

Representations and Warranties Insurance (RWI) and Tax Liability Insurance

As reps & warranties insurance has become an essential insurance product to facilitate mergers and acquisitions, disputes are arising concerning insurance recovery and other recourse after the deal closes. We represent insurers in evaluating alleged breaches of representations and warranties and working with forensic accounting professionals to validate the alleged loss and claimed damages. We also represent insurers in connection with tax liability insurance and issues concerning tax positions.

Because transactional liability claims arise in the context of deals in a variety of industries, we utilize the specialized expertise of our colleagues in Corporate, Government Contracts, Health Care, Telecom, Media & Technology, and other Wiley practices to efficiently evaluate matters to expedite the claim resolution process.

Representative matters include:

- Represented insurer in arbitration of dispute concerning quantification of loss.
- Advised insurer regarding recurring reps and warranties issues and underwriting considerations.
- Aided insurer in resolving claim involving alleged non-Generally Accepted Accounting Principles (GAAP) accounting treatment, financial shortfalls, and other alleged breaches of reps and warranties and issues with respect to the application of the Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) multiple to the claimed damages amount.
- Advised insurer regarding alleged breaches concerning compliance with laws and multiple third party demands and claimed loss.
- Represented insurer in connection with claimed breaches of representations and warranties concerning Company products and issues of subrogation.
- Negotiated resolution of claim involving alleged breaches of reps and warranties concerning seller's financial statements and government investigation.
- Represented insurer in tax liability claim.