

## Case Study

**Sector:** Real Estate

**Jurisdiction:** Romania

**Deal value:** c.EUR40m

**Issue:** Insurance was required to provide sufficient warranty cover and financial covenant strength

### **Background:**

European and Middle East real estate investment fund with a history of investing in real estate across EMEA sought to acquire a commercial real estate asset in Romania from a real estate developer which had developed and operated the site for a number of years.

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### **Issue:**

The asset represented an attractive yield opportunity, but the seller was not willing to provide the buyer with the level of warranty cover that the buyer required for the purposes of the transaction. Additionally, whilst the seller was a reputable counter-party, the buyer had concerns around its covenant strength given the nature of its operations.

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### **Solution:**

An insurance policy was agreed that both limited the recourse against the seller allowing them to agree a broader set of warranties in favour of the buyer and provided the buyer with additional comfort around the covenant strength standing behind the warranties.

