

AIG M&A Representations & Warranties



Cut through the crowded insurance marketplace and get what you need with this guide to WhyAIG:

- Connecting you with world-class M&A leadership
- Highlighting AIG M&A's key areas of differentiated value
- Providing examples of AIG M&A's advantages working for brokers and clients
- Showcasing why AIG is an industry leading Financial Lines insurer

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The AIG Advantage

Prompt Solutions for Transactions

- Employs an experienced team of accomplished M&A professionals — many of whom are former lawyers and tax experts
- Empowers dedicated underwriters with decision-making authority to ensure clients receive appropriate and timely solutions
- Provides tailored programs that facilitate transaction execution

WHY IS THIS IMPORTANT?

AIG M&A solutions help clients to effectively close transactions in a timely manner.

Multinational Capabilities

- Leverages expertise of underwriters based in financial centers across 14 countries to support transactions around the globe
- Enables dedicated regional underwriters with local M&A market knowledge to be creative problem solvers and provide dynamic, client-specific solutions
- Provides clients consistent, seamless multinational expertise and more than 200 countries and jurisdictions*

WHY IS THIS IMPORTANT?

AIG's global capabilities help enable clients to close transactions around the world.

Collaborative Claims Expertise

- Employs specialized, in-house claims professionals who partner with clients to handle complex transactional claims
- Leverages decades of M&A claims experience as one of the industry's transactional risk pioneers
- Customizes transactional solutions utilizing our broad underwriting and claims expertise across industries, geographies, and sectors

WHY IS THIS IMPORTANT?

AIG M&A claims professionals manage one of the industry's largest, most varied claims portfolios to deliver expert claims counsel and outcomes.

Commercial execution in a timely manner

Capabilities in more than 200 countries and jurisdictions*

Decades of claims insights and expertise

Learn more: www.aig.com/whyaig

Why AIG

Prompt Solutions for Transactions

ISSUE:

A company with a diverse range of investments in different sectors sought a single insurance carrier for all of its acquisitions, including a transaction set to close quickly.

SOLUTION:

AIG promptly delivered a coverage solution to the client for the transaction.

BENEFIT:

The client completed its transaction on time and established AIG as a long-term partner for their diverse range of future deals.

WHY IS THIS IMPORTANT?

AIG responds promptly with solutions that help clients close time-sensitive deals across multiple company sizes, industries, and geographies.

Multinational Capabilities

ISSUE:

A client was acquiring a company that had various multinational exposures including operations in North America, Europe, and Asia Pacific.

SOLUTION:

AIG delivered a seamless solution that helped cover their multinational exposures, supported by teams based in financial centers across 14 countries.

BENEFIT:

The client completed its complex multinational transaction utilizing one carrier partner.

WHY IS THIS IMPORTANT?

AIG's multinational and local M&A expertise helps clients address risk across the globe.

Collaborative Claims Expertise

ISSUE:

A corporate buyer purchased an R&W policy for the acquisition of a manufacturing company. After the deal closed, federal inspectors shut down the acquired company's factory for three days due to regulatory violations.

SOLUTION:

AIG confirmed that a breach of the compliance with laws representation had occurred and agreed that the amount of direct losses suffered by the buyer on a multiplied basis was the correct measure of damage.

BENEFIT:

The R&W policy helped protect the client from certain financial loss due to unknown exposures resulting from the acquisition.

WHY IS THIS IMPORTANT?

AIG's dedicated and experienced claims team specializes in disputes surrounding complex transactions and processes client claims swiftly with proven claims paying ability.

What is AIG M&A Representations & Warranties?

Helps protect buyers or sellers in merger and acquisition transactions from financial loss in the event of a breach of representations and warranties made by the sellers.

- Deal size: \$25M to approximately \$4B+.
- \$100M maximum line size for any single transaction.
- Retention typically 1.0% of the enterprise value, dropping to 0.5% after 12 months.

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The scenarios described herein are offered only as examples. Coverage depends on the actual facts of each case and the terms, conditions and exclusions of each individual policy. Anyone interested in the above product(s) should request a copy of the standard form of policy for a description of the scope and limitations of coverage.

*Through AIG operations, licenses, authorizations, and network partners

AIG is a marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc. For additional information, please visit our website at www.aig.com. All products and services are written or provided by subsidiaries or affiliates of American International Group, Inc. Products or services may not be available in all countries, and coverage is subject to actual policy language. Non-insurance products and services may be provided by independent third parties. Certain property-casualty coverages may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds, and insureds are therefore not protected by such funds.

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