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White Paper

A Bird's-Eye View of Transactional Liability

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Warranties and Indemnities (W&I) insurance – the insuring of breaches of warranties or indemnities provided within acquisition or recapitalisation contracts – has traditionally been viewed by the (German) legal community as a product that is not only expensive, but provides restricted cover and that obtaining a policy is both a time consuming and disruptive process to the underlying transaction.

Whilst this would have been true of the product four or more years ago, the past two to three years has seen the W&I offering mature at a rapid rate; not only have premiums dropped to just 1-2% of the policy limit purchased but cover is now 'back-to-back' with the SPA and the process of obtaining a policy is simple, quick and non-disruptive

This article revisits the fundamentals of W&I insurance but also outlines in some detail the recent improvements to the product and importantly how these changes have impacted upon the actual use of insurance - specifically how Buyers and Sellers are increasingly using insurance creatively, to impact upon deal negotiations

1. What is W&I insurance?

Introduction:

Put simply, W&I insurance transfers the risk of a breach of a warranty or indemnity provided in acquisition or recapitalisation agreements to the insurance market. At first glance, W&I insurance acts as any other insurance policy, i.e. a risk transferral mechanism - in this case the risk being a breach of a warranty or indemnity. It was indeed this type of risk that resulted in the initial development of the product, allowing sellers to exit a deal 'cleanly', safe in the knowledge that should any dispute arise, insurance would cover the associated costs.

However, as the use of W&I insurance increased it became evident to both Buyers and Sellers that it had greater potential. Buyers and Sellers started to use the policy to 'bridge gaps' that arose from disagreement during negotiations - for example, a Seller unwilling to provide the warranty cap demanded from the

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Buyer could agree to the Buyer's demands if they purchased an insurance policy. Insurance mitigated the dispute ('bridged the gap') and transferred the added Seller risk to the insurance market. Buyers also began using insurance to reduce the heightened risks associated with cross border transactions, such as an impecunious Seller.

More recently insurance has been used by Buyers differentiate their bids, especially in auction scenarios. Buyers have been able to reduce the warranty cap and escrow amount demanded from a Seller, and instead use insurance as an alternative means to obtain recourse in case of a breach. In some cases, especially those in which the Seller is set to receive more money upfront as a result of a smaller escrow, the Buyer has even achieved a better overall purchase price.

<u>Buyers and Sellers can purchase Policies:</u>
Within the context of any transaction or recapitalisation, both the Buyer and Seller are exposed to the risk of a warranty breach – a Seller could face a protracted legal case and indeed lose a portion of the consideration from the sale of their business whilst a Buyer is at risk of a court decision agreeing upon a lower settlement figure than anticipated (or indeed no settlement at all when claiming against an impecunious Seller).

As such, both Buy and Sell side policies are provided by insurers. Whilst these policies are similar, there are some significant differences (which must be accounted for when deciding which type of policy is best to proceed with). Which type of policy depends upon the nature of the transaction and the motivations for purchasing insurance – A W&I broker can provide advice on such matters.

<u>Sell Side Policies</u>:
Sell side policies are known as 'Third Party Indemnity' policies. For such a policy to respond, a breach of a warranty (or indemnity) must occur, and the Buyer must instigate legal proceedings against the Seller. The policy will in turn indemnify the Seller for the legal costs associated with defending the claim and, the settlement amount.

Under the policy wording, insurers have the right but not the obligation to partake in the defence of a claim, and in the case that an 'out of court' settlement is agreed between the Buyer and Seller, in order for the policy to respond, the settlement must also be agreed by the insurer.

<u>Buy Side Policies:</u>
Buy side policies are referred to as 'First Party Indemnity' policies. For such a policy to respond, all that is required is for a breach of a warranty (or indemnity) to occur. Following such an event, the Buyer can turn directly to the insurer, with

no need whatsoever to involve the Seller in proceedings. Insurers have also forgone their right to subrogate against the Seller, except in the case of Seller fraud.

Given the ‘first party’ nature of Buy side policies, in general they tend to be a more powerful ‘tool’. The reasons for this and the ensuing practical implications are discussed in detail shortly, but a key trend resulting from this is that Buyer policies make up over 75% of all policies bought . Sellers may instigate the initial insurance process, and indeed often contribute towards the premium. However buyers are increasingly the ultimate beneficiaries.

Key Advantages of a Buy Side Policy over a Sell Side Policy:

In general, Buy side policies are considered more powerful tools than Sell side policies because:

– Seller fraud

Sell side policies do not cover Seller fraud – as insurers will not cover breaches that the insured have knowledge of. Buy side policies will however cover Seller fraud as a Buyer cannot be expected to know that a Seller has been fraudulent.

Sell side policies can however restrict the fraud exclusion to the deal team members, which may be of particular use to large insureds with a global presence.

– Knowledge of policy and use as negotiating tool

Some insurers are unwilling for the existence of a Sell side policy to be made known to the Buyer. The concern that insurers hold is that Buyers will be more open to pursuing a claim if they are aware that the seller is indemnified party by an insurer.

Insurers are however happy for Buy side policies to be made known to the Seller (as the Seller would have no involvement in the claims process). As such Buy side policies can be used much more effectively as a tool when negotiating warranty caps, warranty survival periods and escrow accounts (described in more detail shortly).

– First Party Indemnity Policies

As mentioned, Buy side policies are first party indemnity policies. Buyers can turn directly to the insurer for indemnification and not involve the Seller whatsoever. If the Selling management (likely to be the warrantors) have been retained post deal, and a breach does occur, Buy side insurance allows the Buyer to access recourse without having to involve the Sellers, an action which would inevitably harm the co-investment relationship both parties entered into.

2. Changes to the W&I Market

Prior to discussing at greater length how Buy and Sell side policies can convey an array of advantages to an insured involved in a transaction it is important to understand how and why changes to both the process of obtaining a policy and the policy structure itself have improved in the past three years. Fundamentally, it has been these changes that have driven a remarkable increase in demand for W&I insurance by both the Private Equity sector and Trade Buyers; in short critical improvements have accelerated the trend of using W&I insurance with ever more creativity;

Why the Change?

The two key driving forces behind the changes made to the W&I product offering in the past few years have primarily been due to:

i. Increased competition between insurers
ii. Employment of corporate lawyers as W&I underwriters by insurers

The number of insurers entering the W&I space has increased significantly. In 2013 there were 10 insurers writing this class of business and as these insurers have competed for business, so prices and policy deductibles have dropped, scope of cover has increased and previously uninsurable risks are being insured.

The employment of corporate lawyers has seen the process of obtaining a policy dramatically improve. The corporate lawyers were acutely aware that often insurance wasn't purchased because in the past it was intrusive and had not matched the pace of the underlying transaction. This has been reversed with insurers now able to match the tight time frames towards a signing/closing date, and being capable of issuing policies with minimal intrusion.

Changes to Policy Structure

i. Scope of Cover

The scope of cover for W&I policies has widened significantly over the past three years. Policies are now intended to be 'back-to-back' with the underlying transaction documents – beyond the limited number of exclusions (detailed in full later) it is commonplace that the full scope of warranties (and indeed often the indemnities) within the transaction documents are fully covered. This is in stark contrast to policies issued during the previous decade, in which there would be a raft of exclusions, often excluding the precise warranties that the insured wanted insuring!

ii. Deductible

The deductible (also referred to as the ‘excess’ or ‘retention’) can be as large or small (subject to minimum deductibles) as the insured desires. The ‘standard’ minimum deductible in today’s market for Western/Northern European deals is 1% of the enterprise value but increasingly insurers are willing to underwrite policies with smaller deductibles, especially for property deals. Recently some insurers have even provided policies on a nil-deductible basis, relying purely on downward tipping thresholds within the acquisition agreement as their protection.

Whilst for Sell side policies it is in the interest of the Seller to reduce the deductible (and therefore their liability in accordance with the policy) as low as possible, it is not such a simple story for Buyers looking to purchase buy side policies. Given the dual role of warranties – to ensure that the ultimate price paid by a Buyer for an enterprise matches what they believed to have bought (by prompting disclosure) and secondly to enable the Buyer to adjust the price post-completion in the event something unforeseen arises. It is important that the Seller has enough of an incentive to ensure the first role is fulfilled. Whilst insurance acts as an adequate substitute for the second role, it does not for the first – both the Buyer and insurer must be comfortable that the Seller has an incentive to remain honest and not provide warranties just because insurance is in place. On a purely financial level, insurers currently deem a liability of 1% of the purchase price to be sufficient incentive, although they may be prepared to take into account other factors, such as the reputational damage that fraud/intentional misrepresentation can bring upon a perennial seller of assets such as a private equity firm.

iii. Premiums

During the early 2000s premiums ranged from 3-10% of the policy limit and were often considered too expensive by Buyers and Sellers alike. Today premiums have dropped to 1-1.5% of policy limit for Western/Northern European deals and 1.3-2.5% of policy limit for US and Eastern European deals. In some cases, such as some of the more simple real estate transactions, premiums have dropped below 1% of policy limit, although the insurers’ loss ratios are seeing the 1% pricing threshold remain relatively resistant.

Minimum premiums range between EUR 50,000-60,000. Whilst insurers are generally prepared to insure a deal of any size, in order to keep the 1-1.5% of policy limit pricing, the insured limit has to be in the region of EUR 5-6m

iv. Amount of Cover

Typically insureds purchase policies with limits between 10-50% of the enterprise value, as this matches the general limit of liability outlined in the transaction documents.

However, insureds can buy as little or as much insurance as they desire. Furthermore, the policy limit does not have to match the warranty caps outlined in the transaction documents – Buyers can agree to drop the warranty caps in the acquisition agreement to a low level and use insurance as a ‘top up’. Buyers have used insurance in this way to win auction scenarios or when making bids for distressed assets/Sellers (who aren’t able to provide warranty caps at the level Buyers would ordinarily demand.

The total market capacity for W&I policies, is EUR 300-400m per deal. As such the market can cater for multi-billion dollar deals (such as a EUR 2 billion deal whereby the insured wishes to purchase a policy with a limit of 15-20% of the enterprise value).

v. Period of Cover

Typically W&I policies match the warranty/indemnity survival periods as outlined in the transaction documentations – eighteen to thirty six months for general warranties, 3 years for Intellectual Property warranties and up to seven years for Title and Tax Warranties. Typically the maximum period for a policy is seven years.

As with the amount of insurance purchased, a policy can be used to extend the period of cover beyond that outlined in the transaction documents. Again this can be a useful tool for a Buyer looking to differentiate their bid in an auction situation, by offering the Seller a short warranty period and extending warranty survival periods via insurance.

vi. No Claims Declaration

W&I policies are designed to cover liabilities that may arise post transaction, but that were unknown prior to having an insurance policy in place. The policy is not intended to cover known issues, even if they arise during the process of placing a policy but prior to the insurer going ‘on risk’.

As a means of confirming that the insured does not have any actual knowledge of a breach of warranty and that they are not aware of any fact or circumstance which can reasonably be expected to give rise to a claim, insurers request that the insureds sign a ‘No Claims Declaration’ (NCD) immediately prior to policy inception. For Buy side policies it is usually the case that a senior member of the deal team signs on behalf of the Buyer. For Sell side policies, when there are multiple selling shareholders, usually one prominent deal team member, defined under the policy as the 'Insureds' Representative' signs on behalf of all the Sellers.

Whilst the policy does include an exclusion for 'actual knowledge of any breach or any event or circumstance which could reasonably be expected to lead to a breach prior to commencement of the policy period' insurers still require that an NCD is signed to provide both a written document evidencing that the insured is unaware of any breach/circumstance and a point in time that can be referred to in the case of a claim arising.

vii. Subrogation

Insurers are willing to forgo their rights to subrogate against Sellers under a Buy-side W&I policy, except in the case that the breach arose from wilful misrepresentation or fraud. This allows for Buyers to insure against the risk of a breach whilst also being comfortable that in the case of a breach, insurers won't undertake legal proceedings against the warrantors, many of whom may have been retained to help run the business post-transaction.

Changes to the Process of Placing a Policy:

i. Timing

Until recently the process of obtaining a W&I policy was both time consuming and intrusive. Policies took a long time to place because in order to underwrite a transaction, underwriters felt the need to undertake in depth due diligence to get comfortable with the risk – deals were effectively underwritten on a deal-by-deal basis and only the 'best' risks able to obtain insurance.

As insurers began employing corporate lawyers to work as W&I underwriters, the process rapidly changed. The underwriters appreciated that M&A related insurance had to match the pace of the underlying transaction and today, upon receipt of the most up to date acquisition agreement, indicative terms from three or four insurers, outlining the pricing and structure of a policy, can be obtained within 48-72 hours. [It is advisable to use a broker at this stage as they will target the most appropriate insurers given the nature and jurisdiction of the deal.]

Once the indicative terms have been obtained, the insured has to choose a favoured insurer to proceed with. [Again a broker can help here, advising on which insurers have shown the greatest appetite for the deal, and who is most likely to provide the widest scope of cover relative to their indicative pricing.]

Following their selection, the favoured insurer will be able to undertake their full underwriting process and issue a policy in 5-7 days. The whole process can therefore take as little as 7-9 days.

ii. Non-intrusive

The full underwriting process undertaken by the favoured insurer is now far less intrusive (and therefore far quicker) than in the past. The process is primarily a document review, with the insurer requiring the data room, disclosure letter and any due diligence reports to review. This review is to allow for the insurer to be comfortable that a due and proper process relating to the provision of warranties and disclosure against them has taken place, and that all necessary due diligence has been undertaken. Following this review, insurers request a telephone call involving key deal team members of the insureds and their legal and/or tax advisors. This call lasts approximately 60-90 minutes and discusses both the deal in general and any particular points raised from the document review.

Following this call the insurers are able to issue a full policy wording. It is normal that this wording is negotiated for approximately 24 hours, and once a final policy wording has been agreed upon, and the No Claims Declaration is signed, the policy is ready to implement as of Signing or Closing.

Changes to Exclusions

Historically, W&I policies have garnered a reputation among the legal community as being an insurance product that provides highly selective cover. This however is no longer the case, with cover under the policy wide ranging, and exclusions generally limited to the following:

i. Known Issues

Insurers are unwilling to insure issues that the deal team members of the Insured have Actual Knowledge of. ‘Actual Knowledge’ is a defined term within the policy and refers to ‘actual personal knowledge and not constructive/imputed knowledge’.

However, on Sell Side policies, it is also possible to restrict the Actual Knowledge exclusion to the key deal team members. This can provide significant comfort to Sellers of larger businesses that have international operations within which certain individuals may have knowledge that could result in a breach.

ii. Fraud (committed by the insured)

Insurers will not indemnify an insured for any breach resulting from fraud or fraudulent misrepresentation <u>of the insured</u>. This means that Buy Side policies <u>do cover</u> breaches arising from fraudulent behaviour of the Seller.

As with the Known Issues exclusion, it is also possible to restrict the Fraud exclusion on a Sell Side policy to be restricted to the key deal team members. As such, if a breach arose following fraudulent behaviour by, say, a second-tier manager, a Sell Side policy can still respond.

iii. Forward-looking Warranties

This is an exclusion that insurers are unwilling to lift. Insurers view the role of W&I policies to be to cover unknown liabilities associated with the target business prior to exchange, and not to guarantee any representations relating to the risks associated with the future performance of the business.

iv. Pension Underfunding

Similar to the Forward Looking Warranties exclusion, all insurers insist upon this exclusion. Insurers do not view the policy as being a mechanism to guarantee pension schemes run by the target business.

v. Consequential Damages

Insurers are unwilling to cover consequential losses arising from a breach of warranty, as it is very difficult to undertake the necessary due diligence to assess where consequential losses may arise from and the quantum of those losses.

vi. Secondary Tax Liabilities

Insurers will only cover tax liabilities which are primarily the liability of the insureds. Again it is impossible to undertake the necessary due diligence to assess this risk, and as such underwriters are unwilling to take this risk on.

vii. Environmental Warranties

Environmental Warranties <u>can be</u> covered by W&I policies. However, if the nature of target business exposes it to potential environmental contamination risks, W&I insurers often take the view that environmental insurance should cover significant environmental risks. W&I insurers expect that the insured has a set of insurances in place that reflects the risks arising from their business activities, and that a W&I policy is not being used as a proxy environmental policy. [That being said, W&I insurance can sometimes be used as a 'top up' sitting above an incumbent environmental policy]

3. Changes to *how* Insureds use W&I Insurance

<u>Traditional uses of W&I Insurance by Buyers and Sellers</u>

Whilst the past few years have seen insureds using insurance in more creative ways, many buyers and sellers still use W&I insurance to obtain the 'traditional' benefits:

i. Reducing Counterparty Risk

Buyers and Sellers face transactional related risks long after the actual deal has completed. Sellers have usually agreed to warranty periods of up to 2 years (or up to 7 years for Tax and Title warranties), and as such are at risk of having to return some of the proceeds of sale if a warranty or indemnity is breached within that period. Buyers on the other hand face the very serious risk of being unable to obtain recourse following a warranty breach due to an impecunious seller, or even due to a seller being based in a foreign jurisdiction and difficult to track down.

Insurance can help buyers and sellers negate these risks by transferring their risks to an A-rated insurer. Sellers can exit a deal in 'peace of mind' by providing warranties safe in the knowledge that in the case of a claim, an insurer can indemnify their legal and settlement costs. Buyers on the other hand are able to accept warranties from individuals or institutions with less financial stability than they otherwise would, or from warrantors in more exotic jurisdictions, again safe in the knowledge that in the event of a breach, they can turn directly to the insurers based in London or Barcelona.

Essentially insurance can 'de-risk' a deal, making it more attractive to either a buyer a, seller or indeed both.

ii. Deal Facilitation

Insurance has also been traditionally used to facilitate deals by, bridging gaps between what sellers are willing to give and what buyers are demanding. Commonly these disagreements surround warranty caps and survival periods, especially where there is a Private Equity seller unable or unwilling to provide warranties. Often in these scenarios management are only willing to provide warranties capped at their proportion of proceeds from the sale, whilst the buyer will demand a warranty cap higher than this. Insurance is used by either buyers or sellers to 'bridge' the gap between the expectations of each party, and allow deal negotiations to proceed.

<u>Contemporary Uses of W&I Insurance by Buyers and Sellers</u>

More recently, as buyers and sellers have become increasingly comfortable using insurance as part of a deal, it has started to exert wider influence upon the underlying transactions:

i. Deal Differentiation & Escrow Release

Sellers have been using insurance to provide larger warranty caps/longer survival periods, especially useful during distressed sale situations or when there is a limited pool of buyers. However use of insurance in this way has been predominantly driven by buyers, and even more so by buyers involved in an auction scenario.

Buyers are now in a situation of knowing that they can purchase a 'back-to-back' W&I policy for between 1-2% for the vast majority of transactions they're involved within. Buyers can utilise this knowledge when bidding for a target, requesting lower warranty caps, lower survival periods and smaller escrow amounts from a seller, and using insurance as an alternative means to access recourse. An offer subjecting a Seller to less liability post sale increases the attractiveness of a bid and often sees insured Buyers becoming the successful bidder in auction scenarios. In cases whereby insurance has been used to reduce the escrow amount, and the Seller has received more cash up front, the Buyer has even been able to obtain a lower overall purchase price, with significant differentials seen between policy premiums and the savings made on purchase price (see example 1).

ii. Fund Closure - Portfolio Policies

Insureds have taken the idea of sell side insurance to remove liabilities from funds one step further, by insuring the liabilities arising from a number of past exits under one policy. Funds looking to close often have liabilities ranging from low risk tax and title warranties provided 5 or 6 years ago to higher risk warranties provided from recent exits. A portfolio policy can 'wrap up' all of these risks and transfer them to the insurance market. This risk transfer has enabled a number of funds to obtain confirmation from their auditors that the fund can be closed.

iii. Access to recourse when management retained

When Private Equity funds purchase a stake in a company, it is common for the incumbent management to be retained. It is likely that senior management were also the sellers and provided warranties to the Private Equity buyer. If a breach occurs, the buyer must face a tough decision -either to absorb the loss or sue the management, their new business partners. A buy-side W&I insurance policy provides the buyer with a third option – to obtain recourse directly from an insurer without needing to involve the seller whatsoever. Further to this, the insurers, having forgone their right to subrogate save in the case of fraud, will have no right to pursue the management following a claim. Private Equity funds have used insurance in this way primarily since 2007 as performance of investment portfolios have suffered and losses from warranty breaches became increasingly important.

<u>Examples of Uses of W&I Insurance</u>

i. Escrow Release, Purchase Price Improvement and Deal Facilitation

An Asian based investment fund recently purchased a $100m UK based family owned retail business and used Transactional Liability insurance to great effect.

The initial deal negotiations resulted in the Buyer and Seller being unable to agree upon an acceptable warranty cap and escrow amount – the Buyer demanded a 20% cap and matching escrow amount, whilst the Seller was only willing to provide 10%.

The Buyer approached Howden Insurance Brokers Ltd (Howden) to investigate the cost of purchasing an insurance policy of $10m in excess of $10m in order to 'bridge the gap' between the expectations of the Buyer and Seller. Howden approached the insurance market and obtained terms from 4 insurers for a policy structured as $10m in excess of $10m *and* $19min excess of $1m. The second option provided the Buyer with the full amount of cover required in excess of a $1m deductible (1% of enterprise value).

The Buyer liked the second option as it allowed them to approach the Seller with a completely different offer – to reduce the contractual liabilities and escrow amount down to $1m and use the insurance policy as an alternative means to access recourse in case of a breach. In return for the reduction of the escrow amount, the Buyer demanded a lower overall purchase price, down to $96m.

The Seller accepted this structure as they had a need to obtain cash upfront – this situation provided them with $95m at day 1 ($96m minus the $1m escrow) instead of somewhere between $80-90m on day 1 – and proved more attractive that an overall purchase price of $100m.

The Buyers use of insurance ensured that the deal proceeded and furthermore, they obtained a saving of $4m on the purchase price, for the cost of a $200,000 insurance premium (1.05% of the policy limit).

ii. Using Insurance to win an Auction

A UK based private equity fund was involved in an auction process for a German based target company.

When this fund approached Howden, there were 4 bidders still involved with the process, and there was little to choose between their bids in terms of the financials.

The bidders had all offered the Seller in the region of €80m for the business, with an $8m warranty cap and escrow amount.

The private equity fund that approached Howden were however able to differentiate their bid, making it far more attractive to the Seller, via the use of insurance.

This fund was able to offer the Seller €80m, but with a reduced warranty cap and escrow amount of €800,000 (1% of enterprise value). In turn they purchased an insurance policy with a limit of €7.2 in excess of €800,000 and it was agreed that the insurance policy would be written into the acquisition agreement as the sole right of recourse available to the Buyer above €800,000.

The Sellers received more cash upfront and were not burdened by €8m of contingent liabilities. Due to the competitive nature of the auction the Buyer was unable to negotiate a lower purchase price, however they were able to win the auction with an added expenditure of just €78,000 (1.1% of the policy limit)

iii. Using Insurance to Release Escrow and ease Fund Closure

A European based fund that was exiting several of their investments approached Howden to discuss how insurance may be able to help them limit their long tail liabilities and as such ease fund wind-up and improve the cash distribution processes.

Howden split up the exits into two pools of assets – those that have been sold and those that have yet to be sold.

For the sold assets Howden arranged a ‘portfolio policy’. This was a single policy that insured against the risk of crystallisation of any of the contingent liabilities from the warranties and indemnities that the fund had provided from previous sales. The real risk lay with the tax liabilities which survived for 6 years and would require the fund to remain open for a further 6 years until the liabilities had expired. Insurance removed this issue and the fund’s auditors accepted that the liabilities of the fund were now transferred to an insurer.

For those assets to be sold, Howden were able to advise the fund to suggest an insurance solution to each subsequent Buyer during the negotiation stages. In each case, Howden organised an insurance policy on behalf of the Buyer, with the selling fund paying the premium. The selling fund was able to introduce insurance as an alternative means for the Buyer to obtain recourse should a breach of a warranty occur, and as such reduce the escrow amount demanded. The buyer was able to improve IRR and reduce the liabilities left with the fund moving forward.

4. Summary

The Transactional Liability market has evidently undergone significant changes over the past 3 years. Not only have prices dropped, scope of cover widened and the process improved dramatically, the nature of risks that insurers are willing to look at and the ways by which insurance is being used have broadened too. It is likely that this trend will continue as more insurers enter the Transactional Liability market and competition increases further.

Within Germany, the notion of using insurance to enhance and differentiate bids, or simply to de-risks deals is becoming increasingly popular. All insurers have an appetite to write German business, as it is a jurisdiction within which they see a stable legal system, well developed M&A processes in place and diligent Buyers/Sellers. As knowledge of Transactional Liability insurance improves in Germany, it seems likely that it will join the UK and Sweden as one of the leading European markets in the Transactional Liability insurance space and that German Buyers and Sellers will help drive forward innovations to the product in the medium term.

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Howden were named Insurance Broker of the Year at the 2011 British Insurance Awards.