M&A INSURANCE: Q3 2026 MARKET UPDATE

Q3 saw sustained M&A activity, with larger transactions a feature of the quarter. Insurance conditions remain competitive, although increasing claims activity is beginning to put upward pressure on pricing.

PE Deal volumes in Q3 held firm at the elevated levels seen in Q2, with the summer proving as busy as anticipated. Average transaction values increased significantly, with several large processes also in the pipeline. UK activity remained resilient against reports of a cooler quarter globally, where rising borrowing costs weighed on activity following a record first half. After increasing in Q2, pricing remained steady, while excess levels edged upwards.

Energy & Infrastructure Q3 saw the highest deal volumes of the year across a broad range of subsectors. Renewables continued to dominate energy transactions, led by battery storage, alongside energy from waste, hydroelectric, solar and onshore wind assets. Digital infrastructure remained active, with greater variety across transport and utilities. The market remains divided: high-quality assets attract competitive processes and tight timetables, while other transactions move quickly to bilateral discussions but take longer to complete. Insurance rates are beginning to rise, reflecting increased claims activity and reduced capacity across the broader market.

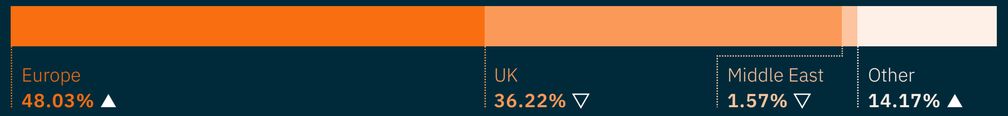
Real Estate Transaction volumes and average deal sizes increased significantly in Q3, driven by September activity, particularly hospitality and office acquisitions. Insurer appetite remains strong, supporting competitive pricing, flexible coverage and attractive policy enhancements, although the cost of Building Safety Act cover has increased. Title insurance was placed alongside W&I on most of our transactions, protecting against unknown title defects and specific risks identified during due diligence, often at no additional premium for the identified risks.

Tax Demand for tax insurance continues to grow alongside insurer appetite. Underwriting is becoming more tailored, with risks involving withholding tax, beneficial ownership and general anti-abuse rules assessed against transaction-specific facts, commercial rationale and the cover sought. These matters are increasingly considered on their individual merits, rather than treated as inherently insurable or uninsurable.

DEALS 74.01% increase ▲

AVERAGE DEAL SIZE £139,970,804 ▲

Jurisdiction



Sector



	Energy	Infrastructure	Operational	Real Estate	Technology
Av. Policy Limit (% of EV)	**57.10%** ▽	**44.31%** ▲	**34.59%** ▽	**47.79%** ▲	**46.65%** ▲
Av. Rate on Line (% of Limit)	**0.68%** ▲	**1.20%** ▲	**1.12%** ▽	**0.65%** ▽	**1.12%** ▲
Av. Retention (% of EV)	**0.01%** ▽	**0.06%** –	**0.23%** ▲	**0.01%** ▽	**0.11%** ▲

Arrows show changes to Q2 2026 statistics. '–' no change

Contingent Q3 saw increased demand for contingent insurance addressing complex risks. Insurers are increasingly comfortable adapting established policy structures to local legal and procedural requirements, enabling cover for risks that fall outside conventional insurance products. This flexibility is broadening the role of contingent insurance in supporting cross-border transactions, investments and disputes.

Claims Claims activity increased during Q3, including a payment of a substantial claim. We continue to work closely with insureds on loss valuation and assessment, responses to insurer information requests and coverage discussions. These matters highlight the importance of effective claims advocacy throughout the process.

HWF update Our tax insurance team has grown to ten specialists following three senior appointments: Pierre-Alain Chenour, who leads our offering in France; Panayiota Burquier who leads our offering in MEA; and Stuart Cook, who heads up our Structured Solutions. Combining dedicated regional expertise with cross-border capabilities, the team supports clients across all jurisdictions in which HWF operates and beyond, strengthening our ability to structure solutions for complex domestic and international tax risks.

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