

# Environmental investment protection

Environmental Investment
Protection protects
property values against
environmental and
biodiversity risks where
asset owners are buying or
selling, involved in M&A and
financing or re-financing.

"Assets that fail to live up to higher environmental standards will be seen as less valuable... the size and scale of brown discounts will rise rapidly in coming years." - Christian Ulbrich, Global Chief Executive Officer; President, JLL.

Environmental and Biodiversity due diligence is becoming more invasive and impacting the transacting and financing of assets in many ways:

- · Brown discounting and price chipping
- Delays to deal closure periods and often reasons for deal failure
- Lenders becoming increasingly cautious around the impact on future asset values
- Concerns around how future legislation may affect values
- Cleanup action not meeting new standards or expectations
- Sites not coming to market at all (distressed assets)



# Key features

EIP provides an insurance wrapper around the ownership and development of land and built assets, protecting the:

- Investment values
- Asset sale values
- · Lenders' exposure
- Future Biodiversity obligations and liabilities

# It comprehensively and systematically covers:

- Known & unknown historic contamination
- Future changes in environmental law
- Biodiversity and ecosystems, including BNG obligations
- Damage to water resources
- Lenders against default to the borrower
- · Environmental risks during development
- First party business interruption, including loss of rent
- · Diminution in first party value

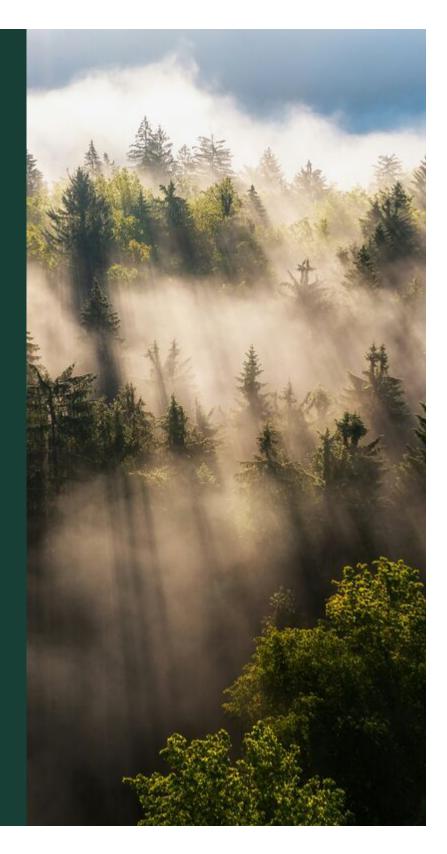
# Product is ideally used when:

- Owners of commercial assets who are preparing to sell, finance or refinance them and want to achieve the best available market price
- Third party stakeholders, such as Lenders, are concerned around future asset values and therefore need confidence in the environmental credentials of an asset to proceed with investment
- Bidders for assets want greater certainty of asset value and risks insured with the best available cover

### **Benefits to Clients:**

- Attaches to the individual asset and is automatically transferable to future owners
- Helps speed up transactions and avoids delays from environmental uncertainties
- Minimises brown discounting (price chipping) on offers for assets
- Provides greater certainty around the impact of future legislation changes
- Protects lenders from borrower default

   so makes an asset more attractive
   to lenders
- Helps minimise future financing uncertainty
- Allows sellers to have a clean exit on sale
- Allows buyers to have a secure entry on purchase



# Get in touch



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# Helping you do more

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