

Pull out your R&W, tax, or contingent risk policy (or binder) and check the box next to each feature you can confirm it includes — anything unchecked is worth a quick conversation with your advisor.

STANDARD

OFTEN LIMITED

IF NEEDED

— Standard: should be included · Often limited: frequently sublimited, excluded, or optional · If needed: depends on your operations

POLICY FEATURE	WHAT TO CONFIRM	PRIORITY
☐ Retention and Drop-Down	Retentions run about 0.5% to 0.6% of deal value on smaller deals — confirm when the retention drops.	STANDARD
☐ Materiality Scrape	Confirm the policy reads out materiality qualifiers when calculating loss, matching the purchase agreement.	STANDARD
☐ Knowledge Exclusion Wording	Confirm only actual knowledge of named deal-team members excludes a breach.	STANDARD
☐ Survival Periods	Confirm how long general, fundamental, and tax representations stay covered.	STANDARD
☐ Deal-Specific Exclusions	Issues found in diligence are usually excluded — review each one before binding.	OFTEN LIMITED
☐ Compliance With Laws Coverage	The most frequent claim type — confirm wage-and-hour or regulatory areas are not carved out.	OFTEN LIMITED
☐ Interim Breach	Breaches first known between signing and closing are often excluded.	OFTEN LIMITED
☐ Tax Insurance	Insures a specific tax position that the R&W policy excludes or limits.	IF NEEDED
☐ Contingent Risk / Adverse Judgment	Insures known litigation or contingent liabilities that R&W excludes.	IF NEEDED

COMMON GAP IN THIS COVERAGE

The most commonly missed gap in this coverage is the known issue. An R&W policy excludes problems the deal team found in diligence or knew about before binding — often the very risks that worry a buyer most. Cover them with a special indemnity or escrow from the seller, or with a separate tax or contingent risk policy, and confirm the deal-specific exclusions before signing.

IMPORTANT — PLEASE READ

This checklist is a free educational tool from Cory Washington & Co. to help you review your own coverage and have a more informed conversation with a licensed insurance professional. It is general information only — not insurance, legal, or financial advice, and not a recommendation to buy, change, or cancel any policy. The Standard / Often Limited / If Needed labels describe general market patterns for this coverage — not a personalized recommendation or needs analysis for your specific operations. Coverage terms, availability, limits, and requirements vary by policy, carrier, and state, and only the language in your actual policy governs what is and isn't covered. Checking or leaving blank any item above does not indicate that you are adequately insured or under-insured. Using this checklist does not create a client, agency, or fiduciary relationship. Always consult a licensed professional about your specific situation.