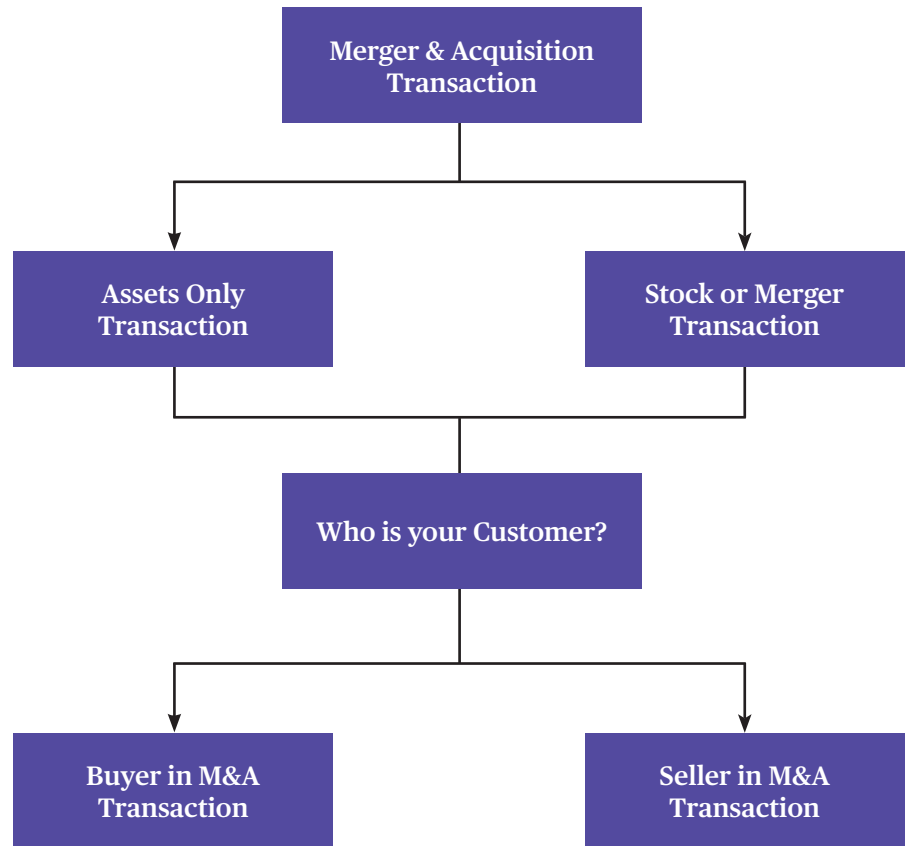


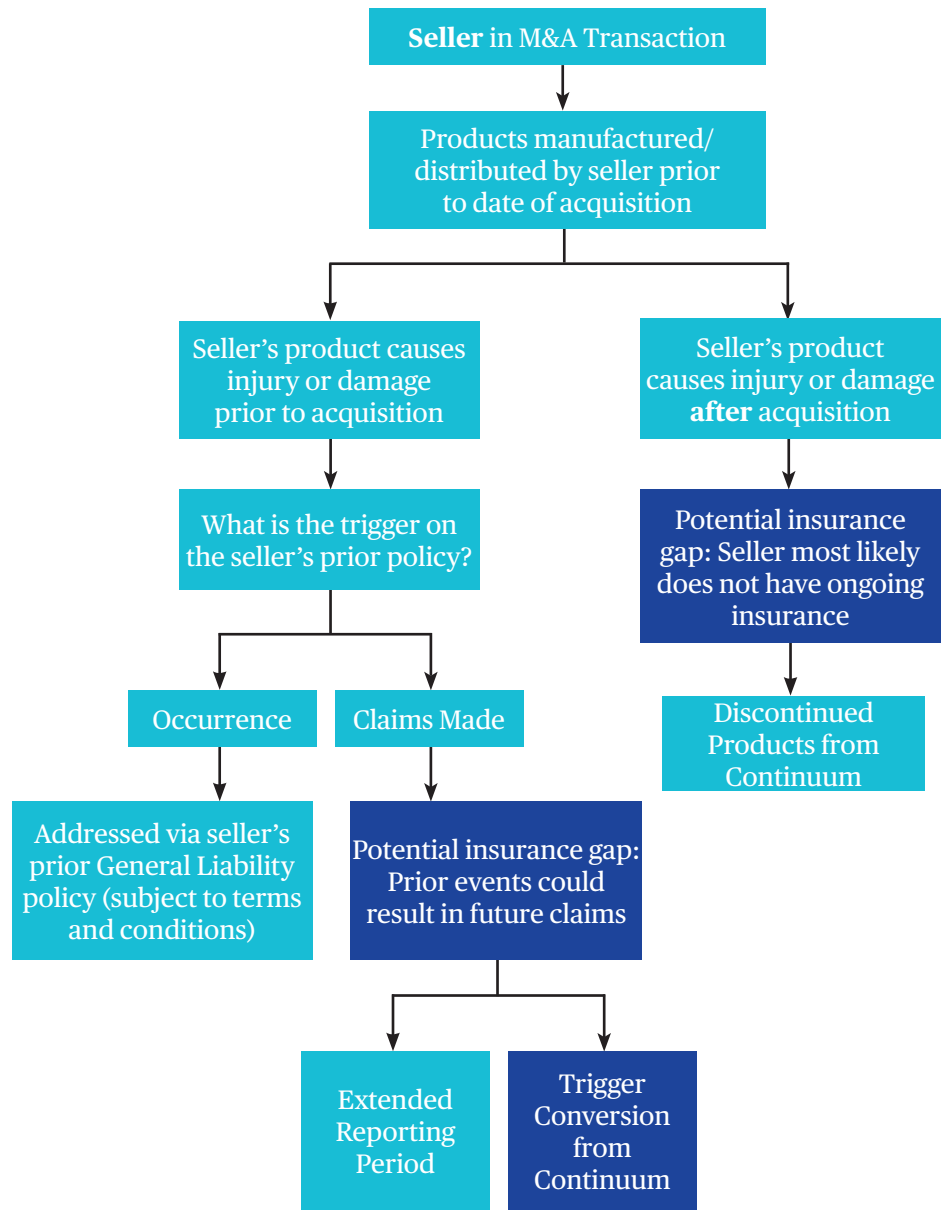
Does Your Customer Need Continuum?

Assessing M&A Insurance Gaps

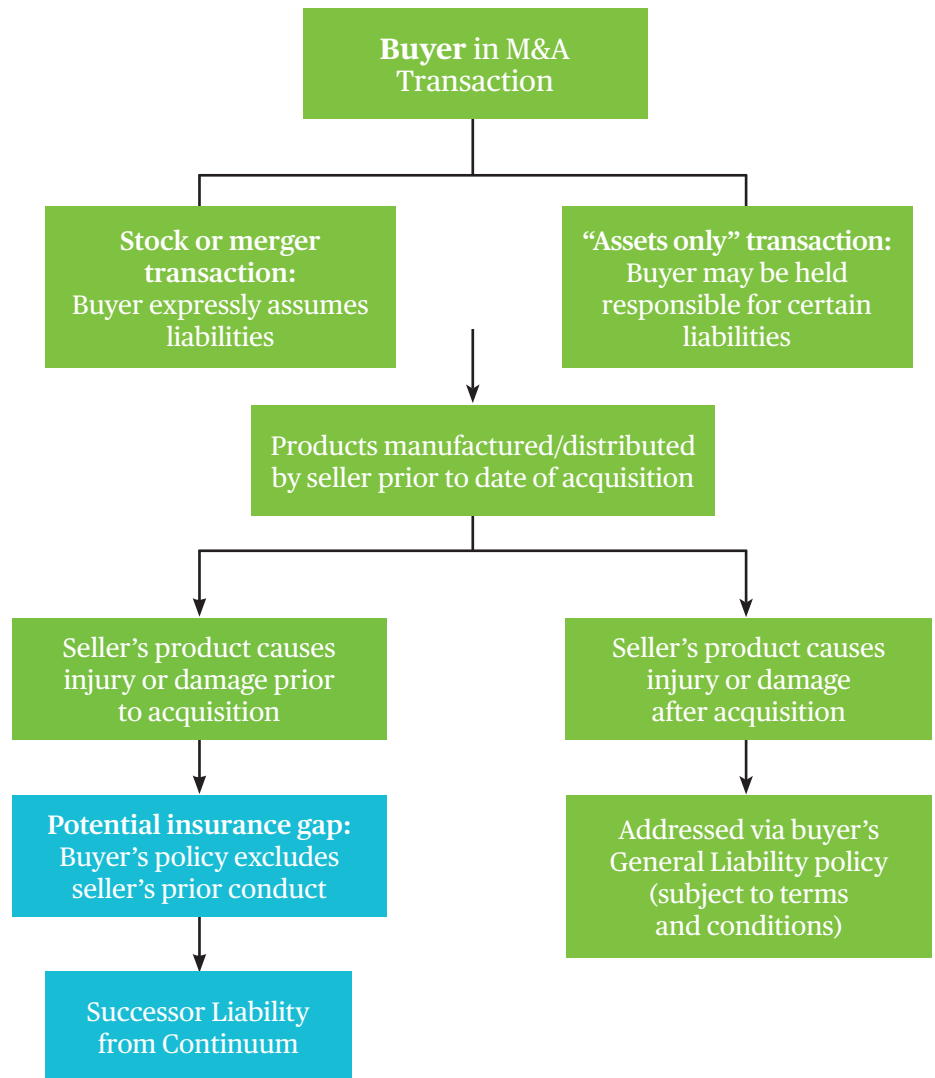
CHUBB®



- Mergers and acquisitions can expose both buyers and sellers to potential gaps in their insurance protection.
- Regardless of the type of merger or acquisition, both parties may face costly lawsuits.



- Sellers often retain liability for products made and distributed **before** an acquisition, regardless of when the injury or damage takes place.
- Sellers are at risk if they don't have ongoing insurance after the deal closes, especially if products sold before the acquisition or business discontinuation remain in the hands of consumers for a long time.



- The buyer may expressly assume liabilities in the purchase/sale agreement.
- Even in an assets-only transaction, the buyer may still be held responsible for certain liabilities if the buyer:
 - Used the seller's former brand names
 - Appears to consumers to be the same company as the predecessor
 - Provides service to the prior company's customers, sells spare parts for old products, or provides service for old product warranties.
- Buyers are at risk of being sued for injury or damage that occurred before the acquisition, and **the buyer's policy typically excludes the seller's prior conduct.**
- In most cases, **the seller's policy will not cover the buyer.**

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