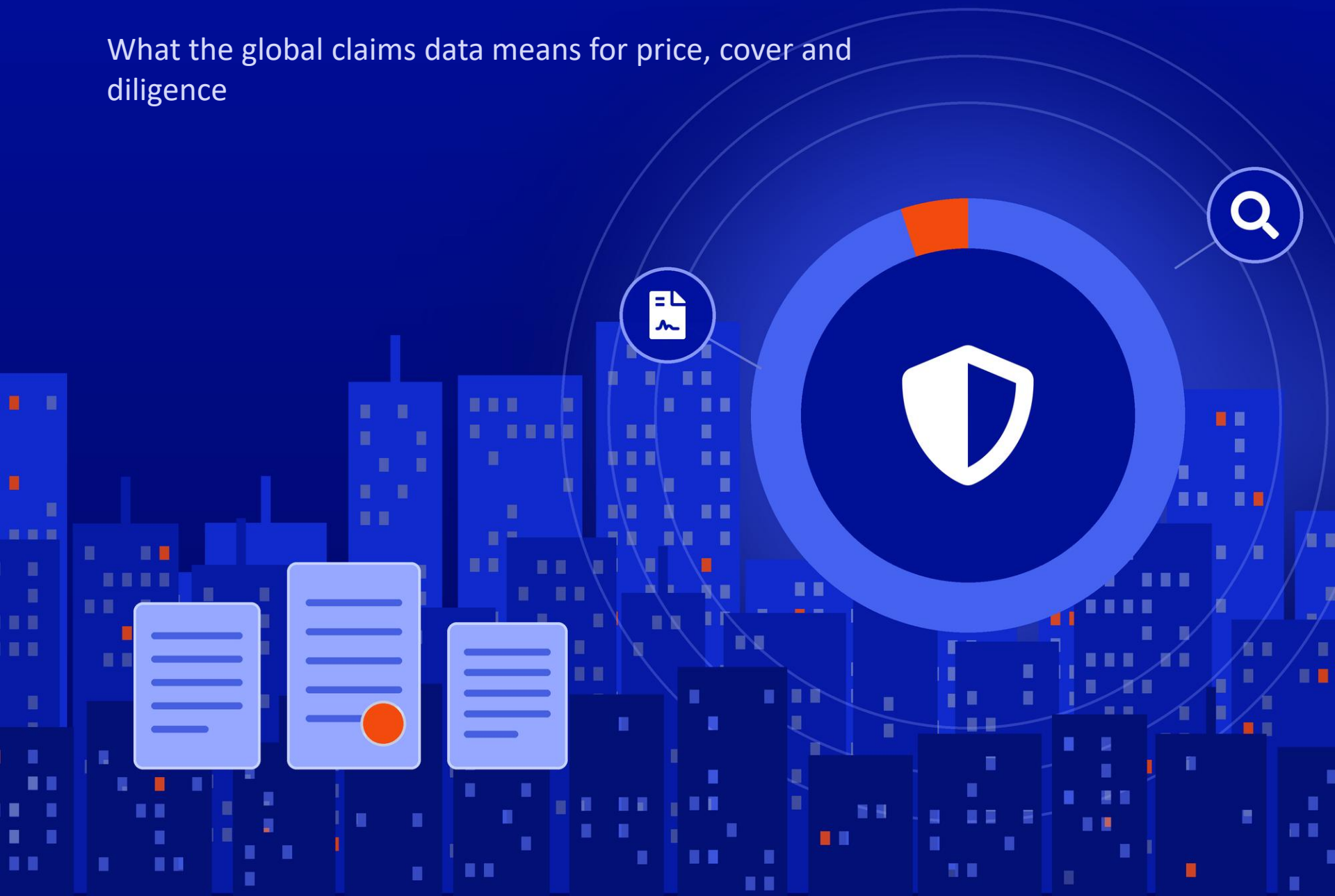
M&A WORLDWIDE

WEDNESDAY PULSE

R&W insurance

What the global claims data means for price, cover and diligence



THE BASICS

01

What R&W insurance does

A policy that pays the buyer if the seller's statements about the business turn out to be wrong, so the buyer has recourse to an insurer instead of a seller who has moved on.

HOW A LOSS IS SHARED ON A USD 100M DEAL (ILLUSTRATIVE, NOT TO SCALE)



First USD 1m | Next USD 10m | Above USD 11m

Premium is quoted as a share of the limit, around 3% on average in North America in 2025.

For the seller

Less money held back, and a and a cleaner exit.

For the buyer

Recourse to an insurer that is that is still there after closing.

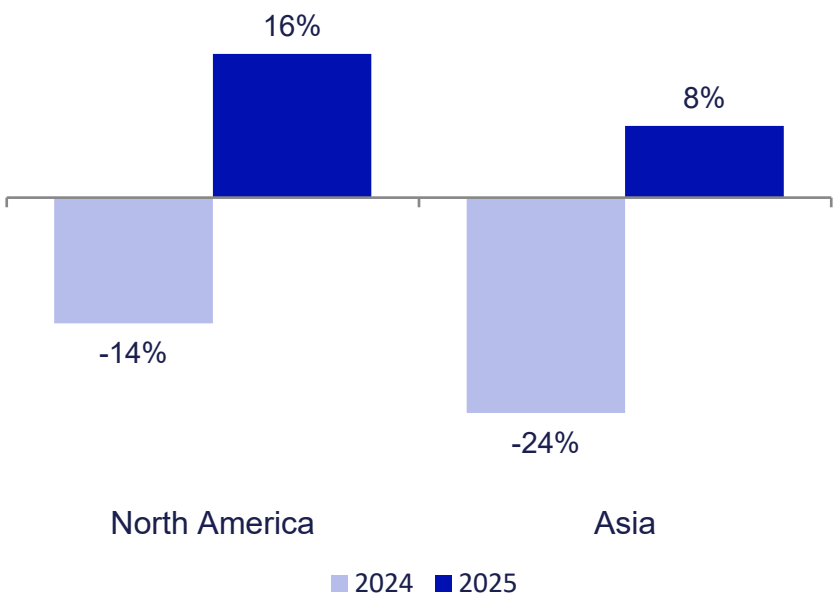
For the process

A way to stay competitive in an auction without a large seller indemnity.

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The market has turned

AVERAGE PRIMARY R&W PREMIUM RATE, CHANGE YEAR ON YEAR



USD 91.6bn

of limits placed by one global broker in 2025, up 34%

53%

of its programmes were for corporate buyers, against 47% for private equity

After three years of falling rates, pricing has turned. Average quoted rates in North America rose America rose from 2.5% to 3.23% between Q4 2024 and Q4 2025, while Europe moved more moved more modestly.

Sources: Marsh 2025 Global Transactional Risk Insurance Report; Gallagher quoted-rate data

THE CLAIMS

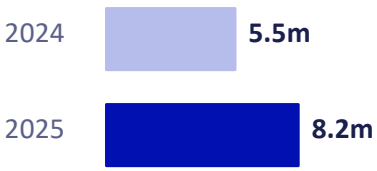
03

Claims are rising and larger

AON, NORTH AMERICA

USD 8.2m

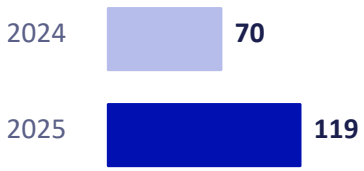
median R&W claim payment in 2025



AON, EMEA

119

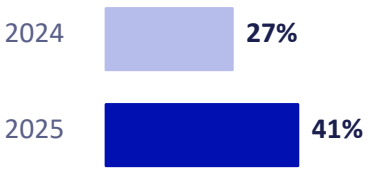
R&W notifications in 2025, 2025, up from 70 in 2024



AON, NORTH AMERICA

41%

of payments were eight-figure claims in 2025, up from 27%



Globally, one broker has recovered more than USD 3bn across about 2,000 claims. More than half of North American claims were filed over 12 months after closing, and another broker reports that Europe's claims doubled.

Sources: Aon 2026 Transaction Solutions Global Claims Study (June 2026); Marsh 2025 Global Transactional Risk Insurance Report; as reported by Insurance Business. Broker figures reflect each broker's own clients.

THE LOSSES

04

Where the losses come from

The most frequent claim is not always the most costly.

	MOST NOTIFIED	BIGGEST LOSSES
North America	Compliance with laws, over 20% of notifications	Financial statements, 38% of of total losses
EMEA	Tax, over 20% of notifications	Financial statements are the main driver of losses
Asia Pacific	Disclosure is the most common breach	Notifications are growing in Australia, New Zealand and Asia

In North America, valuation multiple claims made up 68% of paid losses in 2025, and intellectual property rose from about 5% to 10% of losses. The financial model behind the price is what gets tested.

Source: Aon 2026 Transaction Solutions Global Claims Study (June 2026), as reported by Insurance Business.

THE TAKEAWAY

05

Questions before you bind

Is our diligence good enough to underwrite?

Insurers are looking harder at targets and excluding known risks, so what the data room shows shapes the cover.

Have we priced the cost and retention into the bid?

Rates have turned, and retentions have crept up for some sectors and deal types.

Who owns the claim after closing?

More than half of North American claims came over 12 months after closing, so integration integration teams need to track notice periods.

R&W insurance is now a negotiated risk, not a form. Teams that treat it that way close with fewer surprises.

Sources: Marsh 2025 Global Transactional Risk Insurance Report; Aon 2026 Transaction Solutions Global Solutions Global Claims Study; Gallagher.

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