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Rise of W&I insurance in deal making

A GLOBAL ANALYSIS

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Introduction

Information asymmetry is a pervasive phenomenon in every transaction involving a buyer and a seller. Generally, the seller possesses critical information concerning their business or products and the buyer can gain access to such information only through voluntary disclosure by the seller. This exchange of information, premised on trust, guides routine as well as sophisticated transactions such as mergers and acquisitions (M&A).

The global M&A activity has been evolving continuously with various stakeholders engineering innovative solutions to mitigate risks and maximize returns from such transactions. One such solution is Warranty and Indemnity Insurance (W&I Insurance), which aids in reducing the impact of financial losses arising from a breach of warranties under the M&A transaction documents.

This paper seeks to delve into the key aspects pertaining to W&I Insurance and analyze important global trends in the evolution thereof.

Warranties and Indemnity in M&A Transactions

The agreement between the parties to an M&A transaction is formalized and captured under the transaction documents. Such transaction documents typically contain representations and warranties, backed by indemnities.

Representations and Warranties

Generally speaking, representations and warranties are statements of facts and assurances given by each party to a transaction. In an M&A transaction, a buyer usually gives warranties as to their financial wherewithal, whereas a seller gives detailed warranties relating to their business or assets, i.e., the subject matter of the transaction. The seller warranties typically deal with the seller's authority and capacity to enter into the proposed M&A transaction, his title to the asset(s) and business under consideration, day-to-day operations of the business, etc.

While the parties have the liberty to prescribe consequences for any breach or inaccuracy of warranties, the M&A transaction documents, typically, entitle the non-defaulting party to claim monetary relief in the nature of indemnity.

Indemnity

Indemnities are essentially monetary obligations assumed by the indemnifying parties (usually, a seller and its affiliates) to reimburse the indemnified parties (usually, a buyer and its affiliates) for losses arising on account of breach of warranties, in accordance with the terms of transaction documents. The indemnifying parties seek to limit the contours of their indemnity obligations by way of prescribing limitations with respect to time and money. Time caps restrict the ability to claim monetary relief, beyond a certain time period following the conclusion of the proposed transaction, while monetary caps seek to limit the amount of compensation payable by the indemnifying parties.

As such, indemnities are one of the most heavily negotiated clauses under M&A transaction documents.

Combined with warranties, indemnities are seen as a pivotal risk allocation tool in a typical M&A transaction. This importance has prompted the transacting parties across the globe, to envisage solutions that cater to the needs of both the buyer and seller, ultimately leading to the emergence of W&I Insurance

Nuances of W&I Insurance

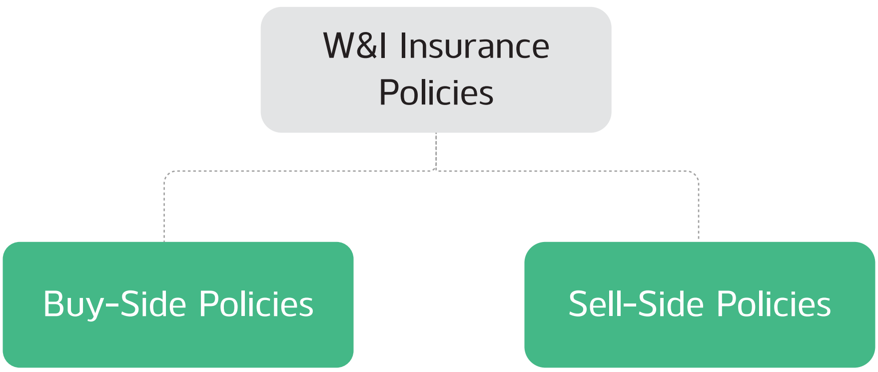
Scope of W&I Insurance Policy

W&I Insurance is a form of insurance policy, primarily used in an M&A transaction, to provide coverage to the buyer or seller, as the case may be, against losses arising on account of breach of warranties under the transaction documents. W&I Insurance shifts the burden of risks from the transacting parties and such a burden is, ultimately, assumed by the insurer.

With a W&I Insurance policy in place, the insurer insures the buyer (or the seller) for loss resulting from any claims on account of breach of warranties under the transaction documents and the risk of such financial loss is thus shifted to the insurer.

Types of W&I Insurance Policies

W&I Insurance has evolved to address the distinct needs of both buyers and sellers, resulting in two types of policies: buy-side and sell-side policies.



A 'buy-side' or buyer side W&I Insurance policy is relevant where the buyer is sceptical about the seller's financial standing post-closing of the M&A transaction or in instances where the buyer seeks indemnity coverage beyond what the seller can offer. A buy side policy allows the buyer to bring claims for breach of warranties against the insurer directly, without involving the seller.

A 'sell-side' or seller side W&I Insurance insulates sellers from identified risks arising on account of claims made by the buyer in connection with a breach of warranties. Such policies enable the seller to realise the consideration for the transaction without any adjustments on account of potential or uncrystallised risks. Under this structure, the buyer needs to first claim against the seller before the seller can claim under the W&I Insurance policy.

Trends Associated with Buy-Side and Sell-Side Policies

It has been observed that a majority of W&I Insurance policy placements are initiated by the buyer. While sell side W&I Insurance policies are less common, insurance brokers have, over the years, reported an increase in seller-initiated processes[1] . Interestingly, some buy side policies are initiated by the sellers and as the transaction progresses, such policies are subsequently 'flipped' to the buyer[2], commonly referred to as 'stapling'.

A key feature of buy-side W&I Insurance policies is that such policies may cover instances of seller fraud[3], which is typically left outside the purview of sell-side W&I Insurance policies. In this regard, it is pertinent to note that typically, breaches or any facts or circumstances of which the insured party had actual knowledge, consequential losses, and projections are kept outside the purview of W&I Insurance policy coverage (particularly sell-side policies)[4].

The following section gives a brief overview of the key drivers and disadvantages associated with W&I Insurance.

1. Caitlin Jansen VanRyssen, *W&I Insurance: Buy – side, sell – side or staple?* (23 January 2025, 1:00 AM) https://www.wtwco.com/en-gb/insights/2024/07/w-and-i-insurance-buy-side-sell-side-or-staple
2. Freddie Spearman, *Warranty & Indemnity (W&I) Insurance: A detailed guide for buyers and sellers in unlisted company acquisitions*, WTW, (12 April 2025, 7:00 AM), https://www.wtwco.com/en-us/insights/2023/11/warranty-and-indemnity-wand-i-insurance-a-detailed-guide-for-buyers-and-sellers-in-unlisted-company
3. Freddie Spearman, *Warranty & Indemnity (W&I) Insurance: A detailed guide for buyers and sellers in unlisted company acquisitions*, WTW, (12 April 2025, 7:00 AM), https://www.wtwco.com/en-us/insights/2023/11/warranty-and-indemnity-wand-i-insurance-a-detailed-guide-for-buyers-and-sellers-in-unlisted-company
4. *Liberty General Insurance* , (13 April 2025 at 3:00 PM) https://www.libertyinsurance.in/Docx/LIBERTY%20SELLER%20WARRANTY%20AND%20INDEMNITY%20INSURANCE%20POLICY%20-%20Policy%20wording.pdf

Key Advantages and Disadvantages of W&I Insurance

Key Advantages of W&I Insurance

- **Deal Certainty:**
  Negotiating warranties and indemnities is a time-intensive process. However, the ability to transfer risk to a third-party insurance company streamlines the warranty negotiation process and provides the buyer with additional comfort over a key aspect of the transaction, thereby removing a key deal concern and enhancing deal certainty.

- **Clean Exit for Sellers:**
  Sellers prefer availing a W&I Insurance as it facilitates a clean exit without any trailing liabilities by streamlining and expediting the distribution of sale proceeds and without requiring the sale proceeds to be subjected to escrow accounts or holdbacks. A W&I Insurance policy also reduces the risk of contingent liabilities arising from future claims and helps the sellers exit the business in a clean fashion.

- **Maintaining Buyer-Seller Relationships:**
  A W&I Insurance policy helps preserve relationships between buyers and sellers. This is particularly beneficial when the seller stays on as a key employee or becomes a business partner post-transaction.

- **Recoverability:**
  Despite contractual safeguards, buyers face challenges in recovering damages from sellers. In jurisdictions like India, pursuing legal claims against sellers can be time-consuming. In contrast, claims against insurers, under a W&I Insurance policy are often processed faster.

Key Disadvantages of W&I Insurance

- **Narrow Scope of Covered Loss:**
  W&I Insurance policies do not cover all types of risks. Typically, such policies do not provide coverage for fraud, wilful misconduct, matters known to the insured/ disclosed in the virtual data room, forward-looking warranties, criminal fines and penalties.

- **High Costs:**
  While lower rates of premium have acted as an impetus for the growth of W&I Insurance, globally, the current premiums and retention levels[5], may still act as a hurdle. Further, the premium and retention rates vary according to the peculiarities of the deal leading to a lack of uniformity in practices.

- **Linkage with Due Diligence:**
  To a great extent, the quality of due diligence will guide the scope of covered losses in a W&I Insurance policy. Thus, such policies may not cover significant undisclosed risks or gaps in the due diligence process.

- **Difficulty in Ascertaining Insurance Claims:**
  While W&I Insurance increases the chances of recoverability, the insured party may still face difficulty in proving the occurrence of an insured event and demonstrating that it falls within the scope of W&I Insurance policy.

5. "Retention level" refers to the amount of loss that must be borne by the insured before the coverage under the W&I Insurance policy can be availed. Thus, the insurer will only be liable for loss to the extent such loss exceeds the retention. This concept is synonymous with deductible under other insurances policies.

Global Trends Associated with W&I Insurance

In light of the aforementioned advantages and disadvantages associated with W&I Insurance policies, it is important to analyze the growth of W&I Insurance vis-à-vis the M&A activity, across the globe.

Global M&A Activity

Despite the global headwinds, the outlook for global M&A landscape has been buoyant. As per the annual report of Mckinsey & Company[6] for all of 2024, the global value of deals over USD 25 million rose 12% to USD 3.4 trillion. While the average global deal value also saw an upward trend, there was a decline in the number of megadeals (those over USD 10 billion) and the average size of large deals. The mid-size deals (those between USD 1 billion and USD 10 billion) remained most popular among dealmakers, accounting for 46% of global activity in 2024[7].

The key region-specific M&A trends for 2024 were as follows[8]:

EMEA witnessed active dealmaking despite a sluggish economy. There was an increase in the average deal value, the number of announced deals and the value of deals over 25 million USD.

The Americas have seen an upward trend in the deal volumes and the average deal size. The value of deals worth over 25 million USD has also increased in the Americas.

Overall deal value in the APAC region rose but remained below pre-pandemic levels. Activity, including domestic and inbound deals, in Greater China witnessed a decline, while Australia and New Zealand saw the largest inflows.
India witnessed a decline in the M&A activity.

Image Source: *Getty Images*

Global W&I Insurance Trends[9]

The general uptrend in the M&A activity has been coupled with the wider adoption of W&I Insurance. This adoption is primarily driven by a growing recognition of the value of W&I Insurance, competitive pricing and an increased breadth of coverage[10].

The collective experiences of the 3 leading insurance companies, i.e., Aon, Marsh, and Gallagher during the year 2024 in North America/ United States, EMEA (Europe, Middle East, and Africa),

6. Jake Henry and Mieke Van Oostende, *M&A Annual Report: Is the wave finally arriving*, (19 February 2025 at 11:00 AM), https://www.mckinsey.com/capabilities/m-and-a/our-insights/top-m-and-a-trends
7. Jake Henry and Mieke Van Oostende, *M&A Annual Report: Is the wave finally arriving*, (19 February 2025 at 11:00 AM), https://www.mckinsey.com/capabilities/m-and-a/our-insights/top-m-and-a-trends
8. Jake Henry and Mieke Van Oostende, *M&A Annual Report: Is the wave finally arriving*, (19 February 2025 at 11:00 AM), https://www.mckinsey.com/capabilities/m-and-a/our-insights/top-m-and-a-trends
9. The named insurers, in this paper, have primarily analyzed the claim activity to understand the growing relevance of W&I Insurance, across jurisdictions. Given the varied experiences and data sources of the said insurers, this paper seeks to compile all insights presented them, on a best estimate basis. The trends and observations outlined herein are intended to provide general, objective insights into key global developments in the W&I Insurance and should not be considered exhaustive or definitive with respect to the broader emergence of W&I Insurance worldwide.
10. *2024 Transaction Solutions Global Claims Study*, Aon, (13 April 2025, 6:00 PM), Aon-TS-W-I-eBook-EN.pdf

and Australia & New Zealand (ANZ)/ APAC (Asia-Pacific) is reflective of the aforesaid growth of W&I Insurance globally.

Overview of Adoption of W&I Insurance

W&I Insurance or representations and warranty insurance (R&W Insurance), as more popularly called, has seen increased traction in the United States[11], especially in real estate and asset-only deals on account of new coverage enhancements such as for environmental, condition of asset, and rent roll representations (without the need for matching seller representations). In the United States, requests to cover representations relating to artificial intelligence, are also being witnessed (for deals in the technology space)[12].

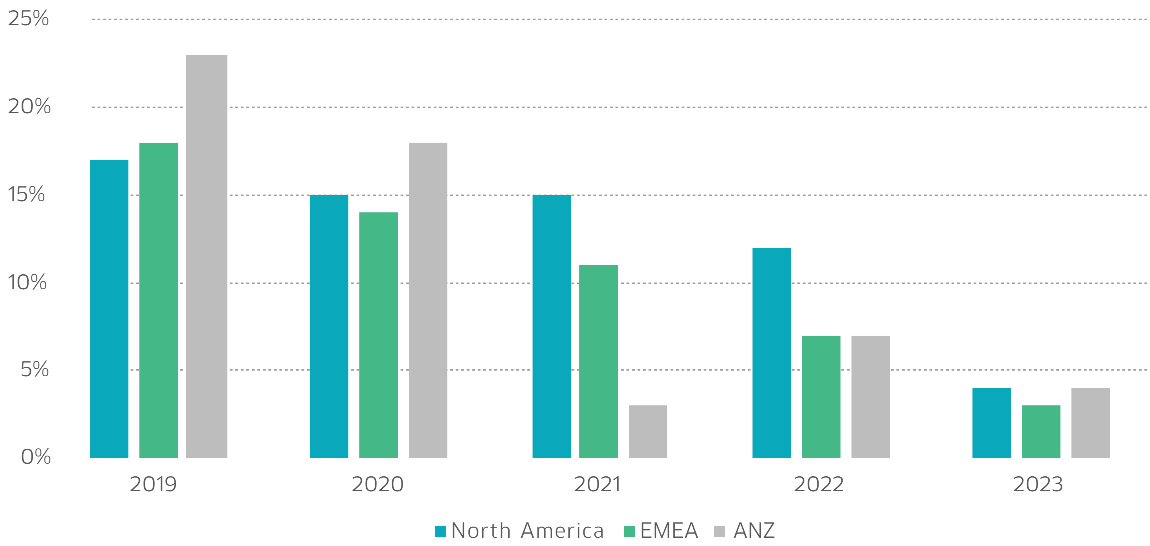
In Europe, more than one-third of M&A transactions which exceed EUR 25 million (in value) use W&I Insurance, with buy-side W&I Insurance policies commanding more than 90% of the market share[13]. A key contributing factor to the growth of W&I Insurance in Europe has been the inflow of American investments which has brought with it the expertise and maturity associated with W&I Insurance policies.

While W&I Insurance in the broader EMEA region is still at a nascent stage, it is evolving at a promising pace[14] . Recently, transactions involving Mozambique, Nigeria, Senegal, and Ghana[15] have also seen the adoption of W&I Insurance.
Asia has also witnessed a significant uptick in the adoption of W&I Insurance coupled with the growing sophistication of the region's M&A market.

Analysis of Key Trends

W&I Insurance Claim Frequency[16,17]

Figure 1: W&I Claim Frequency by Policy Inception Year



11. *Global M&A Insurance.* Gallagher Specialty, (13 April 2025, at 8:00 AM)
12. *Global M&A Insurance.* Gallagher Specialty, (13 April 2025, at 8:00 AM)
13. Ingo Schleis and Christoph Schmitt, *Insurance in M&A Transactions,* Vol.1, 2020 (13 April 2025 at 12:00 PM) https://assets.kpmg.com/content/dam/kpmg/de/pdf/Themen/2020/08/w-and-i-insurance-claims-on-the-rise.pdf
14. *Global M&A Insurance.* Gallagher Specialty, (13 April 2025, at 8:00 AM)
15. *Global M&A Insurance.* Gallagher Specialty, (13 April 2025, at 8:00 AM)
16. *2024 Transaction Solutions Global Claims Study,* Aon, (13 April 2025, 6:00 PM), Aon-TS-W-I-eBook-EN.pdf
17. *Global Transactional Risk Insurance Claims Report 2024,* Marsh, (13 April 2025 at 7:00 AM)

Key Insights

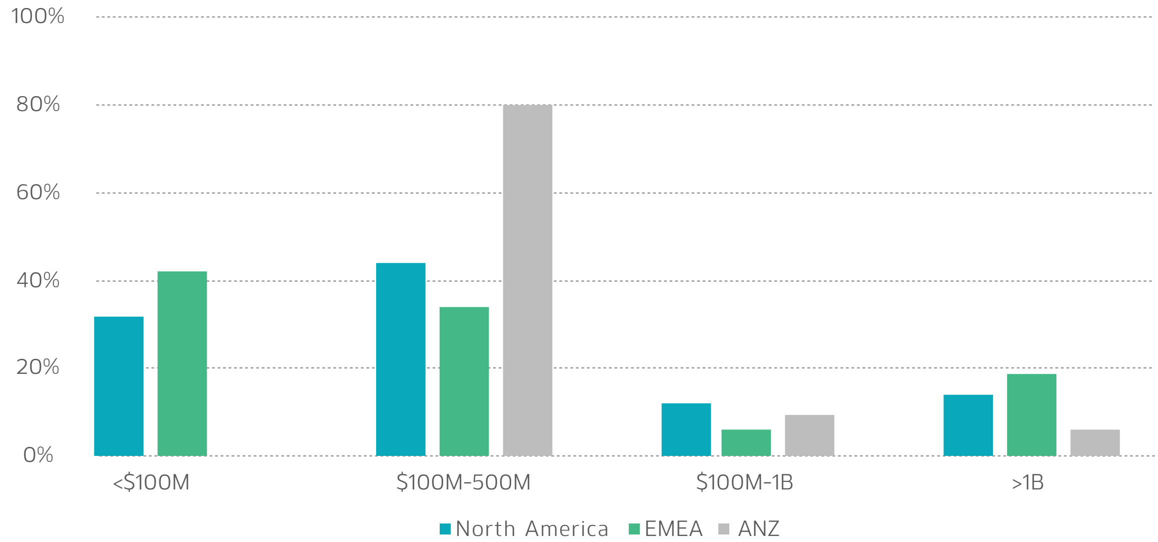
- Claim severity, under W&I Insurance policies, has been on the rise in North America. While claims alleging loss on the basis of a multiple (against a dollar-for-dollar loss) have been increasing, in North America, EMEA has witnessed an opposite trend.

- Materiality Scrape – The United States lays emphasis on the concept of *'materiality scrape'* i.e., claims under the R&W Insurance Policy can be made irrespective of the claim being material in nature

- As the demand for W&I Insurance in Asia was generally lower compared to other global markets, the claims volume across the region were consequently lower compared to the global markets. The relatively late start of W&I Insurance, lower deal count, and non-litigious culture prevalent in Asian geographies[18] have all contributed to the lower claim volume in Asia.

Transaction Size Trends [19]

Figure 2: Percentage of Total Claims by Deal Size for W&I Insurance Policies



The Figure 2 highlights the percentage of total claims under W&I Insurance policies vis-à-vis the deal size/ enterprise value (EV).

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Key Insights

- **North America:** The deals with an EV in the range of 100 to 500 million USD have contributed to the maximum percentage of claims under the W&I Insurance policies. Interestingly, as the deal values/ EVs have increased, the claims have decreased

18. *Global Transactional Risk Insurance Claims Report 2024, Marsh*, (13 April 2025 at 7:00 AM).
19. *2024 Transaction Solutions Global Claims Study*, Aon, (13 April 2025, 6:00 PM), Aon-TS-W-I-eBook-EN.pdf

- **EMEA:** The deals with EV of less than 100 million USD have contributed the maximum percentage of claims under the W&I Insurance policies. The lower number of claim notifications in the 500 million USD to 1 billion USD bracket is on account of correspondingly lesser number of deals in the said bracket.

- **ANZ:** The deals under 500 million USD mark contribute over 80% of total claims. Specifically, transactions below 250 million USD account for 60% of all claims in the ANZ region. This trend is commensurate with the maximum transaction activity happening in this bracket.

Breach Type Trends[20]

Figure 3: Breach Trends in respect of W&I Claims

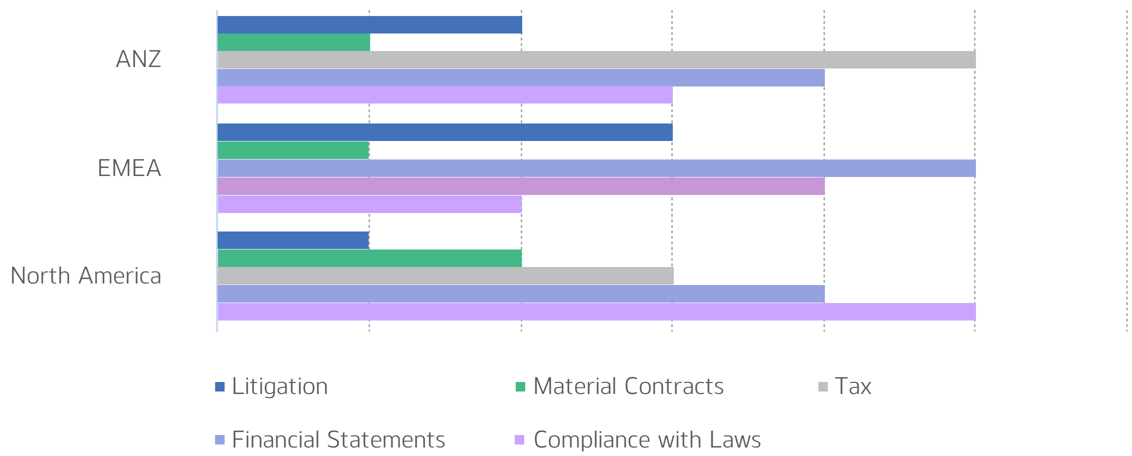

Figure 3 highlights the key reasons for claims arising under W&I Insurance policies.

Key Insights

- **North America:** A breach of representation pertaining to compliance with laws is the most common driver for claims under W&I Insurance policies, followed by breach of representation pertaining to financial statements, tax, material contracts, and litigation. As per the available data, the highest amount of paid loss is associated with breach of representations pertaining to financial statements.

- **EMEA:** Breach of tax warranties is one of the most common drivers for claims on account of greater scrutiny by tax authorities in the European region. Other major drivers are breaches of representations pertaining to financial statements, compliance with laws, litigation, and material contracts. The highest amount of loss is associated with breach of representation relating to financial statements.

- **ANZ:** There is a predominance of claims concerning breach of tax warranties, and warranties in relation to financial statements, regulatory compliance as well as employment-related issues.

20. *2024 Transaction Solutions Global Claims Study, Aon, (13 April 2025, 6:00 PM), Aon-TS-W-I-eBook-EN.pdf*

- **Asia:** Specifically, maximum claims arise from breach of warranties pertaining to tax, followed by breaches in relation to compliance with laws, material contracts, and financial statements warranties.

Timelines for Discovery of Breach[21]

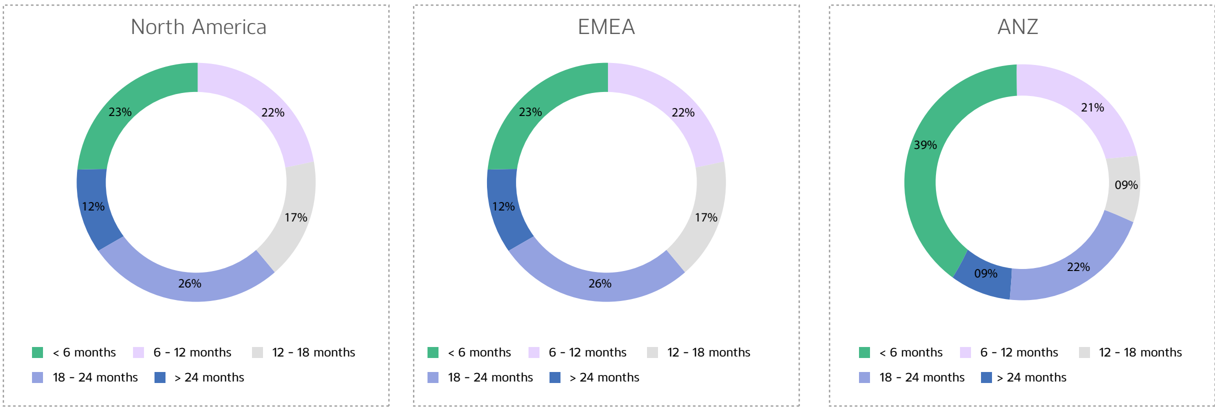

Figure 4: Analysis of timelines for discovery of breach

While the period from policy inception to notification of claims is increasing[22], certain key insights highlighted by Figure4 are as follows:

Key Insights

- **North America:** Maximum claims under W&I Insurance policies in North America are made within six months of closing an M&A transaction and nearly 96% of all claims are reported within three years of the close of the transaction. It has been observed that while breach of representations pertaining to compliance with laws and financial statements are common in both the pre and post 12-month period, breaches pertaining to tax, employment and intellectual property matters are more prevalent after 12 months of closing. Further, the maximum number of claims coming in more than 12 months post-closing are third party claims.

- **EMEA:** As tax warranty breaches are common in EMEA, these issues are often brought against W&I Insurance policies later into their maturity. As such, maximum claims under W&I Insurance policies are brought within 12-18 months of closing. Financial statements claims usually arise within 12 months, but may surface later when it takes a full audit period to discover the issues at hand.

  Typically, breaches of warranties relating to litigation, material contracts, employment, real estate, agreements with other parties, or regulatory, are more likely to arise within 12 months of the buyer/insured acquiring the company.

  In contrast to North America, direct claims prevail over third party claims.

21. *2024 Transaction Solutions Global Claims Study*, Aon, (13 April 2025, 6:00 PM), Aon-TS-W-I-eBook-EN.pdf
22. *A practical guide to warranty and indemnity insurance*, Marsh, (13 April 2025 at 5:00 PM)

- **APAC:** In ANZ, a majority of claims have been made within 24-36 months of closing. In Asia, a majority of claims are typically notified to the insurer within the first year of the transaction closing, with almost all the claims reported within 3 years of the transaction closing.

Other Key Commercial Trends

North America	EMEA	APAC
While retention levels in North America continue at historic lows, the average primary rates/premium rates have started to increase, with certain sectors such as healthcare witnessing higher premium rates averages[23]. Common policy terms include: (i) coverage for 10% of deal size (typically measured by EV); (ii) 3 years of coverage for general warranties and 6 or 7 years of coverage for tax and fundamental representations[24].	In EMEA, the premium rates and retention levels have seen a decline[25] across a majority of sectors. In the light of widespread adoption, European insurers have been offering competitive rates of policy premiums and retention levels[26].	A persistent drop in W&I insurance premium has remained a common theme across APAC[27], with the average rates on-line (i.e., premium as a percentage of the policy limits) in Asia (excluding India) witnessing a drop in the first three quarters of 2024[28]. The premium rates depend on various pricing factors such as target sector, jurisdiction of risk exposure, size of the transaction, etc[29]. The number of insurers who have expressed interest in underwriting Asian risks has grown tremendously in recent times, putting downward pressure on pricing[30] .

Closer Look Home: Trends associated with W&I Insurance in India

India has been rather slow to adopt W&I Insurance, however, with the rising M&A activity, domestically and globally, W&I Insurance is being seen as a key deal-making tool for M&A transactions in India.

Between 2019 and 2022, India's M&A market grew by 136%, surpassing $160 billion in deal value and over 900 transactions, with foreign investment, particularly from western private

23. *Global M&A Insurance*. Gallagher Specialty, (13 April 2025, at 8:00 AM)
24. Igor Kirman, Ian Boczko, and Nicholas C.E. Walter, Wachtell, Lipton, Resen & Katz, Harvard Law School Forum on Corporate Governance, (13 Aprill 2025 at 2:00 PM), Next Frontier for Representations and Warranties Insurance: Public M&A Deals?
25. *Global M&A Insurance*. Gallagher Specialty, (13 April 2025, at 8:00 AM)
26. Ingo Schleis and Christoph Schmitt, *Insurance in M&A Transactions*, Vol.1, 2020 (13 April 2025 at 12:00 PM), https://assets.kpmg.com/content/dam/kpmg/de/pdf/Themen/2020/08/w-and-i-insurance-claims-on-the-rise.pdf
27. *Global M&A Insurance*. Gallagher Specialty, (13 April 2025, at 8:00 AM)
28. *Global M&A Insurance*. Gallagher Specialty, (13 April 2025, at 8:00 AM)
29. *2024 Transaction Solutions Global Claims Study*, Aon, (13 April 2025, 6:00 PM), Aon-TS-W-I-eBook-EN.pdf
30. *A practical guide to warranty and indemnity insurance*, Marsh, (13 April 2025 at 5:00 PM)

equity firms, surging in 2023[31] . The positive momentum in M&A activity continued in 2024 which witnessed a significant 33% increase in deal volumes and a substantial 76% increase in deal values compared to the previous year[32]. The uptick in the M&A activity is coupled with an increased adoption of W&I Insurance in India. It has been reported that in India, the premiums for W&I Insurance typically range between 2% and 3.5% of the insurance limit, covering between 10% and 40% of the enterprise value[33].

Key Considerations and Impact of W&I Insurance in Deal Making

Owing to the benefits associated with W&I Insurance policies, they can be effectively used by M&A transaction parties (both buyer and seller) to enhance the efficiency and viability of the transaction. Having said that, the parties and their advisors must carefully and strategically use this product in the wake of their existing positions and the intended objectives involved in an M&A transaction. Following are some of the key considerations and their potential impact while exploring a W&I Insurance policy:

- **Alignment with Due Diligence:** The effectiveness of a W&I Insurance policy can be significantly enhanced by aligning the coverage of the policy with a pragmatic assessment of the due diligence findings. This allows a buyer to segregate risks, enabling the parties to focus on and effectively negotiate the alternatives (holdbacks, escrows, etc.) in respect of critical or imminent risks. Further, the coverage under a W&I Insurance policy for unknown or remote risks can also be effectively ascertained.

- **Risk and Cost Allocation:** It is essential to ensure that during the negotiation process, risks do not fall into the gaps arising on account of the difference between the scope or coverage of W&I Insurance and the contours of seller's liability. Accordingly, the nature and extent of buyer's recourse, in addition to the W&I coverage, becomes a critical element for negotiations. Additionally, it is imperative to strike a fine balance while allocating the risks between W&I Insurance and the seller as too much reliance on W&I Insurance can significantly add to transaction costs (as premiums will be higher for identified and imminent risks).

- **Determination of Coverage:** Another important factor is the extent of coverage under a W&I Insurance policy in the light of the seller's financial condition and other recourses available to the buyer (based on negotiations between the parties). Thus, while having a W&I Insurance policy early-on in the transaction can be advantageous and help smoothen the negotiation process, the adequacy of the W&I Insurance policy should be ascertained and ensured based on finally agreed positions between the parties.

31. Cameron McCoy, *M&A Insurance in India, Beazley*, (13 April 2025, at 2:30 PM), https://www.beazley.com/en-US/articles/ma-insurance-in-india/
32. *Annual Dealtracker 2025*, Grant Thorton (6 May 2025 at 11.10 AM), https://www.grantthornton.in/en/insights/thought-leadership/annual-dealtracker-2025/
33. How *M&A Insurance Can Be a Strategic Tool in Indian Transactions*, VCCircle (14 Dec. 2024 at 4:00 PM), https://www.vccircle.com/how-ma-insurance-can-be-strategic-tool-indian-transactions

- **Coverage of Only Past Occurrences:** It is important to understand that the W&I Insurance cover claims on account of breach of representations and warranties which are backward looking statements and thus W&I Insurance can only be invoked for past occurrences. This becomes critical as the indemnification right in transactions is not only restricted to breach of representations and warranties but also offers protection against breach of future obligations. Thus, an inadvertent over-reliance on the W&I Insurance while setting the limitations on the seller's liability may adversely impact the buyer in case of claims.

- **Effective Role in Structuring the Transactions:** A clear understanding of W&I Insurance and its coverage may prove to be an effective tool for structuring the transactions vis-à-vis the continuing obligations of the seller and regulatory restrictions (such as restrictions on the amount of holdbacks and indemnity limits).

Takeaways

Globally, the growth of M&A transactions has led to the corresponding increase in the adoption of W&I Insurance as a robust risk mitigation tool. A competitive landscape among insurers has translated into favorable and tailored solutions, with broader coverage and lower retention and premium rates, for the transacting parties.

Moreover, benefits offered by faster resolution of claims under a W&I Insurance policy, compared to traditional methods (which are more onerous and inefficient in terms of time and cost) has also been a key driver in the adoption of W&I Insurance.

However, despite these advantages, the absence of comprehensive data assessing the long-term effectiveness of W&I Insurance remains a barrier to its broader adoption. Specifically in India, there is a growing need for Indian insurers to align with international best practices and offer competitive, market-standard policy terms to meet the evolving needs of dealmakers.

Importantly, W&I Insurance is not the only instrument available to address the commercial risks inherent in M&A transactions. Bespoke solutions such as tax insurance and title insurance are also gaining traction. In particular, title insurance plays a vital role in mitigating risks or losses arising from defects in, or the failure of, title to property or shares in acquired entities[34] .

As the global M&A landscape continues to evolve, it will be interesting to observe how these various insurance products intersect and complement each other in providing comprehensive protection for transacting parties

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34. *Title Insurance*, Marsh McLennan (6 May 2025 at 11.16 AM), https://www.marsh.com/en/services/private-equity-mergers-acquisitions/expertise/title-insurance.html

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607-609, Nucleus,
1 Church Road, Camp
Pune 411 001
PHONE: 020-6680 1900
E-MAIL: Lspune@lakshmisri.com

KOLKATA
6A, Middleton Street,
Chhabildas Towers, 7th Floor,
Kolkata 700 071
PHONE: 033-4005 5570
E-MAIL: Lskolkata@lakshmisri.com

CHANDIGARH
SCO 31, 1st Floor,
Sector 26, Chandigarh 160019.
PHONE: 0172-492 1700
E-MAIL: Lschd@lakshmisri.com

GURUGRAM
OS2 & OS3, 5th Floor, Corporate Office Tower, AMBIENCE Island, Sector 25-A,
Gurugram 122 001
PHONE: 0124-477 1300
E-MAIL: Lsgurgaon@lakshmisri.com

PRAYAGRAJ
3/1A/3, (Opp. Auto Sales)
Colvin Road, Lohia Marg,
Prayagraj 211 001
PHONE: 0532-242 1037/242 0359
E-MAIL: Lsallahabad@lakshmisri.com

KOCHI
1st Floor, PDR Bhavan,
Palliyil Lane, Foreshore Road,
Ernakulam, Kochi 682016
PHONE: 0484-486 9018/486 7852
E-MAIL: Lskochi@lakshmisri.com

JAIPUR
2nd Floor (Front side),
Unique Destination, Tonk Road,
Near Laxmi Mandir Cinema Crossing,
Jaipur, Rajasthan 302 015
PHONE: 0141-456 1200
E-MAIL: Lsjaipur@lakshmisri.com

NAGPUR
1st Floor, HRM Design Space,
90-A, Next to Ram Mandir,
Ramnagar, Nagpur 440033
PHONE: 0712-2959038
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