M&A INSURANCE: Q2 2026 MARKET UPDATE

Following a slower start to the year, in Q2 of 2026, we saw an increase in both average deal value and volume, signalling that M&A deals are coming back to market. In particular, the total number of deals was up 45.55%, fuelled by a recovery in the European, UK and Middle Eastern M&A markets.

PE After a slower start to 2026, deal volume in Q2 showed a sharp uptick, with the customary rush to sign deals before the summer. The largest uptick was in the technology sector, where both deal volume and deal value saw a marked increase against Q1 of this year. It is looking like another busy summer period with several large cap buy-side mandates looking to complete and a strong pipeline of seller-initiated processes being prepped over the summer and looking to launch in September.

Energy & Infrastructure We continue to see the tale of two cities, with strong investor appetite for certain energy and infrastructure assets with multiple bidders, contract races and tight timeframes and with other transactions with protracted delays and timeframes to signing. We have had a marked increase in the number of clients concerned with changes in laws and subsidies which we have been able to find solutions for.

Real Estate Enquiry levels remain strong as capital continues to flow back into bricks-and-mortar real estate. That said, transaction timelines became more drawn out during Q2 2026. Buyers remain prepared to walk away where pricing, structure or execution risk no longer supports their investment case. Pricing remains highly competitive and insured parties continue to benefit from broader coverage alongside the availability and discounted cost of enhancements (in particular with regards to protecting against liabilities under the Building Safety Act). Insurer appetite for high-quality real estate transactions remains strong, with plenty of capacity available across the market.

Tax The volume of tax submissions hitting the market keeps rising, and there is no sign of this slowing down. This is no coincidence. Cross-border M&As, internal reorganisations and increasingly assertive tax authorities are leading corporates, funds, individuals, and family offices to the same conclusion: certainty is worth paying for. It's used throughout the entire process, from initial planning to live audits and, where necessary, litigation.

DEALS 45.55% increase ▲

AVERAGE DEAL SIZE £91,209,604 ▲

Jurisdiction

Europe	UK	Middle East	Other
35.71% ▲	49.11% ▲	2.68% ▲	12.50% ▽

Sector

Energy	Infrastructure	Operational	Real Estate	Technology
16.07% ▽	10.71% ▲	41.07% ▽	8.93% ▲	23.21% ▲

	Energy	Infrastructure	Operational	Real Estate	Technology
Av. Policy Limit (% of EV)	75.35% ▲	32.29% ▽	38.57% ▲	29.82% ▽	40.62% ▲
Av. Rate on Line (% of Limit)	0.58% ▽	0.91% ▽	1.27% ▲	0.77% ▽	1.00% ▽
Av. Retention (% of EV)	0.08% ▲	0.06% ▽	0.22% ▲	0.03% ▽	0.07% ▽

Arrows show changes to Q1 2026 statistics

Contingent In Q2 HWF placed a bespoke Building Safety Act litigation risk policy to facilitate the acquisition of a UK real estate platform. The policy transferred the financial exposure arising from identified, ongoing Building Safety Act litigation relating to historic construction works, providing long-term protection against adverse claim outcomes and associated defence costs. The transaction highlights the continued evolution of the contingent risk market in delivering tailored insurance solutions for complex, known litigation risks.

Claims Claims activity continued to be geographically diverse, with the UK generating the largest share of notifications during the quarter. Our data demonstrates that claims activity is not concentrated within any single industry or warranty category, with notifications arising from a broad range of issues including tax, accounts, compliance, competition and contractual matters. This continued diversity reinforces the importance of carefully structured policy coverage and transaction-specific advice.

HWF update We are pleased to welcome Helen Watts (Insurance Due Diligence (IDD) specialist) and Ed Ryman (Head of Claims) to the HWF team. Our IDD offering will be an excellent extension of our transactional risk advisory services, assisting our clients in analysing their insurance position.

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