

Case Study

Sector: Real Estate

Jurisdiction: Denmark

Deal value: c.DKK330 million

Issue: Insurance was required to facilitate a clean break for the sellers

Background:

European real estate investment fund sought to take advantage of a rare opportunity to acquire an inner-city residential property that would provide attractive returns over a sustained period.

Issue:

The sellers required a clean break and so were not willing to stand behind the general and tax warranties required by the buyer both on the signing of the transaction and on completion (due to take place once the development of the site had been completed). Given the unique opportunity the buyer was willing to accept this position and sought an insurance policy to provide the comfort it required as part of its investment decision.

Solution:

An insurance policy was agreed that covered the general and tax warranties on signing and completion that allowed the sale documents to be structured in such a way as to allow the sellers the clean break they required whilst providing the financial covenant sought by the buyer in respect of the repeated warranties.

