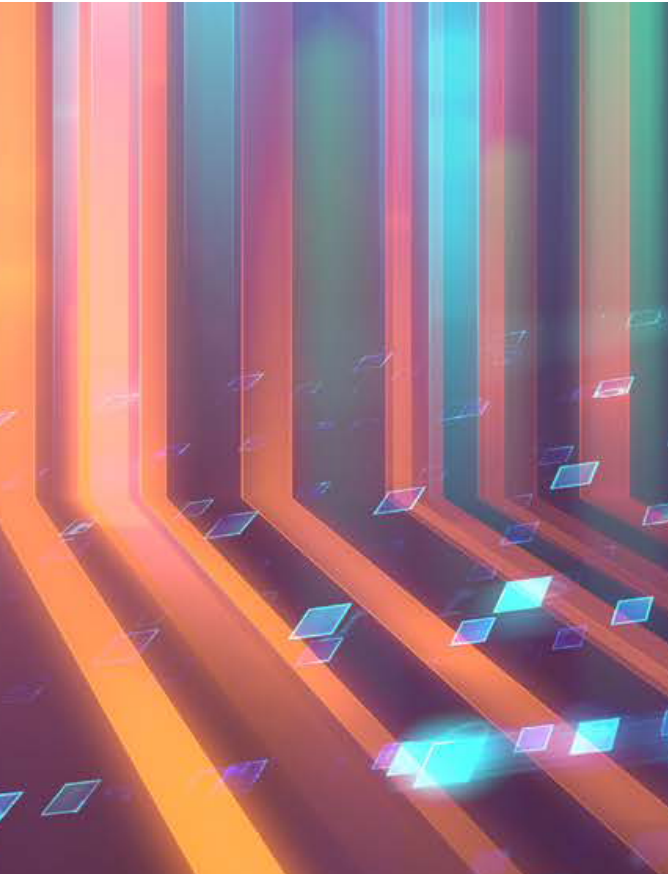


Italian Transactional Risk Insurance Market

PRIVATE EQUITY AND M&A PRACTICE

Report 2022

Contents



3 2022 M&A Market Overview

Italian M&A Market

Transactional Risk Insurance Market

4 Transactional Risk Insurance Focus

Warranty & Indemnity

Title

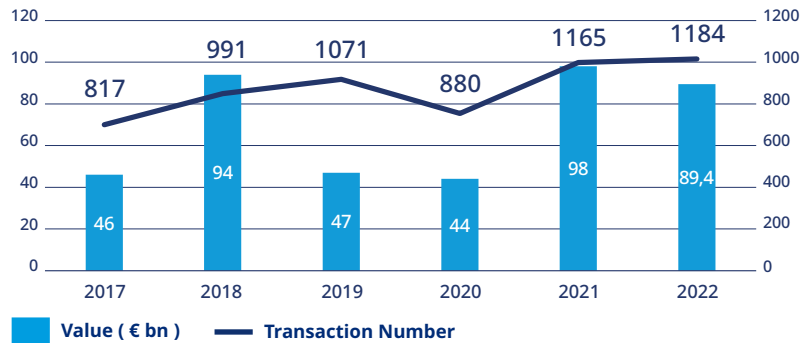
Contingent risk

9 Contributors and New Entrants

10 Italian Desk

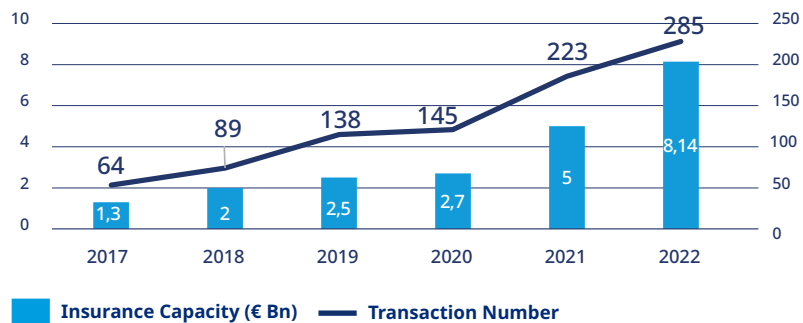
2022 M&A market overview

01| Italian M&A market



Source: 1 EY "M&A Barometer - Review 2022 e preview 2023";
 2 PWC "Global and Italian M&A Trends 2022 e Outlook 2023";
 3 KPMG "Mercato M&A in Italia, trend, scenari e prospettive"

02| Italian Transactional Risk Insurance market



Source: Marsh Survey that has been sent to Carriers that have participated in the report elaboration.

Italian M&A Market

- Despite a decrease in the overall activity compared to the exceptional records of 2021, 2022 was a good year for the Italian Merger & Acquisitions market with 1,184 deals closed for an aggregate value of circa Euro 89.4 billion.
- The Italian M&A market proved to be extremely resilient with more deals than in 2021, although the overall value has decreased slightly.
- This notwithstanding the inflationary and high rates are affecting the cost of money.
- The market in 2022 saw a strong drive from the pharmaceutical, technology, and infrastructure sectors due to the significant activity of investors in these fields, perceived as potential strong performers and less impacted by uncertainty.
- The market environment has favoured transactions led by Private Equity shops with abundant liquidity and fast deal execution capabilities.
- The Italian Transactional Risk Insurance Market has proven to be one of the fastest growing in Europe, with a 22% increase in policy count and total capacity placed almost doubled compared to 2021.

Italian Transactional Risk Insurance Market

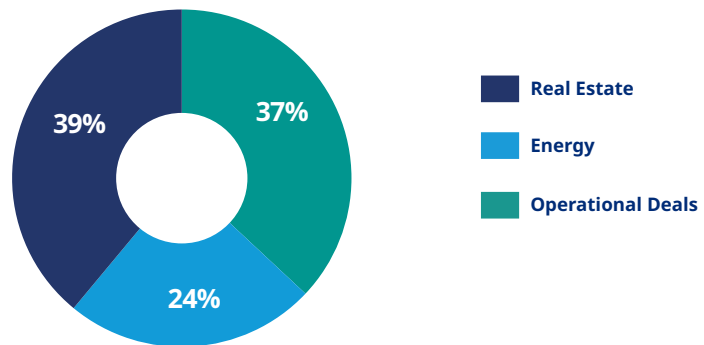
- The number of policies has increased by 45% year on year, from 151 in 2021 to 219 in 2022.
- The growth of the TR market has been driven by Private Equity in 2022 after several year where the market was almost balanced between Private Equity and corporations.
- In terms of sectors, operational deals took the largest share in terms of deal count, followed by real estate, then energy and infrastructure.

Warranty & Indemnity

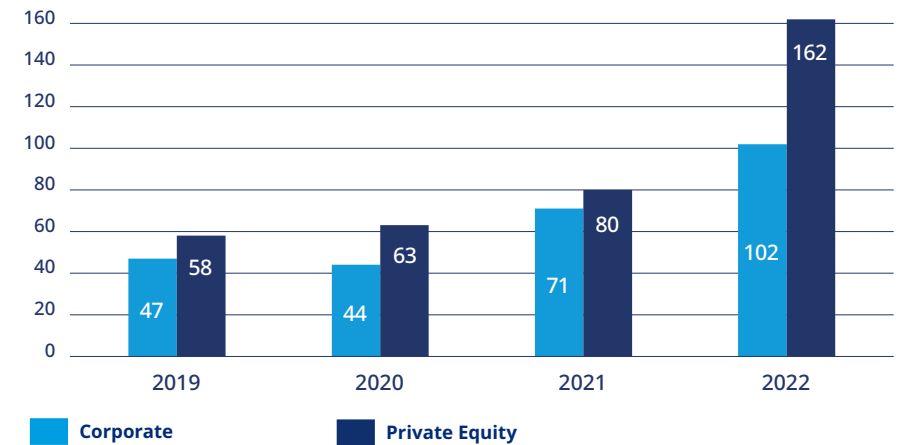
03| Italian Market Numbers

Italian Market Numbers	2021	2022	% of change PY
Total Policies	151	219	+31.93%
Total Market Underwritten Limit	2,430,186,420	3,770,274,707	+50.02%
Total Premium	32,107,033	56,575,134	+74.31%
Average Limit Per Policy	16,093,949	17,215,866	+6.97%
Average Premium Per Policy	212,629	258,334	+32.12%
Average Rate on Line	1.32%	1.49%	+13%

05| Sector Breakdown on Deal number



04| Corporate Vs Private Equity



Title

06| Title

Italian Market Numbers	2021	2022	% of change
Total Policies	26	35	+34.62%
Total Market Underwritten Limit	2,578,500,000	4,203,580,537	+63.02%
Total Premium	4,430,000	4,710,918	+6.34%
Average Limit Per Policy	99,173,077	120,102,301	+21.10%
Average Premium Per Policy	170,384.62 €	134,597.66	-21 %

07| Donation Solutions Focus

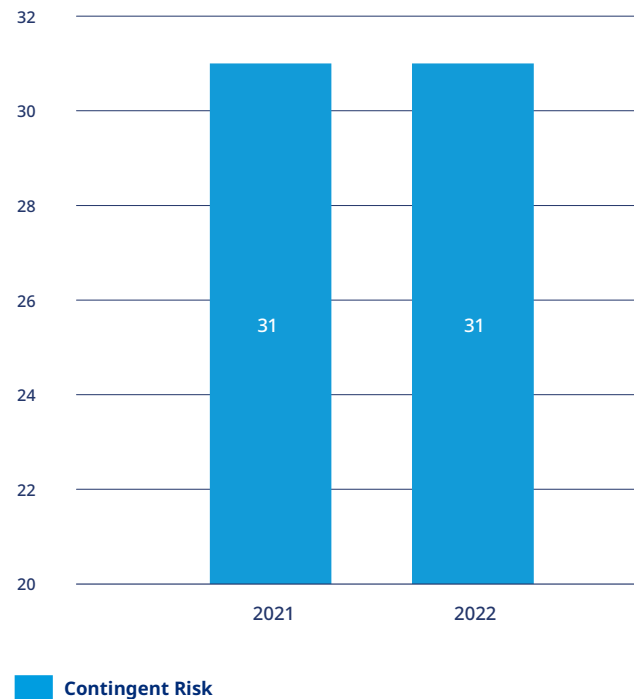
Italian Market Numbers	2022
Total Policies	14
Total Market Underwritten Limit	€ 107,488,149
Total Premium	€ 439,203
Average Limit Per Policy	€ 7,677,724
Average Premium Per Policy	€ 31,371

- These type of policies have confirmed their usefulness in all kinds of asset deals and share deals.
- Corporates are the entities that have used this kind of product the most.

Source: 1 EY “M&A Barometer - Review 2022 e preview 2023”;
2 PWC “Global and Italian M&A Trends 2022 e Outlook 2023”;
3 KPMG “Mercato M&A in Italia, trend, scenari e prospettive”

Contingent risk

08| Contingent risk



Source: Marsh Survey that has been sent to Carriers that have participated in the report elaboration.

KEY TRENDS

- Despite higher pricing than Warranty & Indemnity policies, more and more clients are exploring contingent risk solutions to address due diligence issue that might jeopardise the successful finalisation of the transaction.
- Insurance markets are showing increased willingness to consider known Italian tax issues. The number of carriers open to consider these risks have doubled in 2022 and many of them hired tax underwriters in their teams with a specific focus on South Europe.
- Marsh was the first mover on tax by adding an Italian tax lawyer to the team.

Contributors

ACQUINEX
Acquisition Insurance

AIG

AMANIKI
THE UNDERWRITING AGENCY

ANW

beazley

CHUBB

DUAL
Asset Underwriting

DUAL

EUCLID
TRANSACTIONAL

stewart title
Real partners. Real possibilities.™

Liberty
Global Transaction
Solutions

riskpoint
insurance since 1977

RSG
RYAN
SPECIALTY
GROUP

SOMPO
INTERNATIONAL
INSURANCE

TOKIO MARINE
HCC

VALE
INSURANCE PARTNERS

New entrants

cfc

mosaic
INSURANCE

VOLANTE
GLOBAL



Italian Desk

Andrea Monticelli

Practice Leader Private Equity
and M&A, Italy



Viale Bodio, 33 20158 Milano
Mob +39 342 1108574
andrea.monticelli@marsh.com

Ljuba Giannella

Head of TR Private Equity
and M&A, Italy



Viale Bodio, 33 20158 Milano
Mob +39 340 2938786
ljuba.giannella@marsh.com

Cristina Mignogna

Vice President Private Equity
and M&A, Italy



Viale Bodio, 33 20158 Milano
Mob +39 347 9122551
cristina.mignogna@marsh.com

Federica Marcabruni

Vice President Private Equity
and M&A, Italy



Viale Bodio, 33 20158 Milano
Tel +39 02 48538 490
federica.marcabruni@marsh.com

Benedetta Cirillo

Vice President Private Equity
and M&A, Italy



Viale Bodio, 33 20158 Milano
Mob +39 340 9633216
benedetta.cirillo@marsh.com

Francesco Junior Nobili

Vice President Private Equity
and M&A, Italy



Viale Bodio, 33 20158 Milano
Mob +39 348 6618906
francescojunior.nobili@marsh.com



Marsh is one of the Marsh & McLennan Companies, together with Guy Carpenter, Mercer, and Oliver Wyman. This document and any recommendations, analysis, or advice provided by Marsh (collectively, the “Marsh Analysis”) are not intended to be taken as advice regarding any individual situation and should not be relied upon as such. The information contained herein is based on sources we believe reliable, but we make no representation or warranty as to its accuracy. Marsh shall have no obligation to update the Marsh Analysis and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting, or legal matters are based solely on our experience as insurance brokers and risk consultants and are not to be relied upon as actuarial, tax, accounting, or legal advice, for which you should consult your own professional advisors. Any modeling, analytics, or projections are subject to inherent uncertainty, and the Marsh Analysis could be materially affected if any underlying assumptions, conditions, information, or factors are inaccurate or incomplete or should change.

Copyright © 2023 Marsh S.p.A. All rights reserved. IT 55508