

M&A INSURANCE: Q1 2026 MARKET UPDATE

In Q1 of 2026, we saw a decrease in both average deal value (down 42.70%) and deal volume (down 60.79%), due to a market slowdown after a busy end to 2025. This is consistent with Q1 2025 numbers, where we saw a similar decrease in deal volume. However, M&A enquiry flow remains strong, with clients keen to line up processes for later in the year, with a hope for a more optimistic economic backdrop in Q3 and Q4 of 2026.

PE After a positive end to 2025, activity in the mid-market has been subdued over Q1 of 2026, reflecting broader macro-economic uncertainty. Whilst we were anticipating an increase of pricing, as claims activity remains high, reductions in deal volumes has kept pricing relatively flat and prevented any retrenchment by insurers in the broad coverage positions that have been pushed over the last two to three years.

Energy/Infrastructure Over a quarter of all transactions signed within HWF related to the energy and infrastructure sectors predominantly across Europe and the US. We acted on a number of transactions relating to acquisitions of renewables portfolios across France, Germany and Poland and also a number of datacentre and digital communication transactions. Rates continue to be extremely competitive. We continue to develop novel contingent risks for our clients in this space.

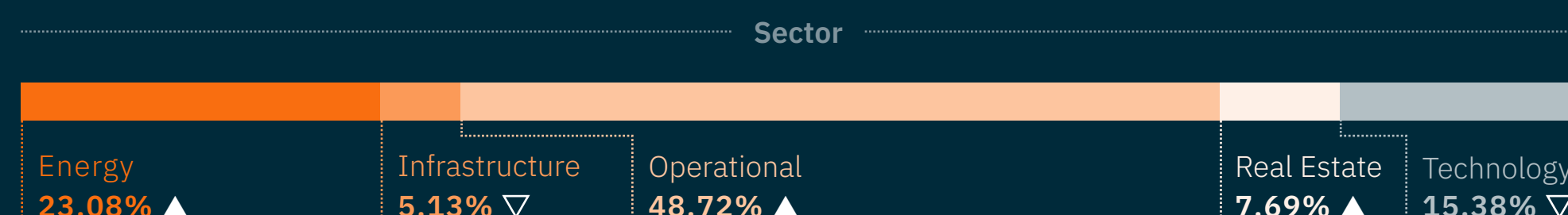
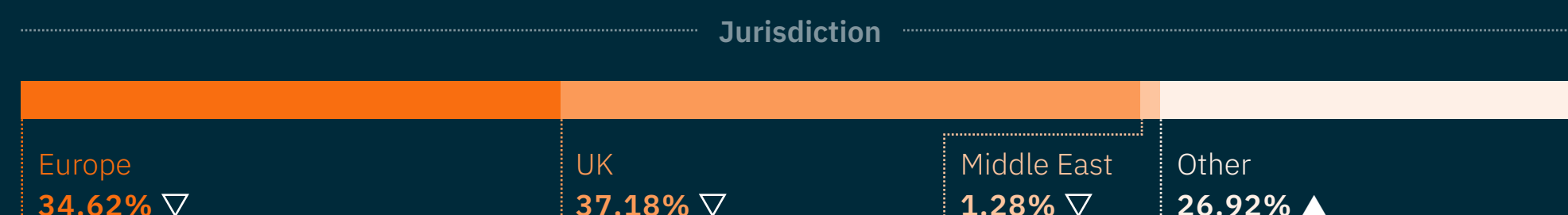
Real Estate We are continuing to see a steady flow of enquiries across all real estate asset classes. This quarter, activity has been particularly strong in operational real estate - most notably hotels and care homes - alongside prime residential assets and central London offices. Insurer appetite for real estate transactions remains robust, with highly competitive pricing and broad coverage available across the market. In parallel, we are working closely with insurers to develop and structure solutions addressing liabilities arising under the Building Safety Act.

Tax Tax insurance continues to play a central role in managing tax risk and unlocking value. It is used consistently throughout the process, from early transaction planning to live audits and, where necessary, court proceedings. While corporates and investment funds remain the main source of demand, there has also been a growing uptake from individuals and family offices seeking certainty in complex tax matters in various jurisdictions.

Contingent In Q1 HWF placed a contingent risk policy on a large European infrastructure acquisition which involved drawing significant

DEALS **42.70% decrease** ▾

AVERAGE DEAL SIZE **£89,983,475** ▾



	Energy	Infrastructure	Operational	Real Estate	Technology
Av. Policy Limit (% of EV)	48.39% ▲	51.85% ▲	25.33% ▾	41.21% ▲	20.94% ▾
Av. Rate on Line (% of Limit)	0.67% ▾	1.10% ▲	0.99% ▲	0.87% ▲	1.11% ▲
Av. Retention (% of EV)	0.01% ▲	0.13% ▾	0.18% ▲	0.15% ▾	0.17% ▾

Arrows show changes to Q4 2025 statistics

capacity from across the contingent insurer market. As the contingent risk market matures there are more opportunities to build higher limit towers of insurance to address high value commercial obstacles to M&A processes. It has also been notable that insurers are increasingly willing to consider more innovative policy structures including co-insurance retentions and extended policy periods.

Claims Claim notification frequency fell fractionally in Q1. HWF is continuing to see a high volume of claims on renewables transactions, including in Southern Europe. Following the release of HWF's annual claims study there has been a significant interest from clients on more granular data on warranty breach types and other claims metrics which HWF is able to provide detailed assistance on when structuring our policies.

Future considerations We are pleased to share that we have opened an office in Madrid – led by experienced brokers Ricardo Lecaro Manrique (W&I) and Kai Schmitz (Tax). HWF has long been a trusted advisor to Iberia-based clients on strategic M&A transactions. Establishing a local presence allows for deeper relationships, new opportunities, and an even stronger offering for clients across the region.

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