

Buyer protect

Buyer protect is an innovative insurance policy designed specifically to provide buyers of small businesses with peace of mind during and after the transaction, providing cover for up to 100% of enterprise value (EV).



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At a glance

Buyer protect

Buyer protect provides cover for financial loss arising from a breach of or inaccuracy in the representations or warranties given by the seller or on their behalf, where there is evidence that the seller had knowledge of the breach.

Coverage

The policy has been designed to enable buyers to more easily claim for loss as a result of the seller's non-disclosure of information which impairs the value of the business. The policy will respond where there has been a material misrepresentation of the seller's representations or warranties, supported by documentary evidence of the seller's knowledge of the fact, matter or circumstance causing the breach. The policy covers all standard representations or warranties given by a seller to a buyer in the sale of a small business or business asset.

Streamlined underwriting

Coverage can be placed within 24 hours following receipt of the buyer protect application form. Coverage can be arranged post-closing.

What's not covered

Buyer protect provides cover for financial loss where the seller had knowledge of the breach. The policy does not provide cover for any unintentional or innocent breach of the representations or warranties provided by the sellers. Coverage for these types of claims can be provided by CFC's seller protect policy.

Appetite

Small and micro deals with an enterprise value of up to CAD 30,000,000. Our buyer protect appetite is sector agnostic.

Policy details

Maximum limit	CAD 20,000,000
Deductible	Nil
Minimum premium	CAD 2,500
Policy period	Up to 6 years
Underwriting fee	Nil
Maximum EV	CAD 30,000,000

Policy fees

Enterprise value (EV)	Policy fee
Up to CAD 4,999,999	CAD 500
Up to CAD 9,999,999	CAD 1,000
Up to CAD 14,999,999	CAD 1,500
Up to CAD 19,999,999	CAD 2,000
CAD 20,000,000+	CAD 2,500