



**M&A for Risk Managers:
From Deal-Breaker to Deal-Maker**

—
James Swan, Partner, Head of Financial Lines

MCGILL
AND PARTNERS

About us

- _ Established for ~7 years
- _ Focusing on larger clients and/or clients with complex and/or challenging needs
- _ Growing organically via talent acquisition
- _ Operating a single profit centre philosophy eliminating silos and reinforcing teamwork
- _ A unique culture based on trust, diversity and performance
- _ Operating across core areas of specialty where we have extensive expertise
- _ Ranked as Europe's 76th fastest-growing company in FT's recent annual review

C. \$4.5bn
of gross written premium
into the London and
international markets

580+
colleagues globally

850+
client accounts

11 Locations
London, Zurich, Dublin,
New York, Miami,
Bermuda, Sydney,
Chicago, Minneapolis,
Stockholm



The CEO Agenda: M&A as a strategic imperative

It all starts with strategy

Expansion

Entering new markets or acquiring technology/talent

Refocus

Exiting non-core businesses or jurisdictions to streamline operations or refocus growth plans

Partnership

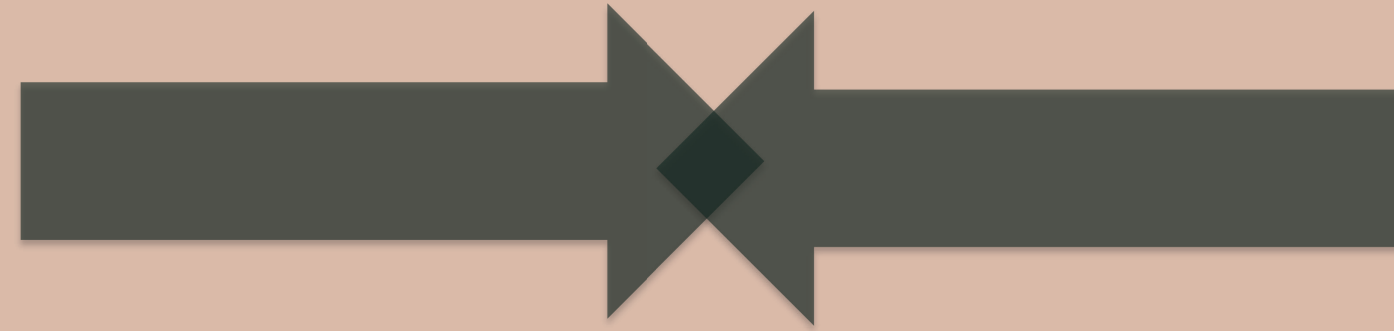
Increasing use of JVs and strategic investments

Risk manager role

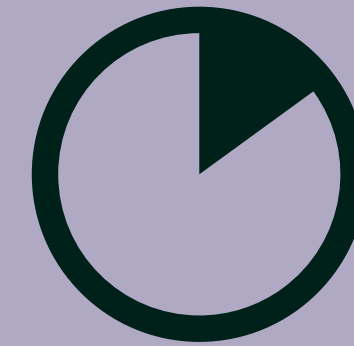
To align with and enable this strategic agenda, not hinder it

"M&A" is more than just buying a company

The principles we discuss today apply across a wide range of deal structures



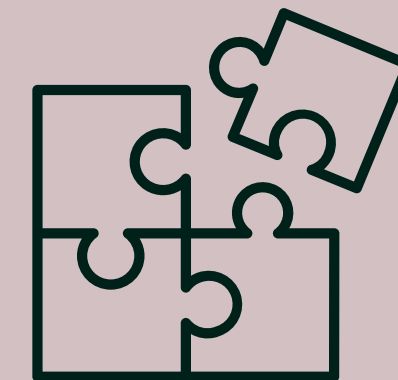
Acquisition/merger



Minority investment



Joint venture



Carve-out

Your value across the deal lifecycle

The risk manager is not a siloed function but a critical partner from start to finish.

Investigator

Uncovering risks and opportunities in Due Diligence.

Architect

Planning for integration.

Problem-solver

Smoothing the transaction and unblocking issues.

Guardian

Ensuring a seamless transition post-close.

The Investigator

Before the handshake: uncovering hidden risks & opportunities



Identifying liabilities

- _ Reviewing existing policies (D&O, Cyber, P&C).
- _ Analyzing loss history and claims data.
- _ Spotting "Change of Control" clause issues.
- _ Run-off needs.



Identifying opportunities

- _ Quantifying potential insurance cost savings from program integration.
- _ Opportunities to improve coverage terms post-merger.

Case study: divestiture/carve-out

Preparing for a clean exit: the divestiture playbook

Challenge

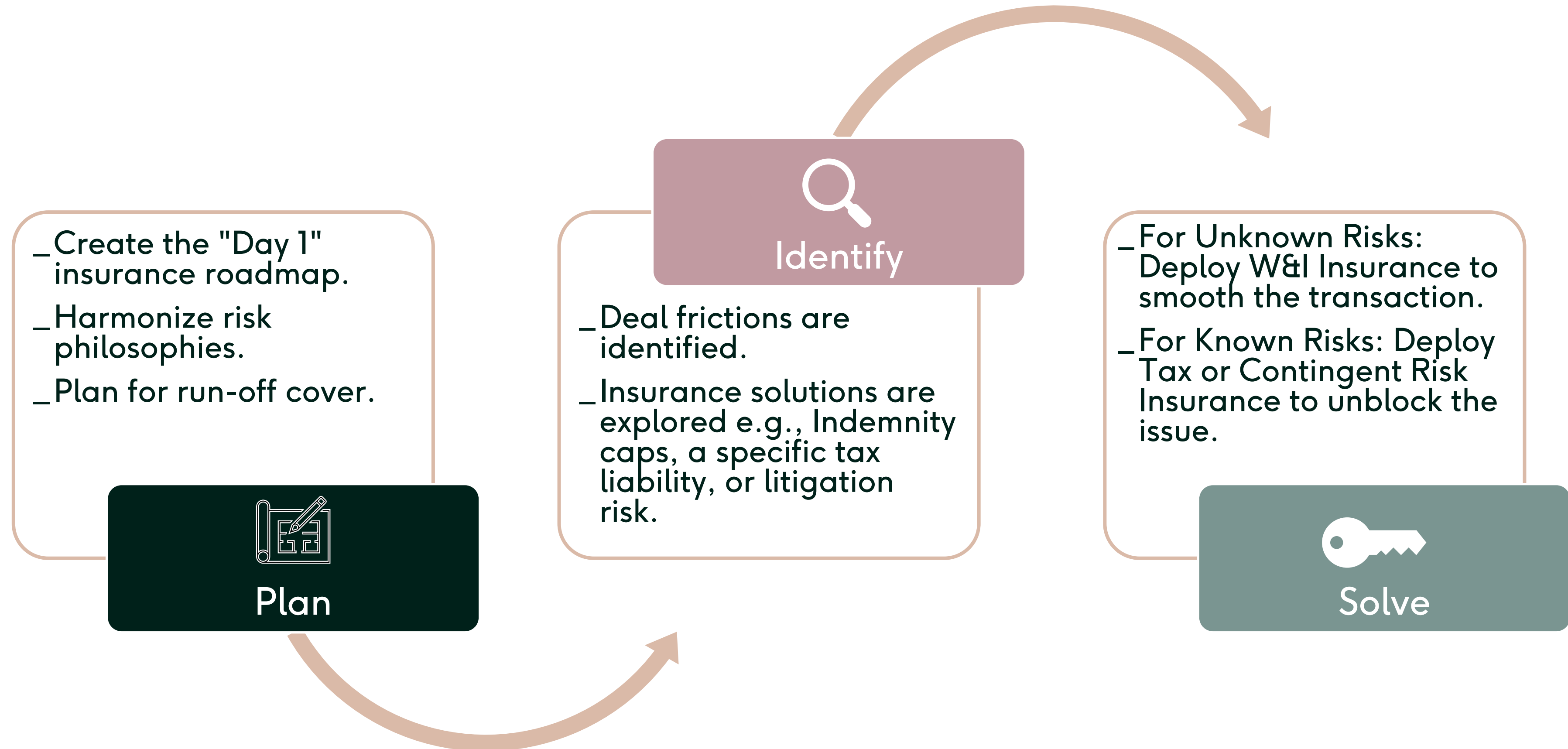
Separating deeply-integrated insurance programmes.

Risk Manager's role

- _ Quantifying the "cost of risk" for the standalone entity to inform valuation.
- _ Using sell-side W&I to cap the parent's liability.
- _ Ensuring no legacy liabilities linger post-sale.
- _ Protecting the seller's insurance programme for the future.

From Architect to Problem-Solver: a three-step flow

This is where the risk manager transforms from an analyst into a deal facilitator.



The M&A insurance toolkit

Solutions to enable you to solve problems

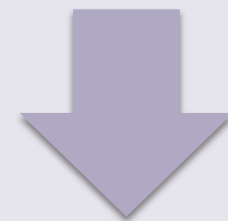
Primary tool

Warranty and indemnity insurance

Purpose: Provides broad protection against breaches of seller warranties.

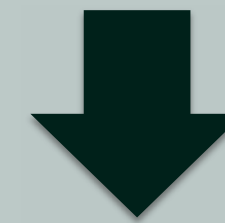
Specialist tools

If the issue is tax-related



Tax liability insurance

If the issue is legal/regulatory



Contingent risk insurance

Your role as Guardian

After the deal: where value is won or lost

Integration

The 100-Day Plan:
Immediately harmonizing programs and communicating with insurers.

Common pitfalls

- _ Forgetting about old claims handling protocols.
- _ Culture clash between risk philosophies.
- _ Losing key risk management talent.
- _ Failing to implement programme changes to reflect M&A activity.
- _ Losing track of claim deadlines for W&I claims.

Key takeaways

Your mandate as strategic risk manager

- 1. Lead with diligence:** Your value starts with uncovering both risks and opportunities.
- 2. Be the problem-solver:** Use the M&A toolkit not just to transfer risk, but to actively facilitate the deal.
- 3. Own the full lifecycle:** Your role is critical from initial investigation all the way through post-close integration.

Q&A



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