

Aviva Warranties & Indemnities Insurance

Target Market Statement



This document has been prepared by Aviva UK General Insurance to provide an overview of our Commercial Lines Warranties & Indemnities Insurance product. It is intended to help distributors understand the target market for this product, at new business and at point of renewal. In addition, distributors should consider whether any changes in circumstances may result in some features of the product no longer being suitable (for example distribution channel, features/covers, communication method and payment method).

Aviva Insurance Limited will overlay some eligibility and risk acceptance criteria which will be applied and shown through the quote process. This will result in some customers for whom the product is suitable not being eligible due to our current risk appetite.

Aviva Insurance Limited is the Product Manufacturer for this product and may source elements of cover from third parties. Full details are contained within the policy documentation.

Eligibility Criteria?

- The Enterprise Value must be higher than £80m and below £1bn for primary deals.
- Only corporate entities will be insured.

Who is Aviva Warranties & Indemnities Insurance suitable for?

- Aviva's Warranties & Indemnities Insurance product is designed for Commercial Business customers.
- This is a bespoke product designed specifically for businesses who are merging with, selling or acquiring another business and require insurance protection to cover breaches of warranties and/or indemnities given in the sale agreement. It is specifically designed to solve commercial risks arising during Mergers and Acquisitions transactions.

- This product is most suited to mid-market Merger & Acquisition transactions (i.e. deals with transaction values between £80 million and £1 billion). Having insurance in place is considered good corporate governance practice and a strategic risk mitigation tool by private equity buyers, strategic investors and major corporate acquirers alike.

Who is this product not suitable for?

- Businesses that are not merging with, selling or acquiring another business or who are merging with, selling or acquiring another business but do not require the additional protection available.
- This product is not suitable for consumers as defined by the FCA. A consumer is classed as any person who is acting for purposes which are outside their trade or profession.
- Customers that require short term cover.

How can Aviva Warranties & Indemnities Insurance be sold?

- This product can be sold face to face via a specialist Insurance Broker. Customers are sophisticated corporate buyers who will be guided by external legal experts and specialist Insurance Brokers.

What features should you be aware of when considering this product?

- Cover will be provided for 7 years from the date of inception.
- Insurance cover includes contractual damages, associated fees, emergency defence costs and buyer loss as a result of seller fraud.
- Subject to underwriting considerations, cover may include tax and contingent liability in the event that the legal interpretation of a tax requirement or other liability is challenged or overturned post-completion, resulting in a demand for payment.

- We recognise that some individuals have additional support needs, such as alternative formatted documents, when purchasing or understanding our products. Aviva Insurance Limited is committed to helping meet these needs. If additional support is required, please contact us to discuss how we can assist the customer.
- Sales journeys must identify customer eligibility and ensure that key information and choices to be made are presented to customers in a way that supports a customer through the process of understanding core cover and configuring optional elements of insurance to suit their specific demands and needs.
- This product does not cover things such as:
 - Issues known to the Insured
 - Matters disclosed in the due diligence reports
 - Virtual data rooms
 - Projections
 - Certain fines and penalties
 - Secondary tax liabilities
 - Pension underfunding

Optional additional covers/Extensions which are available with this product:

There are no optional additional covers/Extensions available for this product.

Ways to enhance cover - These options come at an additional cost and can be added to core cover to provide more comprehensive benefits			
Product cover option	This product is designed to provide financial protection if	Who could this option be suitable for?	Who is this product not designed to support, or are there any features that you should be aware of when offering this product to your customers?
None available for this product			

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