

Financial and professional services

# Shareholder activist protection insurance

Shareholder activism is booming in the UK, with high-profile, well-funded campaigns frequently making headlines in the financial press. Activists are buying up stakes in targets and then using their position as shareholders to exploit weaknesses in companies and demand corporate change, often as a means of leveraging return. Dealing with these campaigns can prove exceptionally expensive for target companies and to date, there have been no available solutions to avoid these costs.

Shareholder activist protection insurance (SAPI), developed by Volante in conjunction with Marsh in the UK, is the world's first shareholder activism insurance solution. Created to protect companies against legal and other costs when faced with shareholder attacks, it also provides an allowance for expert risk management and pre-loss services to identify potential vulnerabilities to activist campaigns. SAPI is designed for listed UK companies outside the FTSE 100.



## Insurance protection

SAPI is designed to cover the legal, PR, and other professional costs incurred during an activist campaign from receipt of the initial demand, through any proxy fight, and to the conclusion of an activist settlement, including:

- Costs**  
The reasonable costs and expenses of investigating, mitigating, and responding to activist demands, including legal, PR, and other professional/consulting costs, together with proxy advisory costs.
- Pre-loss mitigation**  
5% of annual premium can be invested into mitigation services offered by Volante's mitigation partners.

- Extensions**  
Emergency costs and court attendance costs.
- Sub-limits**  
For non-public campaigns, proxy fights, emergency costs, and court attendance costs.

### Exclusions

These include directors and officers liability, indirect liability, prior activist activity, reckless conduct, and mergers and acquisitions. Subject to the terms and conditions of the policy, a demand based on such excluded liability, activities, or conduct may be covered but the specified liability, activity, or conduct itself is excluded.

## Limitations

SAPI does not cover what is known as “short activism”, where an activist takes a short position on company stock and then publishes it. Volante also requires a declaration by companies purchasing the product that they are not aware of any activist demand or any activist shareholder activity which is likely to lead to an activist campaign.

## Mitigation partners

The product is aligned with the services of specified mitigation partners, which can feed into a company's risk management approach. Volante works with leading activist advisory firms to provide services to clients and support them to navigate the complexity of activist campaigns:

- **Dentons**  
A global law firm specialising in corporate advisory.
- **Deloitte**  
Advisory services related to shareholder activist risk.
- **Activist Insight**  
A prominent data and analytics company in the shareholder activist space.

## Contacts

For more information, please contact your usual Marsh Specialty representative.



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## Toolkit

Through mitigation partner **Activist Insight**, Volante can offer preferred rates for the following services:

- Access to Activist Insight Online, the world's leading database providing insight to shareholder activism.
- Shareholder activist vulnerability reports (specific to the individual company).

## Scope

SAPI is available to companies that meet the following criteria, subject to underwriting and risk review:

- Companies with primary listing in the UK, domiciled in the EU or UK.
- Market cap range: US\$5 million to US\$8 billion.
- All business sectors, except any typically sensitive risks such as fossil fuel energy companies, arms manufacturers, and special purpose acquisition companies (SPACs).

## About Volante

Volante Germany is part of the Volante Group, a Service Company of Volante Lloyd's Syndicate 1699. They are Berlin based and InsurTech focused — using real-time-data as the key to unlocking previously uninsurable risks, innovating insurance-backed solutions. Volante is the proud innovator of SAPI. Volante Global is a multi-class, multi-territory international managing general agent and Lloyd's syndicate that combines best-in-class underwriting powered by data-driven business processes deployed through a strategic platform. Registered and headquartered in the UK, Volante Global is built upon a financially secure foundation including (at a minimum) A-rated insurance capacity supporting every line of business.

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