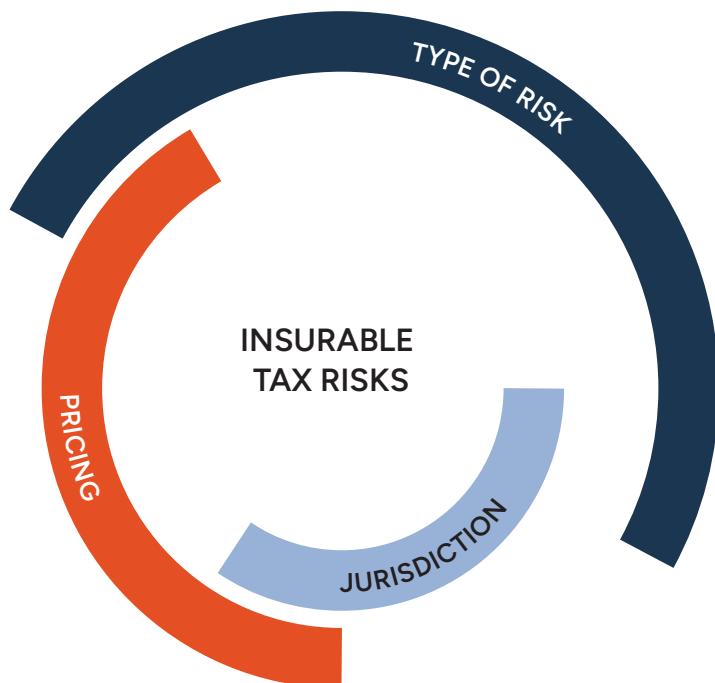


Tax Liability Insurance.

Tax Liability Insurance (TLI) policies are an effective tool to transfer a potential tax exposure from a business to the insurance industry, whether it has been identified as part of an M&A process or general business operations. Transferring this risk means that the business can completely remove the potential financial exposure from its balance sheet.

What does TLI cover

- The estimated quantum of the tax liability exposure (cost effective solution for tax exposures from £500k up to £1b+).
- Potential interest and penalties imposed by a tax authority
- Costs of defending the claim, from responding to the initial enquiry up to litigation (subject to the policy excess)
- Gross up if required by local tax law
- Policy period is typically 7 years (however can be up to 10 years)



Benefits of TLI

Buying a business

Provides a solution where due diligence flags a potential tax exposure.

Enhances a bid in an auction process.

When buying a distressed business or asset, provides protection where the administrator/liquidator is not able to provide any.

Selling a business

Provides a solution to a potential tax exposure in advance of selling a business.

Avoids the need to provide an escrow or an indemnity.

Provides financial certainty on the availability of tax efficient disposals/winding up a business.

Winding up a fund/distributing trust assets

Allows a fund to wind up and distribute assets even where there maybe a tail of liability.

Trustees can distribute proceeds/assets to beneficiaries.

Managing operational tax risks

Mitigates the need to make a provision for an identified tax risk on a company's balance sheet.

Renewable tax policies available annually to provide for technical ongoing risks i.e. transfer pricing or substance issues.

Manages one-off risks that arise from intragroup reorganisations.

Pricing will vary considerably depending on the jurisdiction and the nature of the risk. We would typically expect to see the premium for majority of risks fall within 2% – 6% of the limit sought.

The BMS team has dedicated in house tax counsel that will work with our clients and their advisers to ensure that a tailored insurance solution is acquired, wherever in the world it is needed.

Claims

We work with those insurers who have a strong track record of dealing with claims in a collaborative and swift manner.

In case of claims, we involve our experienced team of claims advocates who pride themselves on effective claims management, negotiation, and resolution to help navigate complex M&A insurance related claims.

This is an integral part of the service we offer so that you are supported throughout the lifecycle of the policy.

Complementary BMS solutions

- W&I Insurance
- Contingent Risk Insurance
- Litigation Buyout Insurance
- Title Insurance
- Liquidation Insurance
- Cyber Insurance
- Intellectual Property Insurance

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