The Documents You Need on Closing Day for Your Representations and Warranty Insurance

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For the Buyer and Seller, closing an M&A deal is an exciting time. Closing day is a relatively straightforward process, with well-established processes and procedures.

If a Representations and Warranty (R&W) insurance policy will be in place to cover the transaction, that adds more documentation requirements. Mostly this is about the insurance company Underwriters having all the information they need to feel comfortable moving forward with the policy.

Here is a list of the documents required to finalize your R&W policy placement. Keep this list handy so that as you approach closing day everything goes as smoothly as possible.

Documents Provided by the Insurer

☑ No Claims Declaration (NCD) warranting no knowledge of a breach as of the signing date. (If closing date is later, a second NCD will be issued.*)

☑ Conditional Binder of Insurance – signed by Insured accepting the terms of the R&W policy and agreeing to pay the policy premium and taxes.

*When closing date is after signing date, Underwriters will also require a final conference call with Buyer, known as a "bring-down call" to confirm there has been no change in the deal terms or risk exposures, and verbally warrant there are no known breaches during the interim between signing and closing. Such calls usually last 15 minutes or less.

Documents Provided by the Policy Holder

☑ CD-ROM disc from data room
☑ Final signed purchase agreement
☑ Copy of all closing documents
☑ Any outstanding documents resulting from diligence call with Underwriters
☑ Confirmation the deal has been consummated (This can be done via email to the Broker)
☑ Information on any Loss Payees that need to be added to policy at closing (if applicable)
☑ Payment of R&W policy premium (Wire instructions will be provided by the Insurer)
☑ Payment of R&W policy tax to Broker (The Broker, not Insurer files state taxes, and will affirm to the Insurer they made the payment. Wire instructions will be provided by the Broker)