

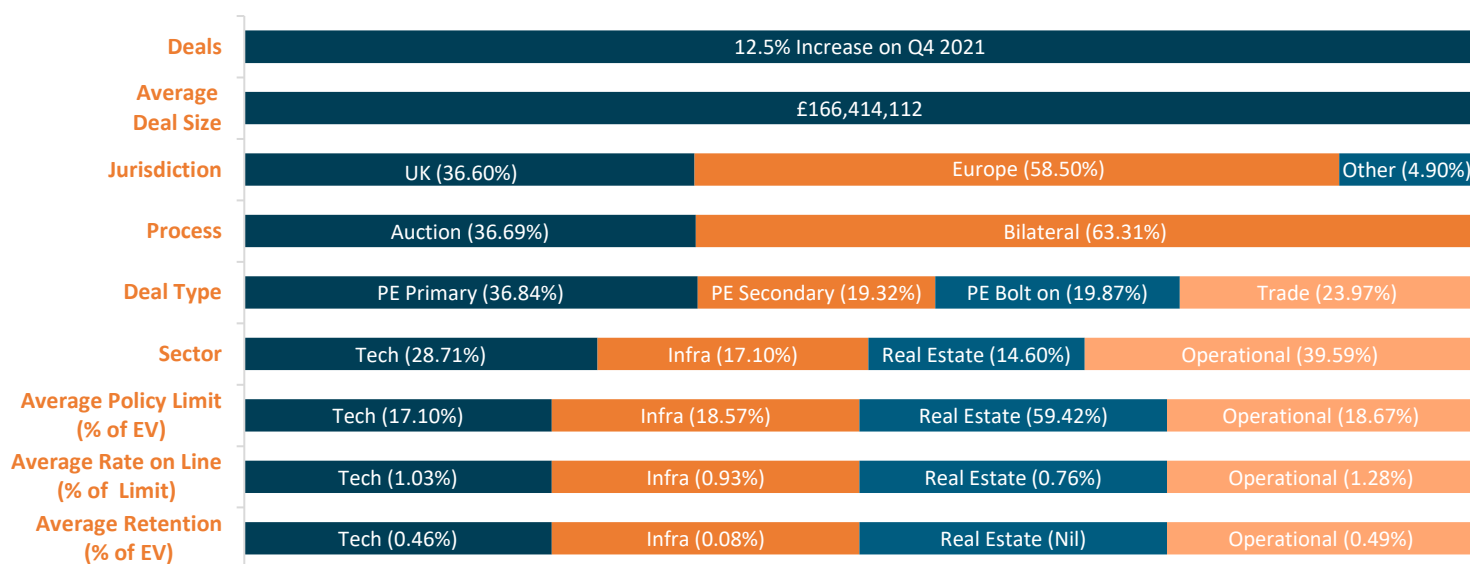
## M&A Insurance: PE Quarterly Market Update - Q1 2022

HWF advised on 290 transactions during Q1 2022 following the unprecedented levels of activity in Q4 2021. We saw a slightly slower start to the quarter, with several deals slipping from Q4 2021, followed by a sharp increase in engagement by sellers, particularly on new auction processes which increased from 26.87% to 36.69% of signed deals compared to Q4 2021.

As forecast in our last quarterly update, Q1 2022 saw the market capacity issues experienced in Q4 2021 subside. We are now frequently seeing multiple insurers compete for mandates which would have received limited interest before the turn of the year, leading to competitive pricing, improved coverage and reductions to average rates on line across all industry sectors.

We saw increased appetite for both the contingent tax and non-tax risks markets, with notable tax risks being covered in the US market for key private equity clients.

### HWF Q1 2022 Statistics



### Future Considerations

- We expect coverage of multi-jurisdictional businesses with Russian / Ukrainian nexus to come under increased focus. In particular, we expect insurers to show increased concern on cyber coverage / liabilities as Russia react to sanctions and attempt to use non-military actions to exert pressure on Western economies.
- We expect the trend towards tightly run auction processes to continue as sellers continue looking to increase competition and drive value for assets.
- We expect the upwards trend of insuring known or contingent risks to continue. The market continues to invest in a range of specialists to allow a greater number of issues to become insurable. HWF have hired James Williamson, a former litigation funding lawyer, to head up our contingent insurance offering, complimenting our existing tax team.
- HWF can now provide clients with in-house sector expertise through the hires of Brynn Horner, Yolanda Yong and Adam Regan to head up Infrastructure, Renewables and Real Estate respectively.
- During the quarter HWF established teams in Munich, Paris and Warsaw, complementing our existing UK and German teams.

### Key Contacts

#### David Layton

Co-head of Private Equity

Mobile: 07816 352 899

Email: [david.layton@hwfpartners.com](mailto:david.layton@hwfpartners.com)

#### David Wall

Co-head of Private Equity

Mobile: 07971 627 060

Email: [david.wall@hwfpartners.com](mailto:david.wall@hwfpartners.com)