
01 · PORTFOLIO RWI

Portfolio RWI for *serial acquirers*.

Trade the escrow for insurance-backed recovery. Negotiate the policy wording once. Endorse each add-on in.

Where one-off RWI stops working

For platform buyers running a continuous acquisition program, the arithmetic of one-off Representations and Warranties Insurance breaks down below a certain deal size. Traditional RWI generally starts at USD 2–5M minimum limits, with minimum premiums in the USD 75K–160K range and an underwriting fee typically around USD 40K per deal. That is manageable on a \$100M platform. Across ten \$10–25M tuck-ins, the same structure prices RWI out of the deal — and sellers keep sitting on escrows and holdbacks that they, and the next seller they talk to, remember.

The specialist market's answer is a portfolio (master-policy) structure: the wording is negotiated on the platform or first acquisition, and each later add-on attaches by endorsement. One specialist facility reports approximately 50 transactions underwritten on it to date.

02 · STRUCTURE

How the structure *works*.

Master wording, agreed once. A master policy form is agreed at the start of the program. Add-on acquisitions attach by endorsement, with deal-specific exclusions and terms negotiated into the endorsement rather than the master. Post-first-deal, no renegotiation of the master is required.

Per-deal limit, retention, and period. Each endorsement carries its own policy period, limit, and retention. Program-level exclusions are avoided; the underwriting appetite mirrors the facility's standard RWI approach.

First deal: standard underwriting call. The platform (or first) acquisition typically follows a standard underwriting process — brief investment-thesis call, review of diligence, and negotiation.

Add-ons: written questionnaire, exceptions basis. Later add-ons are typically underwritten via a short written questionnaire, with limited underwriting questions raised on an exceptions basis. No underwriting call is generally required if written responses are clear.

Lower limits, faster binding. Coverage from as little as USD 500K — well below the USD 2–5M one-off floor. Add-ons can bind within roughly 48 hours of receiving diligence, subject to underwriting.

Fixed-price matrix option, up to 12 months. Premium, retention, and underwriting-fee mechanics can be pre-agreed on a matrix that typically remains valid for up to 12 months, so RWI becomes a modelable line item across the acquisition pipeline.

03 · ILLUSTRATIVE ECONOMICS

One-off versus portfolio approach — *roll-up of five businesses, EVs \$5–25M.*

Facility-reported illustration comparing minimum-premium and underwriting-fee economics across five acquisitions completed under a traditional one-off RWI approach versus a portfolio structure.

| ITEM | TRADITIONAL R&W APPROACH | PORTFOLIO APPROACH |
|--|--|---|
| Minimum policy limit | USD 2M – USD 5M | USD 500K – USD 5M |
| Minimum premium | USD 75K – USD 160K | USD 45K – USD 160K |
| Underwriting fee | USD 40K per deal | USD 35K first deal · USD 20K per add-on |
| Policy form | Individual policy, negotiated deal-by-deal from prior counsel or broker form. | Master wording agreed on first deal; only the endorsement is negotiated for each subsequent deal. |
| Underwriting process | Diligence review, underwriting call, and subsequent negotiations — typically several business days per deal. | First deal: brief UW call to discuss investment thesis. Add-ons: streamlined written questionnaire, exceptions basis, no UW call required if written responses are clear. |
| Diligence expected | Full suite of diligence reports. | Legal, financial, and tax reports; specialist reports for certain sectors (e.g. Phase 1 environmental, IT). |
| Illustrative 5-deal total — underwriting fee | USD 200K | USD 115K |
| Illustrative 5-deal total — minimum premium | USD 375K | USD 225K |
| Illustrative saving across the five deals | — | Approx. USD 235K , before advisor and counsel time saved. |

Facility-reported, mid-2026. Illustrative only; actual premium, fees, retentions, exclusions, and terms vary by transaction and remain subject to underwriting, insurer appetite, and final policy wording.

04 · OBLIGATIONS ATTACHED

Two commitments *belong in the analysis up front.*

At-risk underwriting fee. Once underwriting commences on a deal, the insurer's underwriting fee is typically owed even if the deal is paused, abandoned, or ultimately placed with a different insurer. On the portfolio structure that is approximately USD 30–35K on the first placement and approximately USD 20K per add-on.

Program exclusivity. Locked pricing, master wording, and fast add-on execution are generally offered in exchange for committing a defined number of future add-ons of similar sector and size — often around the next ten, at or below a stated enterprise-value ceiling — to the same insurer.

Neither commitment is unusual for the structure. Both should be modeled at the outset, alongside the premium and retention savings.

05 · PRACTICAL QUESTIONS

Questions that *come up early.*

Do add-ons have to be in the same sector as the platform?

The structure is most effective when future add-ons fall within the same sector or closely related sectors — for example, a manufacturing platform followed by suppliers, distributors, or vendors. Non-adjacent acquisitions can be considered on a case-by-case basis.

Is there a size ceiling on add-ons?

The structure is best suited to add-ons of similar size within the same portfolio, but larger add-ons have been underwritten — the facility referenced above has done add-ons with enterprise values up to approximately USD 350M. On the larger end, underwriting aligns more closely with a standard RWI process and typically carries a higher underwriting fee.

Do we need to use the same counsel across the platform and add-ons?

No. Buy-side counsel can differ deal to deal, and pre-agreed master forms exist with a wide range of leading M&A practices. That said, counsel already familiar with the facility's processes and reporting conventions can expedite add-on underwriting.

Do we have to place the platform deal with the same facility to use portfolio pricing on the add-ons?

Not necessarily. It is possible to begin the portfolio structure at any point in the acquisition lifecycle. The first transaction placed with the facility typically follows a standard underwriting process; each

subsequent deal adopts the portfolio approach.

Can a U.S. insured use the structure across jurisdictions?

Yes. The specialist facility referenced above has extensive experience underwriting transatlantic transactions and can accommodate acquisitions of overseas targets with U.S.-style coverage, subject to risk appetite in the relevant jurisdictions.

Are there sectors that are out of appetite?

The underwriting appetite generally aligns with traditional RWI parameters — sector, deal size, carve-out dynamics. There is no separate portfolio-specific appetite restriction.

06 · SELLER-FACING EFFECT

Why the escrow becomes the point.

In a reputation-driven tuck-in market, sellers rarely fight the escrow or holdback — but it is the part of the deal they remember, and the next seller calls the last one. The seller-facing effect of RWI is that more of the price arrives at closing, and recovery for covered breaches shifts to a policy rather than an escrow. Buyer recourse remains available, and some acquirers retain first-dollar recourse for fundamental and tax representations. Claim timing supports the structural case: in a global claims study published in June 2026 covering nearly 2,000 claim notifications, 51% of North American claim notifications were reported more than 12 months after closing — past the life of the typical escrow.

07 · THE WOLFTRI ROLE

How WolfTRI plugs into a portfolio program.

WolfTRI is a Chicago-area specialist RWI brokerage. Placement runs through licensed U.S. wholesale-market infrastructure into the established RWI insurer market. WolfTRI's compensation is the insurer-paid brokerage commission included in the RWI premium; no separate retail broker fee is charged. For portfolio buyers, that means no stacked retail broker fee across a series of add-ons, Scott D. Wolf as the licensed producer of record from indication through binding, and coverage counsel dealing directly with the principal on policy language.

DISCLOSURES

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