

# Transactional Insurance Solutions

## Loss Portfolio Transfer

Loss Portfolio transfers are also known as "buyouts". A liability, or the threat of a potential liability, can be particularly worrying to any investor. In addition, due to the nature of some liabilities, for example employers' liability claims, it is not only difficult to estimate the value of these liabilities, but also when they may be paid.

However, for certain types of litigation, and with the help of Loss Mitigation specialists, it is possible to evaluate potential settlements and arrange for insurers to assume that liability. This then provides the added benefit of strengthening a buyer, or seller's, financial statement.

The main benefits of Loss Portfolio Transfer insurance include:

- Possible reduction of accrued liabilities from the balance sheet
- May provide cash flow benefits for the company
- A cleaner, stronger, balance sheet for the parent company

This is particularly effective for companies that:

- Have large sum liabilities on its balance sheet
- Are buying or selling a company that requires the transaction to be free of associated liabilities
- Own or is buying land that is polluted

At Towergate Risk Solutions we have a dedicated Insurance and Risk Due Diligence team experienced in working with Financiers, such as Venture Capitalists/Private Equity Companies, Hedge Funds and other Financial Institutions.

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