

Deal Terms for M&A Escrows

This curated collection of insights from three SRS Acquiom studies—the 2026 M&A Deal Terms Study, the 2025 M&A Working Capital PPA Study, and the 2026 M&A Earnouts and Claims Study—reveals how M&A escrow structures are shifting, trends in escrow sizes, survival periods, and more.

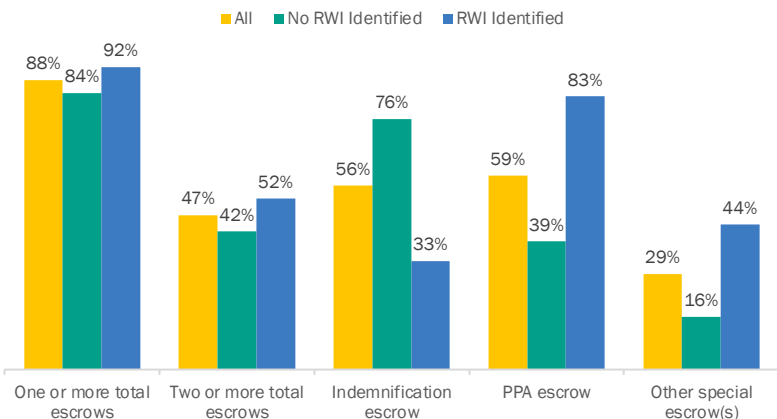
1 Insured deals see growing escrow amounts; traditional approach remains steady

General indemnification escrows do not tell the entire story. Most deals include an indemnification escrow or holdback. Most deals also have more than one escrow. This represents nearly 90% of all deals including some form of escrow or holdback. Average and median escrow sizes on deals with reps and warranties insurance (RWI) increased year-over-year.

Deal Escrows: Frequency by Category and Aggregate Medians/Averages*
Subset: 2025 deals; includes holdbacks

PERCENTAGE OF ALL DEALS THAT INCLUDE AN ESCROW, BY CATEGORY

Subset: 2025 deals with escrows/holdbacks



To go deeper into the study, click on the chart or tables.

AGGREGATE SIZE OF ALL ESCROWS AS A PERCENTAGE OF TRANSACTION VALUE

Subset: 2025 deals with an indemnification escrow

	Average	Median
All Deals	12.1%	10.0%
No RWI Identified	14.7%	11.1%
RWI Identified	5.1%	2.8%

SIZE OF GENERAL INDEMNIFICATION ESCROWS AS A PERCENTAGE OF TRANSACTION VALUE

Subset: 2025 deals with an indemnification escrow

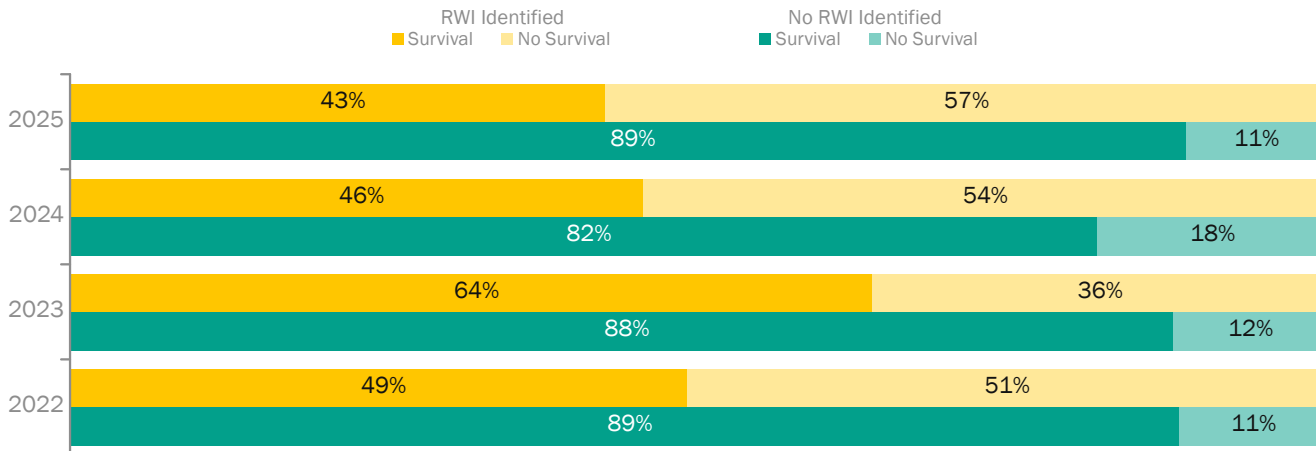
	Average	Median
All Deals	8.8%	10.0%
No RWI Identified	11.3%	10.0%
RWI Identified	2.2%	0.5%

2 Due diligence and insurance drive customization of indemnification provisions

What the escrow or escrows cover, and for how long, can shift significantly when factoring in deal size, buyer type, presence of RWI, and the target's industry. The chart below shows how traditional indemnity and insured deals have diverging approaches to "hybrid" survival (no survival of sellers' general reps while others like fundamental or special indemnities survive).

SURVIVAL (OR NOT) OF SELLERS' GENERAL REPS AND WARRANTIES

Influence of Reps and Warranties Insurance (2022–2025)



To go deeper into the study, click on the chart.

3 Buyers and sellers are paying closer attention to post-closing claims

+ Most deals have PPAs[†]

93% 93% of deals have a purchase price adjustment (PPA) mechanism.

89% 89% of deals with a PPA mechanism had an adjustment. 57% of such adjustments were buyer-favorable.

+ Expense fund sizes are trending larger*

\$262,000+

The average expense fund was approximately \$256,000 for deals without earnouts and \$281,000 for earnout deals.

+ Market dynamics impact claims[‡]

6 MONTHS Resolution times slightly increased for post-closing indemnification claims (previously reported median was 5.6 months).

28% Percentage of all deals with indemnification claims (excluding PPAs).

33% Percentage of all deals with RWI identified with indemnification claims.

38% Percentage of all indemnity claims for breaches of tax representations.

To go deeper into any study or report, click on any yellow stat.

[Learn About Our Escrow, Paying Agent, and Shareholder Rep Services](#) →

*2026 SRS Acquiom M&A Deal Terms Study; †2026 SRS Acquiom M&A Working Capital PPA Study; ‡2026 SRS Acquiom M&A Earnouts & Claims Study