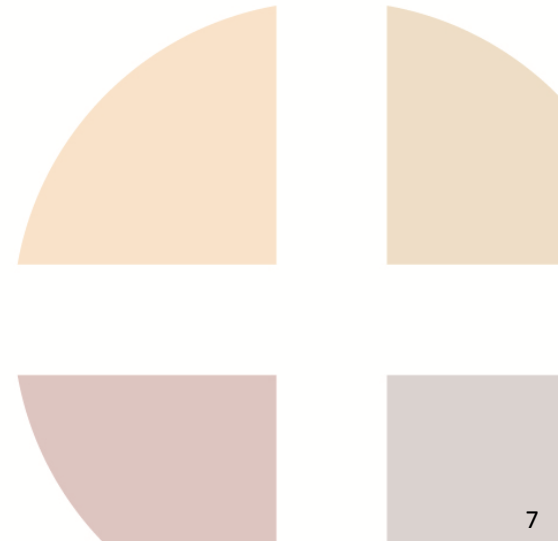
- Assumes Insurer Issues a Non-Binding Indication Letter (NBIL) that Is Accepted by the Potential Insured
- Analyze Additional Underwriting Materials
- Conduct the Underwriting Conference Call
- Take Final Actions Required to Bind a R&W Policy

After Receiving a Complete Underwriting Submission and Completing Initial Underwriting the Insurer May Provide an NBIL that Includes the Following Important Information:

- Limits / Retentions / Retentions Structure / Policy Period / Premium
- Exclusions / Focus Areas
- Underwriting Fee
- What is Covered
- Additional Required Information for the Potential Insured

If the Client Chooses to Pay the Underwriting Fee and Commence Full Underwriting the Next Actions Taken by the Insurer Are:

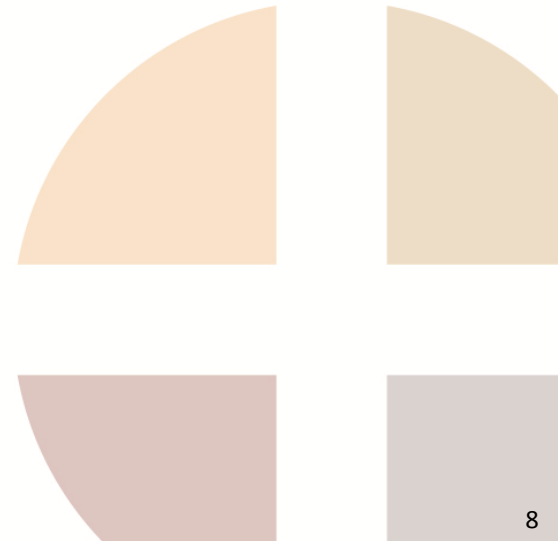
- Ask Law Firm (Vetting Counsel) to Check Conflicts and Provide Instructions if Clear
- Execute Non-Reliance Letters to Obtain Expert Reports
- Review Due Diligence Reports
- Access Data Room and Thoroughly Review Contents



Direct Interaction with the Insured and their Advisors is an Important Requirement of R&W Underwriting:

The Underwriting Conference Call

- General / Corporate
- Employee Benefits
- Labor and Employment
- Tax
- Environmental (If Needed)
- Intellectual Property (If Needed)



Policy Negotiation and Final Requirements to Purchase a Policy:

Turning the Policy (Formalize Exclusions / Terms)

- Diligence Items Excluded (Known)
- Special Indemnities Excluded (Known)
- New Exclusions Based on Conference Call
- Monitoring Purchase Agreement, Disclosure Schedules and the Policy

Signing – No Claims Declaration

Review Executed Purchase Agreement and Schedules

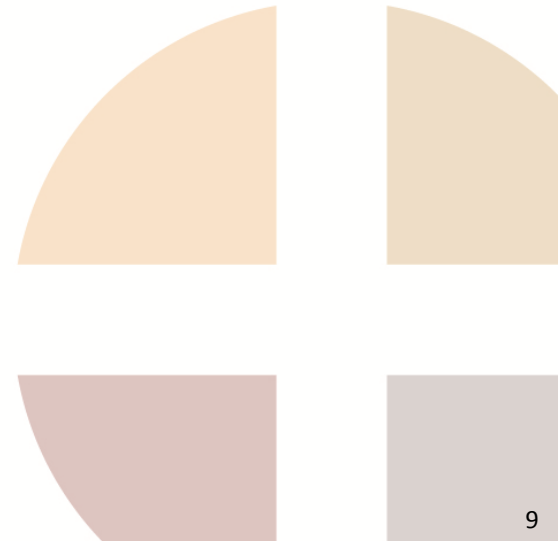
Issuing the Binder

Closing – No Claims Declaration

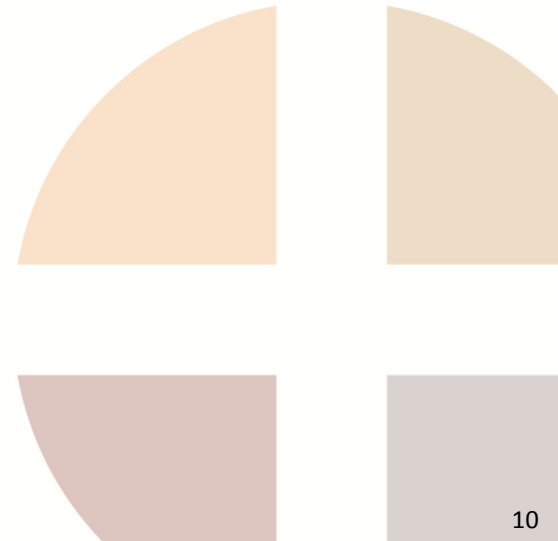
Bring Down Conference Call

Closing Set (Executed Agreements, Deliveries, Data Room CD)

Issuing the Policy



Questions





MODERATOR:

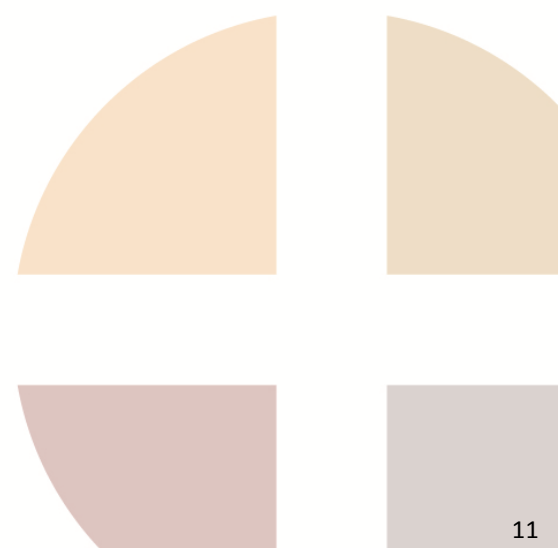
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Thank you, PLUS Diamond Sponsors





Thank you for your time.

**A replay of this webinar will be
available to PLUS Members at:**

www.plusweb.org