

accurate.
service.
quickly.
ASQ.

ASQ Underwriting - Tax Insurance

ASQ Underwriting is a team of skilled M&A insurance professionals with more than 75 years of combined industry experience. We concentrate on the details to provide focused service. As experienced attorneys, our underwriters appreciate that mistakes can derail a transaction, so we pride ourselves on detailed and accurate underwriting execution. Having underwritten hundreds of transactions, we also understand the time demands, flexibility, and creativity needed to get deals done. ASQ strives for unparalleled service and takes a proactive approach to claims handling.

At ASQ, these things matter.

ASQ TAX INSURANCE

Tax Insurance includes both:
Tax Opinion Insurance (TOI) and
Tax Credit Recapture Insurance (TCRI).

Tax Opinion Insurance

Insures a specific, known tax matter where the resolution is uncertain. When parties to a transaction cannot agree on the effect or quantum of a potential tax liability, this insurance may be used to help move the deal toward execution.

Benefits

- Provide certainty and risk transfer for known risks
- Replace or reduce an escrow
- Bridge a negotiation gap
- Potentially mitigate financial statement impact (i.e., P&L, reserves)

Examples

- S Corporation status
- Tax-free reorganization qualification
- Restructurings
- REIT status
- 409A or 280G matters
NOL carryforwards (amount and limitation)

ASQ TAX CAPABILITIES

Primary and excess coverage
Up to US\$50 million per risk
10 year maximum policy term

Tax Credit Recapture Insurance

Insures against the risk that tax credits are challenged or clawed-back by a governing tax body (whether IRS or state authority).

Benefits

- Attracts different or new tax credit investors
- Provides assurance that credit-related indemnities will be fulfilled
- Protects lenders from debt service interruption (e.g., resulting from cash sweeps)

Examples

- Investment Tax Credit (Solar/Wind),
Production Tax Credit, Low Income
Housing, Historic Rehabilitation
- Valid investment structure/allocation
- Credit qualification (e.g., eligible basis,
cost segregation allocation, beginning of
construction)

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