



from start up to grown up [supporting life sciences](#)

S-Tech

Independent insurance, financial
services & risk management group



“developing effective solutions to protect investment, commercial applications and personal interest”

local, national, global

For more than 25 years we have been successfully supporting the life sciences industry against the range of tangible and intangible risks faced by this dynamic sector.

For each venture S-Tech supports we work closely with the science entrepreneurs and innovators in order that we fully understand the technology involved. We then assist in the growth of the enterprise by the evolution of a comprehensive risk management strategy in conjunction with senior managers.

Over the years S-Tech has built up an impressive portfolio of technology based clients which have spun out of research and development 'incubator' work. Many of our major global business clients started from such environments.

Our extensive links with venture capital companies and other sources of risk capital means we fully understand both their and their client company needs especially in the key areas highlighted within investment agreements.

Between them our staff have a wealth of experience of supporting new ventures through their growth cycle to the conclusion of a successful trade sale, exit, merger, acquisition or an IPO.

As specialist Risk Managers our services include:

- a) Preliminary assessment of the Business Plan and Technology to fully understand the nature of the risks involved
- b) Analysis of the dependency on key people and their likely future involvement
- c) Production of an initial Risk Management Report
- d) Implementation and maintenance of the Risk Management Programme - locally, nationally & globally
- e) Due Diligence services to Professional Advisors
- f) Innovative solutions to deal breaking issues
- g) Experienced personnel with over two decades of corporate insurance experience, total confidentiality and rapid response

We recognise the need to be innovative and to respond with high levels of service and to provide solutions that produce an end product upon which our clients and partners can rely completely.



from start up



Our experience in managing risk has shown that a typical S-Tech client will go through a number of key phases in its development:-

Getting Started

With an innovative idea and ambitious targets. The business may be self funded or reliant upon the support of private investors to enable the business plan to be fine tuned and research/ development to be undertaken. S-Tech are able to provide insurance/risk management costings for incorporation in the business plan. At this stage the venture should be considering protection of its;

- **Assets**
 - Low cost protection of its tangible assets, research materials, libraries and consumables
- **Research and Development Operations**
 - protecting one of the significant areas of 'spend'
- **Liabilities**
 - the statutory requirement of Employers' Liability even if only Directors and/or Consultants are being utilised
 - Public Liability Insurance needs especially if premises are leased or rented
- **Key Persons**
 - in the event of death or long term incapacity of entrepreneurs and business critical individuals what will be the future of the Company?

We offer exclusive low cost 'start-up' solutions to assist with these initial requirements.

Seed/First Round Funding

Having achieved its initial targets the Company may then need to seek first round funding to progress to the next stage. Funding is normally sought from a selection of business angels looking to grow their personal portfolios, specialist venture capitalists or other investor networks. With such new investors and shareholders on board there may be a need to extend the risk management strategies with regard to its;

- **Assets and Stock**
 - values insured will need to be kept under constant review and possibly extended to the movement of assets eg. instrumentation and laboratory equipment on a worldwide basis
 - exposure to changes in controlled environments and contamination
- **Liabilities**
 - inclusion of prototype/product liability insurance for protection against claims made by customers/ partners for injury or damage
 - clinical trials on a multi-national basis
 - errors and omissions insurance for those businesses providing services, designs and consultancy and in respect of products failing to perform to specification and for which a third party financial loss is payable
 - contractual liabilities
- **Intellectual Property Rights**
 - to ensure the adequate funding of Defence and Pursuit of IPR disputes worldwide including awarded Damages

- **Key Persons**

- investors will normally insist on insurance being provided to protect their financial interest

- **Directors and Officers**

- increasing successful litigation highlights the need for the personal protection of Directors in their ability to manage the enterprise. Common sources of litigation are shareholders, employees, customers, suppliers, regulatory and environmental groups and, believe it or not, fellow Directors!
- **Investment Agreement Protection.** It is usual that Directors will be asked to give Personal Warranties and Indemnities as part of any funding arrangement.

- **Clinical Trials Activity**

- the provision of liability covers required by Sponsors, CRO's and Ethics Committees Worldwide including overseas territory policies where required
- movement of clinical trials materials through production and delivery operation

With the Company entering and hopefully succeeding in its chosen markets initial decisions regarding its future and the investors' final exit route will need to be taken. Whilst this decision making process continues there may be a need for more funding to see the business through to either a trade sale, merger or a listing.



to grown up



More Funding

Such funding may be achieved from the original investors or additional venture capital companies introduced to the Company or those attracted by its success to date. Again all new investors will want to analyse the success of the previously noted risk management strategies which may need to involve further protection for its;

- **Assets and Stock**

- due diligence requirements will demonstrate the need to protect all offices, research centres etc. **worldwide** including at Sub Contractors, Suppliers and in transit.

- **Key Persons**

- inclusion of Business Travel Insurance protecting all employees, and sub contractors where required, **worldwide**

- **Debtors**

- selling Products/Services/Technology **worldwide** is one thing - ensuring payment is another. Adequate protection must be put in place in the event of the financial failure of any customer.

- **Employees**

- production of bespoke Benefits Packages including **Death in Service, Income Protection and Pension Schemes**

- **Revenue**

- protection of future income streams following Research/Development/Prototype work, especially relevant if key marketing 'windows' are missed

There will be numerous occasions when our client company will require our services to satisfy their other professional advisors as to the adequacy of the risk management strategies through the due diligence processes leading up to further investment, a Public offering or Trade Sale to achieve the original investors aims.

A Public Offering or Trade Sale

Our services are essential at this stage as we support the Company's other advisors in relation to its;

- **Liabilities of Shareholders**

- relating to the **Prospectus/Listing** particulars
- relating to prior negotiations, discussions and decisions in connection with the offering
- US and non US exposures, including SEC registered listings, on all UK, NASDAQ and other world stock exchanges
- including all Directors, Officers, Employees, Issue Underwriters, Solicitors, Accountants and other experts where required.
- up to 6 years for all UK exposures (3 for US exposures and where ongoing Directors and Officers cover is included)
- Crisis Containment Costs
- **Warranties and Indemnities** given by the Company and its Directors in the event of a trade sale exit, merger or acquisition

- **Risk Management Programme**

- requirement for continuous reviews and evolution

“utilising member partners of pharma/biotech industry associations”

“understanding of local regulatory and insurance requirements around the world”

contamination
fraud
hacking
hostile takeover
litigation
clinical trials
product recall
insolvency
patent infringement
terrorism

how do you manage RISK?

With a fast growing business the most difficult part is managing the changes and risks involved. Our Consultancy Services can help to fulfil our client Companies' responsibilities and prevent avoidable losses to protect market share and customer base, maintain competitive advantage, continuing business viability and assist with corporate governance compliance. Such Risk Management may include:

- a) Review of current risk identification and evaluation arrangements
- b) Validation of risk control quality and audit systems
- c) Design of Health and Safety systems

- d) Selection and design of fire and security systems
- e) Development of crisis management and business continuity management system and plans
- f) Installation of Motor Fleet Risk Management programmes
- g) Review of environmental exposures and controls
- h) Analysis of proposed Clinical Trials Programme

A large proportion of the management of risk can be undertaken by ourselves in conjunction with our Partner Underwriters allowing enterprising companies time to achieve their other business goals.

The last twenty five years has seen us evolve specialist solutions for our clients and we have been rewarded with the personal recommendation of existing clients, their advisors and shareholders including:

- Scientific Research Organisations, Institutions & Laboratories
- Bioincubators & Bioscience Technology Companies
- Healthcare Product Development Entities
- University/College Research Departments
- Biotech Funders & Venture Capital Companies
- Financial Institutions
- Incubator Ventures
- Business 'Angels'
- Small Business Services
- Management Consultants
- Accountants
- Solicitors

We are here to help these emerging technology companies and their advisors through their most exciting years. Please contact us at:

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Regulated by the Financial Services Authority

