



Environmental Case study

Development of former Gas Works

XL Insurance

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XL Insurance is a registered trademark of
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This case study demonstrates how XL Insurance's Environmental Impairment can help facilitate the transaction of brownfield land, satisfy lenders' requirements and add value.

A developer acquired part of a former gas works site.

XL Insurance worked with the developer to tailor an environmental insurance solution which would protect the developer in respect of off-site remediation and legal liabilities during the remediation and development phase, and help facilitate the onward sale of the site to an institutional investor thereafter.

The developer had provided an indemnity to the vendor (the original polluter) in respect of historical pollution conditions at the site. As a consequence, the developer's lender required an environmental insurance solution to be in place to protect both the developer, and themselves, prior to releasing funds.

XL Insurance designed a 10 year EIL solution which satisfied the lender's requirements by covering the contractual liabilities in the sale and purchase agreement.

The policy also had assignable benefits, enabling the purchaser to be added to the policy.

This had the added benefit of attracting otherwise risk-averse purchasers, and preventing the purchasers from discounting the purchase price on the basis of potential environmental liabilities.

If you would like to discuss how XL Insurance's dedicated EIL business unit can assist, please do not hesitate to contact one of the team listed.