

M&A IP Products

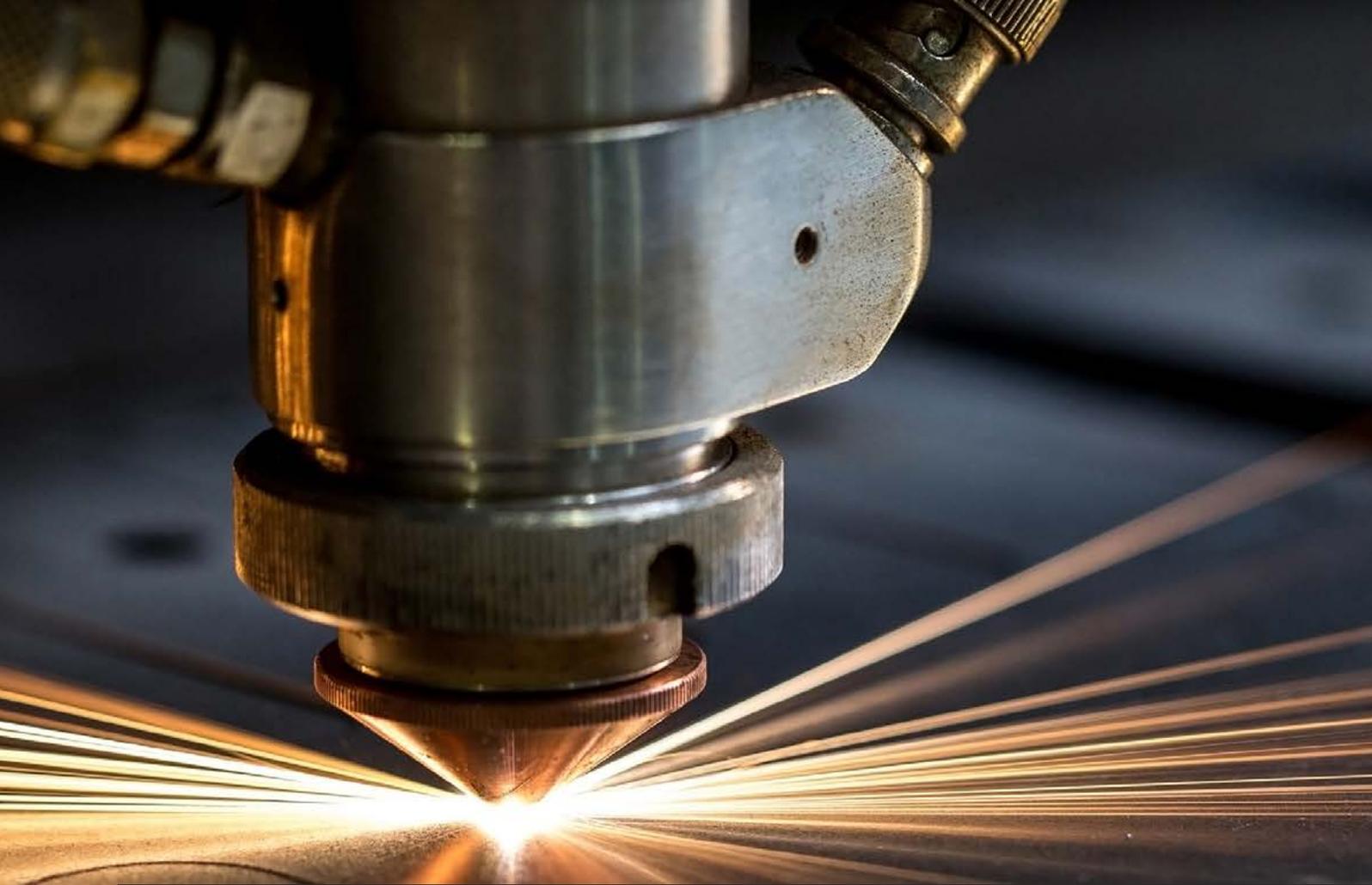
Insurance and Risk Management
Solutions for **M&A Transactions**

M&A: IP opportunities and challenges

M&A transactions can be an attractive and necessary means for an acquiror to grow or obtain key technologies and intellectual property (IP) assets, but they also pose significant risk.

Many acquirors conduct basic due diligence to identify historic litigation and identify registered and licensed IP, but what about the competitor IP landscape beyond that? How do you guarantee that the target and IP is being acquired with clean title and that a future challenge does not lay ahead which invalidates that IP or presents show stopping infringement risk? What if the seller has failed to answer the due diligence enquiries fully and honestly or has not managed their IP assets and risk effectively?

Icen Risk has developed a range of specialist, market-leading and technology driven M&A IP products to help parties to transactions involving technology, creative and consumer brand businesses protect value and offer insurance solutions for the uncertain and emerging risks that such businesses face.



What are we doing differently?

Our M&A IP products are built on three principles:

- 1. Understanding the big picture when assessing your risks:** with our in-house expertise, we are able to draw upon the latest technology to create an accurate map of a businesses' products, IP assets, IP risks and competitor landscapes across all territories in a flash. We can look back to where the target and its competitors have had disputes in the past and look forward to predict future flash points. And when we say IP, we mean all types of IP, from patents to know-how and branding assets to domain names.
- 2. Providing certainty with affirmative and special coverages:** our goal is to identify risk and offer peace of mind by affirmatively covering low to medium known risks discovered through due diligence and underwriting. Such risks may include missing IP assignment agreements, the identification of patents of concern owned by third parties, through to open-source code use and compliance. We aren't prescriptive and will consider most types of problem. We can also look to offer contingent risk cover for IP matters and help unlock tough negotiations.
- 3. Managing, mitigating and minimizing risk and loss:** after a transaction has closed, that is just the beginning. Throughout the period of coverage, we will monitor the IP risk facing the target business to help a buyer, investor or senior management team head off challenges before they happen. Through a unique partnership with Travelers who handle Icen Risk's claims, we work hand in hand with trained specialist claims professionals with a significant track record to resolve claims quickly.



Product highlights

- W&I: we can cover the usual range of warranties and indemnities agreed between the parties;
- Broad coverage of existing IP warranties: we can cover broad IP warranties without qualification and even those that are forward looking;
- Synthetic IP products: for transactions involving the acquisition of businesses/assets out of insolvency or where agreements are silent on IP, we can provide a fully synthetic solution;
- Special IP insuring clauses; if the risk calls for it, we can provide special IP insuring clause for the broadest possible coverage for risks including infringement;
- Contingent risks: for matters identified through due diligence and underwriting which may be excluded under a standard W&I policy, we can provide bespoke coverage solutions;
- Specific tax risks: we can provide cover for tax risks relevant to businesses that invest heavily in their IP such as R&D tax credits and entrepreneurs relief.

What type of transactions do we insure?

Our M&A IP products are best suited to transactions involving businesses or assets with a value ranging from **£5,000,000** up to **£250,000,000**.

What limits can we offer?

Icen Risk is able to offer limits of up to **£100,000,000** per transaction.

Who should consider using Icen Risk's M&A IP products?

- **Private equity and venture capital** – buying and investing in businesses where IP value and risk is of key importance;
- **Corporate acquirors of businesses and IP assets** – wanting to de-risk bolt-on acquisitions;
- **Sellers** – wanting to protect value by offering robust warranties backed by insurance;
- **Insolvency practitioners** – disposing of IP assets and businesses where IP was a key component;
- **Corporate, M&A and IP practitioners** – looking for solutions to help their clients de-risk investments.



Claims

We have an agreement with the Lloyd's Managing Agency subsidiary of NYSE listed Travelers insurance company (NYSE:TVR), our lead capital provider, to provide a unique, client focused and collaborative approach to claims handling to ensure a responsive and prompt service. Travelers is a leading insurer with approximately 30,000 employees and in 2020 generated revenues of c\$32 billion.

Who are Icen Risk?

We are a specialist M&A insurance solutions provider with some of the most experienced underwriters in the transactional risk market. Our expertise spans M&A, corporate, litigation, accounts and finance, tax and IP, covering many sectors and territories.

Icen Risk M&A IP Product Key Contacts



Lewis Parle
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Lewis has been developing and providing IP and transactional insurance solutions since 2015. He has a keen interest in using technology to innovatively help clients identify, manage and transfer complex IP risk.



Robert Brown
Managing Principal

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Robert has specialized in underwriting M&A insurance since 2000 and has a wealth of experience of insuring many different sectors, jurisdictions and finding unique solutions to transaction issues. He has seen the importance of IP overlooked on transactions and sees the benefits that specialist cover can bring to transaction parties.

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