

Corporate Finance

It has been said that Business is all about change. In financial terms, this could be anything from refinancing, acquisition or a change of ownership (MBO/MBI). These Corporate Finance transactions are a part of everyday business life, though the role that insurance can play in helping these transactions to come about is often overlooked.

Many corporate transactions fail because one final piece of the jigsaw simply does not fit into place, and one of the parties walks away from the deal - insurance can fill the gap and help to prevent this happening. TL Risk Solutions have extensive knowledge and experience of providing insurance-based solutions to assist with Corporate Finance Transactions.

Some Examples

Every deal is different, varying from the simple to the complex - the insurance part of the equation should always be tailored to fit. Some examples of how insurance can help:

- Providing a deferred consideration guarantee - where an element of the consideration value is repayable to the Vendor for up to three years after completion date. This insurance product can replace the more traditional bank guarantee security a Vendor may require, thereby releasing cash headroom for the Purchaser and assisting in completing the transaction
- Landlord Indemnity/Tenant Default:
 - Replacing a landlord's lien with a policy to protect their rental income, thereby freeing up an asset for funding purposes
 - Replacing a landlord's cash bond with a policy to protect rental income, thereby providing additional cash for a business
 - Securing future rental income to support commercial property finance
- Providing political risk cover on overseas fixed assets, to give a funder sufficient comfort to fund on that asset
- Moving a surety bond requirement from a bank to the unsecured insurance market, to increase the financial headroom available:
 - Duty Deferment Guarantees
 - Performance Bonds
 - Maintenance/Warranty Bonds
- Credit Insuring to support an Invoice Discounting / Factoring facility:
 - All or some export sales
 - Single customer
 - Whole of ledger

The above examples are not comprehensive, but all have been used to help cement a deal, with policies that have been specifically designed and written to meet the exact requirements.

Further Information

For further information on our services, please contact us:

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