



# Transaction liability private enterprise

Product brochure

USA

## Overview

Transaction liability private enterprise (TLPE) is CFC's first-to-market insurance product specifically designed to provide small business sellers with peace of mind during an M&A transaction.

The policy insures sellers against the risk of financial loss as a result of a breach of representation or warranty, providing cover for 100% enterprise value (EV) indemnity and defense costs in the event of a buyer claim.



## About CFC

CFC is a specialist insurance provider, pioneer in emerging risk and market leader in cyber. Our global insurance platform uses cutting-edge technology and data science to deliver smarter, faster underwriting and protect customers from today's most critical business risks.

Headquartered in London with offices in New York, Austin, Brussels and Brisbane, CFC has over 500 staff and is trusted by more than 100,000 businesses in 80 countries. Learn more at [cfcunderwriting.com](https://cfcunderwriting.com) and [LinkedIn](#).

## Contact



**Joe Perrett**  
Product Manager

TLPE@cfcunderwriting.com  
+44 (0)207 469 1754

## Coverage highlights

### Breach of representations & warranties

Our TLPE policy provides cover for financial loss or liability arising from a breach of a representation or warranty given by sellers in a share or asset purchase agreement.

### Defense costs

CFC's policy provides cover for defense costs arising from the claim of an inaccuracy in a representation or warranty.

### Full indemnity policy limit

Unlike traditional R&W policies which typically provide a policy limit of 10% of enterprise value (EV), CFC's TLPE policy insures the full indemnity given by the seller in the sale agreement, up to USD 15m. This means we can offer a limit of up to 100% EV.

### Duty to defend

Underwriters have a duty to defend, giving insureds the benefit of sophisticated legal advice and representation.

### Streamlined underwriting

Coverage can be bound within 24 hours following receipt of the transaction documentation and responses to our underwriting questions, as set out in the TLPE insurance application.

### Buyer as loss payee

The buyer is added as a loss payee so that they can receive claim proceeds directly.

## Appetite

### What we love

Small and micro deals with an enterprise value of USD 250k - 15m across the manufacturing, education, franchise, retail, leisure, hospitality and real estate sectors.

### What we consider

Professional services, technology service and product businesses, transport and aviation and insurance brokers.

### What we ordinarily decline

Healthcare, financial services, oil and gas, mining, pharmaceuticals and regulated industries (such as telecommunications). Although these sectors are ordinarily out of appetite, there are exceptions so please do send in enquiries for review. Deals greater than USD 15m may be insurable under our standard R&W insurance product.

### Limits, deductibles, premium and transaction size

Maximum limit	USD 15m
Retention	Nil
Minimum premium	USD 2,500
Underwriting fee	Nil
Policy fee	USD 500
Policy period	6 years

*Coverage is subject to underwriting and the terms, conditions, and limits of the issued policy.*