

## Credit risk enhancement, through energy efficiency insurance

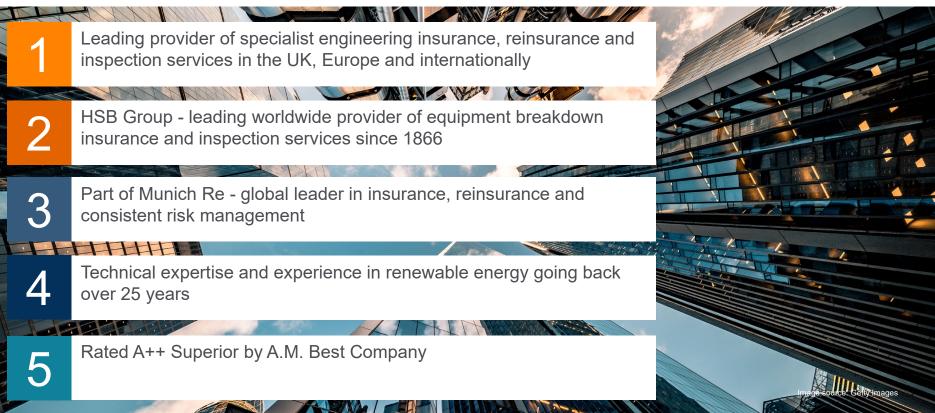
Paul Cullum – Head of Specialist Risks

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Image source: Getty Images

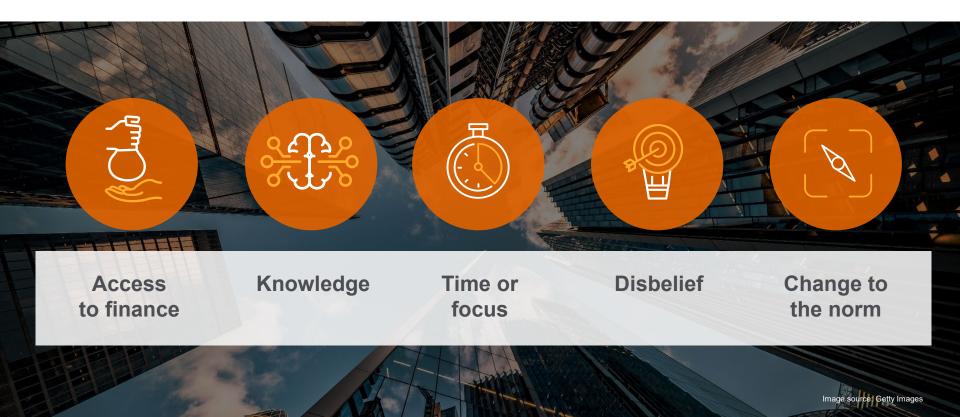
### About us





### **Barriers to energy efficiency**





**Appetite** 



### Occupancy

- Commercial office
- Public buildings
- Hotel and leisure
- Storage facilities
- Industrial premises
- Hospitals

- Street lighting
- Residential blocks

### Technology

Lighting

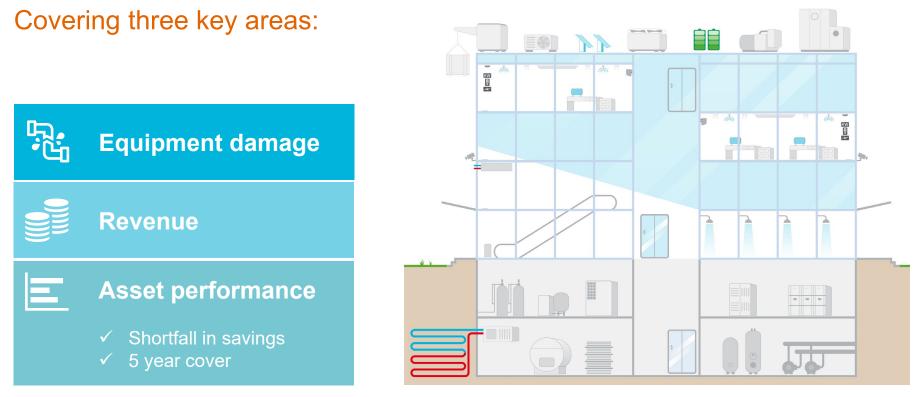
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- Heating, ventilation and air conditioning
- Building management system optimisation
- Voltage optimisation
- Variable speed drives
  - Insulation

- PV installations
- Combined heat and power

### **Energy efficiency insurance**





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### Assessing the project



# Collect and confirm

# Assess and calculate

## Quote

- Pool data from project application
- Insurance specific question
- Issue statement of fact

Assess each ECM in the project
Establish correlations between ECM's
API calculates using HSB algorithm

Quotation issued in local language via local partner
Evidence that project is "insurance ready"

Image source: Getty Images 23/05/2022

### Case study: hotel energy efficiency retrofit





	BB	BB+	BBB-	BBB	BBB+	<b>A-</b>	Α
With Insurance	99.6%	99.2%	99.1%	29%	23%	17%	17%
Without Insurance	91%	46%	30%	14%	10%	8%	7%

Illustrative example only

## **Completing the circle: energy efficiency insurance benefits**





#### Customer

- Reduced operating cost
- Reduced carbon footprint
- Confidence in insurance backed savings

### **ESCO**

- Asset, revenue and performance protection
- Improved credit risk
- Customer confidence

### Investor

- Technical uncertainty removed
- Loan repayments protected
- Reduced cost of capital



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## Thank you

Any questions?

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