

# Evaluating your pre and post commitment investments

An additional and important service we offer our Clients is, a pre-investment, risk and insurance due diligence audit. As part of your professional due diligence project team we can provide specialist advice on the risk exposures and insurance protection of potential investees.

This service can result in the identification of potential cost savings and cover improvements, benchmarking of claims experience, as well as advice on how risk management can be improved.

In addition, the Oval group of companies (Oval) can arrange Warranty & Indemnity insurance.

- Sellers of a target company in respect of their warranties to the buyers
- Buyers of a target company in respect of sellers' warranties to the buyers
- Plus, where you are either the buyer or the seller in respect of the indemnity under the tax covenant.

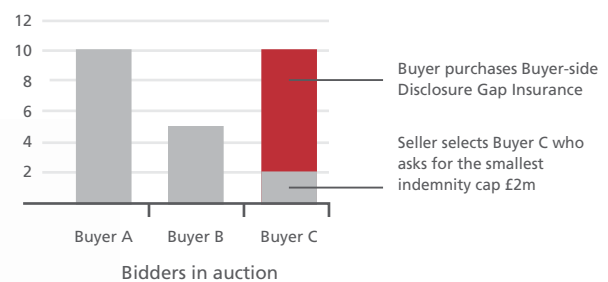
This type of insurance is often used strategically to:

1. Increase financial protection as per the diagram below
2. protect sellers proceeds from a sale
3. mitigate the cost of borrowing

Increasing financial protection through Warranty & Indemnity insurance.

## Buyers Warranty & Indemnity Insurance Protection

£ Million



There are three buyers bidding for a business. The seller of the business wants to select the buyer who requires of him the smallest indemnity cap. In our example this is Buyer C at £2m.

Buyer C has used Warranty & Indemnity Insurance to make his bid more attractive by transferring to the insurer the perceived additional £8m exposure rather than requiring the seller to provide this cap.

