

SUMMARY

Tax insurance provides an insured with protection against a loss in the event that a tax position taken on a tax return is challenged by a taxing authority. Tax insurance is often utilized within the context of a merger or acquisition (M&A) when a known tax risk is identified in diligence. Tax insurance is also utilized to minimize risks arising from internal tax

INSURABLE RISKS

- Tax-free reorganizations and spin-offs
- Taxable spin-offs
- Availability/utilization of net operating losses
- Tax credits (investment, production, historic, low income, R&D, etc.)
- Tax status (S-corps, REITs)
- 409A and other deferred compensation issues
- State and local tax issues
- FIRPTA

KEY HIGHLIGHTS

Ethos offers commercial terms and pricing coupled with responsive service.

- Risks located in the U.S. or Canada
- Retentions typically \$150,000-\$250,000 for contest/defense costs
- Premium typically between 2% and 5% of the total limits purchased
- Policy periods of up to 10 years
- Coverage for loss that includes additional taxes, interest, penalties, contest/defense costs and gross up (income tax on the insurance proceeds)

CAPACITY

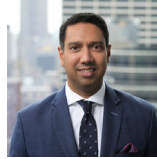
- Up to \$50M in capacity is available
- Secured by a consortium of Syndicates at Lloyd's of London which currently enjoys an A+ rating from Standard & Poor's, AA- from Fitch and A from A.M. Best; and reputable domestic carriers with strong ratings

Tax Insurance (continued)

CONTACTS



Joey Juhn
SENIOR VICE PRESIDENT, HEAD OF TAX
joey.juhn@ethosspecialty.com
470-552-4143



Navine Aggarwal
EXECUTIVE VICE PRESIDENT
navine.aggarwal@ethosspecialty.com
646-956-1562

ABOUT ETHOS

Ethos Specialty is a leading Managing General Underwriter (MGU) that develops industry-specific insurance programs and provides specialized underwriting services on behalf of high-quality carrier and syndicate partners. Ethos has developed, and is the underwriting manager for, multiple niche-programs across Property, Casualty and Transactional Liability Insurance.

DISCLAIMER

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