



TRANSACTION LIABILITY

Q4 2024/Q1 2025 REPRESENTATIONS & WARRANTIES INSURANCE (RWI) CLAIM REPORT

Although the last two quarters have presented both challenges and causes for optimism in the M&A market, one constant for Lockton clients has been recovery of payments for their valid RWI claims.

BETWEEN Q4 OF 2024 AND Q1 OF 2025

25 RWI CLAIMS FOR LOCKTON CLIENTS WERE RESOLVED, TOTALING COLLECTIVE PAYMENTS OF **\$163,962,249.**

Of that amount, \$86,540,464 was paid in the month of December 2024 alone.

THROUGH Q1 OF 2025

THE TOTAL AMOUNT RECOVERED BY LOCKTON INSUREDS FOR RWI CLAIMS NOW **EXCEEDS \$692M** (OR APPROXIMATELY **\$850M** OF TOTAL LOSS RECOGNIZED WHEN ACCOUNTING FOR RETENTIONS).

Of that amount, \$266 million was paid in the twelve-month period ending March 31, 2025. This figure is about double the \$133 million in claim payments our clients received in the preceding twelve-month period, which ended March 31, 2024, reflecting Lockton's growth as well as continued adoption of the RWI product.

With more competition in the RWI market than ever before, we have observed insurers seeking to differentiate themselves by placing greater emphasis on timely, efficiently and fairly resolving claims. Those efforts have contributed to positive results on behalf of Lockton clients.

NOTABLE RESOLUTIONS

We have had several recent claims move expeditiously from notice to resolution, including:

1. A \$16 million payment made in connection with a complicated Financial Statements claim involving an overstatement of revenue.
2. A \$5 million policy limit payment made in connection with the failure to disclose material modifications to contracts with various Material Customers.
3. A case where the carrier confirmed both Breach and Loss in principle in connection with a relatively straightforward Undisclosed Liability claim less than two weeks after the claim was submitted.

We continue to be grateful to work with carrier partners who appreciate the importance of orderly, thoughtful and equitable claim processes which reinforce our clients' confidence in the RWI product.

FOR MORE INFORMATION ON CLAIMS,
REACH OUT TO LEADING EXPERTS MARK OR VANESSA.

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